



RENAISSANCE JEWELLERY LTD.

Ref. No.: RJL/S&L/2018/115

August 21, 2018

| | |
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| Bombay Stock Exchange Limited Listing Department Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai – 400 001 | National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 |
|--|--|

Sub.: Submission of Annual Report for FY 2017-18

Dear Sir

In compliance with Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations 2015), we are submitting herewith the Annual Report of the Company for the FY 2017-18, which was duly approved and adopted by the members at the 29th Annual General Meeting of the Company held on August 07, 2018.

In accordance with the Regulation 10 of Listing Regulations 2015, the same is being submitted/filed on LISTING CENTRE and NEAPS, the electronic platform specified by the Bombay Stock Exchange Ltd. and National Stock Exchange Ltd, respectively.

You are requested to take the same on record.

Thanking you,

Yours faithfully,

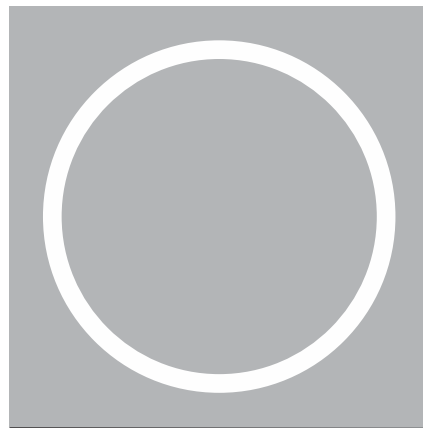
For **Renaissance Jewellery Ltd.**

G. M. Walavalkar
G. M. – Legal & Company Secretary

Encl.: As above

ANNUAL REPORT
2017-2018

RENAISSANCE
JEWELLERY LIMITED





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COMPANY INFORMATION



SENIOR MANAGEMENT

| | |
|---------------|-------------------------------|
| AKSHAY SHARMA | (PRESIDENT - BRIDAL DIVISION) |
| ARIEZ TATA | (PRESIDENT- GEM 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) |
| SANDEEP SHAH | (V. P. - OPERATIONS) |

REGISTERED OFFICE

PLOT NO. 36A & 37,
SEEPZ- MIDC, MAROL,
ANDHERI (E), MUMBAI - 400 096.
TEL. : 022 - 4055 1200
FAX : 022 - 2829 2146
EMAIL : investors@renjewellery.com
WEB : 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 - 400 096.
- Unit No. 41 & 44, SDF-II, SEEPZ, Andheri (E), Mumbai - 400 096.
- G-5, G & J Complex - I, SEEPZ, Andheri (E), Mumbai - 400 096.
- 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).
- Office No. CC - 9081, 9th Flr, BDB, BKC, Bandra (E), Mumbai - 400 051.

EXECUTIVE CHAIRMAN
NIRANJAN A. SHAH

VICE CHAIRMAN
SUMIT N. SHAH

MANAGING DIRECTOR
HITESH M. SHAH

EXECUTIVE DIRECTOR
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

BANKERS
STATE BANK OF INDIA
BANK OF INDIA
PUNJAB NATIONAL BANK
CENTRAL BANK OF INDIA

STATUTORY AUDITORS
DAMANIA & VARAIYA
CHARTERED ACCOUNTANTS

INTERNAL AUDITORS
JAYESH DADIA & ASSOCIATES
CHARTERED ACCOUNTANTS

SECRETARIAL AUDITORS
V. V. CHAKRADEO & CO.
COMPANY SECRETARIES

REGISTRAR & TRANSFER AGENTS
LINK INTIME INDIA PVT. LTD.
C 101, 247 PARK, L.B.S MARG,
VIKHROLI (WEST),
MUMBAI - 400083.
TEL. : 022-49186000
FAX : 022-49186060
EMAIL : rnt.helpdesk@linkintime.co.in
WEB : www.linkintime.co.in



CSR
INITIATIVES
BY
RENAISSANCE

Board of Directors



Niranjan Shah
Executive Chairman



Sumit Shah
Vice Chairman



Hitesh Shah
Managing Director



Neville Tata
Executive Director



Veerkumar Shah
Independent Director



Vishwas Mehendale
Independent Director



Anil Chopra
Independent Director



Arun Sathe
Independent Director



Madhavi Pethe
Independent Director



CORPORATE OVERVIEW

Renaissance Jewellery Ltd. is engaged in the business of design, manufacturing and sale of Silver, Gold, Platinum jewellery studded with Diamonds and other Precious and Semi-precious stones.

The Company has sales subsidiaries in USA, UK, and UAE and its Manufacturing facilities are in Mumbai, Bhavnagar (Gujarat), UAE and Bangladesh with a workforce of over 4000 people.

During the year, the Company has received the GJEPC Award for the sixth time for largest exporter in the category Precious Metal Jewellery - Studded for the year 2016-17.

GEOGRAPHICAL DIVERSIFICATION

Till FY 2011, the Company sold 85% of its goods in USA. The Company has, over the past 6 years penetrated the Middle East, Asia Pacific and European markets and has gradually reduced its dependence on US.

Sales Contribution from US has reduced from 85% in FY 2011 to 41% in FY 2018.

Going forward the Company proposes to maintain a diversified yet well-balanced sales to the US and the other markets.

INTERNAL PROCESSES

The Company manufactures more than 10000 pieces of jewellery every day. On account of strong internal processes, the Company has demonstrated continuous growth in the Value and Volume of Jewellery Sales.

The Company manufactured & sold 3.3 million pieces this year compared to 3.1 million pieces in FY17. In value terms, the Company manufactured & sold goods worth USD 283.1 million this year against USD 214.5 million in the previous year.

CONTROLLED COST STRUCTURE

Company had set up its first manufacturing unit in Mumbai (SEEPZ). Subsequently unit in Gujarat (Bhavnagar) was set up to benefit from low manpower and other costs. Company also has some manpower on contractual basis working on its sites, resulting in cost savings during the off season.

Company believes that a well run Corporate Set-Up coupled with good governance practices alone will provide stability, sustenance and growth in volatile Business environment.

RESPONSIBLE JEWELLERY COUNCIL

The Management believes that the sustainability of any such global business model also stems from doing business in a responsible manner. RJL is a certified member of Responsible Jewellery Council (RJC).

Company is independently audited against the RJC code of practices as per international standards.

The Code of Practices addresses human rights, labour rights, environmental impact, mining practices, product disclosure and many more important topics in the jewellery supply chain.

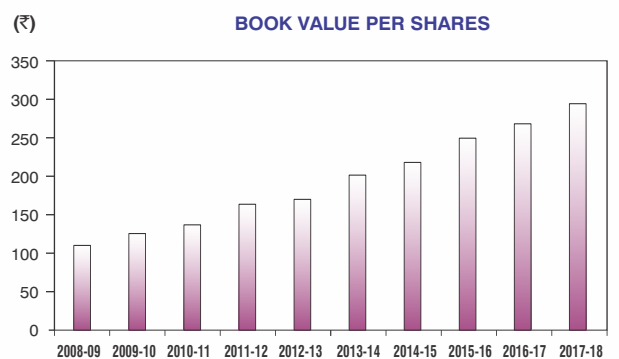
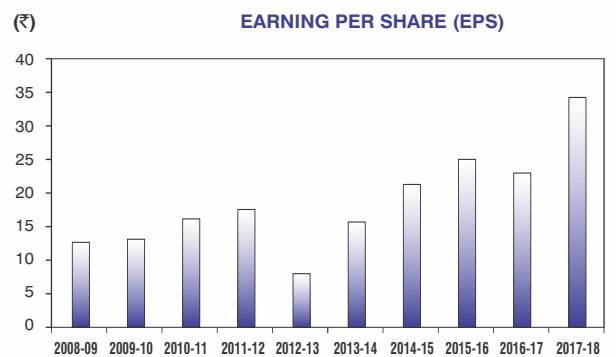
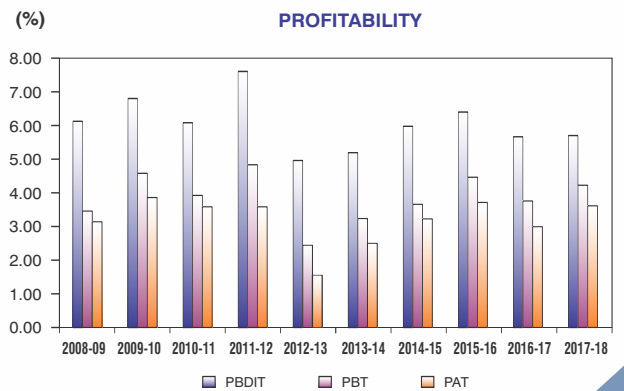
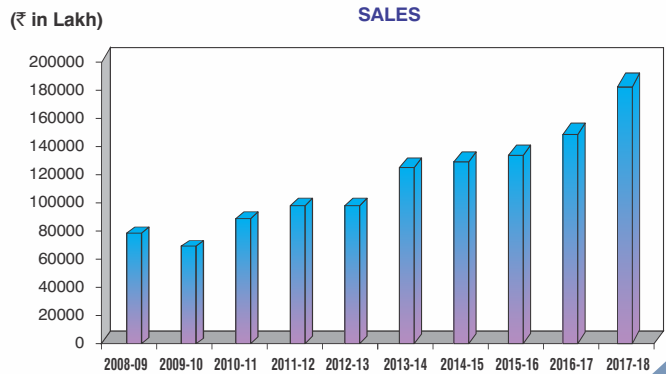
These best practices have translated into recognition from the industry and clients.

AWARDS AND ACCOLADES

| | |
|--|---|
| 2017 2016 2015 2012 2011 2008 | GJEPC Award for Largest Exporter of Studded Metal Jewellery |
| 2009 | Emerging India Award |
| 2007 | Three Star Export House |
| 2004 | Walmart Supplier of the year |
| 2001 | SEEPZ - SEZ Award |



Key Indicators



Ten Years at a Glance *(consolidated)*

(₹ in Lakh)

| | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 |
|------------------------------|--------------|--------------|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Profit & Loss A/C | | | | | | | | | | |
| Revenues | 182510 | 147345 | 131958 | 127644 | 122216 | 95193 | 95162 | 86218 | 65348 | 75193 |
| PBIDT | 10161 | 8126 | 8276 | 6253 | 6209 | 4626 | 7088 | 5143 | 4358 | 4515 |
| PAT | 6379 | 4252 | 4744 | 4016 | 2948 | 1477 | 3353 | 3062 | 2482 | 2339 |
| Shareholders' fund | | | | | | | | | | |
| Equity Share Capital | 1868 | 1843 | 1908 | 1908 | 1908 | 1908 | 1908 | 1908 | 1908 | 1908 |
| Reserves & Surplus | 53987 | 49386 | 44231 | 37991 | 35481 | 30579 | 29006 | 24276 | 22136 | 19162 |
| Total | 55855 | 51229 | 46139 | 39899 | 37389 | 32487 | 30914 | 26184 | 24044 | 21070 |
| Loan Fund | 34575 | 34151 | 24868 | 27194 | 34199 | 24194 | 27330 | 28279 | 13990 | 17385 |
| Debt-Equity Ratio | 0.62:1 | 0.67:1 | 0.54:1 | 0.68:1 | 0.91:1 | 0.74:1 | 0.88:1 | 1.07:1 | 0.58:1 | 0.82:1 |
| Return on Net Worth (%) | 11.42 | 8.30 | 10.28 | 10.07 | 7.88 | 4.55 | 10.85 | 11.69 | 10.32 | 11.10 |
| Earning per share (₹) | 34.12 | 22.81 | 24.87 | 21.05 | 15.45 | 7.74 | 17.40 | 16.05 | 13.01 | 12.61 |
| Dividend per share (₹) | 0 | 0 | 2 (Interim Dividend) | 1 | 1 | 1 | 1.5 | 2 | 2 | 1.5 |

Renaissance's Corporate Performance vs. the SENSEX

Book Value per Share

| Year | SENSEX | % of Growth in Sensex | Book Value/ Share of RJL | % of Growth in Book Value | Growth Difference in Sensex & Book Value |
|------|-------------|-----------------------|--------------------------|---------------------------|--|
| 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% |
| 2015 | 27957 | 24.89% | 218.21 | 7.89% | -17.00% |
| 2016 | 25342 | -9.35% | 249.70 | 14.43% | 23.78% |
| 2017 | 29621 | 16.89% | 276.46 | 10.72% | -6.17% |
| 2018 | 32969 | 11.30% | 295.40 | 6.85% | -4.45% |
| | *891.25% | | #4181.16% | | |
| | \$ CAGR 21% | | CAGR 37% | | |

* % of growth in Sensex since 1999

% of growth in Book Value of RJL share since 1999

\$ Compound Annual Growth Rate (CAGR)

Notice

NOTICE IS HEREBY GIVEN THAT THE TWENTY NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RENAISSANCE JEWELLERY LTD. WILL BE HELD ON **TUESDAY, AUGUST 07, 2018 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 Financial Statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2018 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Neville R. Tata (DIN: 00036648), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in view of resignation of the present Statutory Auditors of the Company, M/s Damania & Varaiya, Chartered Accountants, Mumbai (Firm Registration No. 102079W) and as recommended by the Audit Committee as well as Board of Directors of the Company, M/s. Chaturvedi & Shah, Chartered Accountants (FRN.: 101720W), Mumbai, be and is hereby appointed as Statutory Auditors of the Company in place of M/s Damania & Varaiya, Chartered Accountants, Mumbai.

“RESOLVED FURTHER THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, (including any statutory modifications or re-enactment thereof, for the time being in force) M/s Chaturvedi & Shah, Chartered Accountants (FRN.: 101720W), Mumbai be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a term of five years from the conclusion of this 29th Annual General Meeting till the conclusion of the 34th Annual General Meeting of the Company, on such terms

as agreed upon between the Board of Directors and the Auditors, subject to ratification of their appointment by the Members at every Annual General Meeting, if required under the applicable provisions notified from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix the remuneration payable to the Statutory Auditors as recommended by the Audit Committee and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

SPECIAL BUSINESS

4. To approve RJL - Employees Stock Option Plan 2018 (RJL ESOP 2018) and in this regard to consider and if thought fit, pass, with or without modification(s), the following resolution as an **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 42, 62 (1) (b) of the Companies Act, 2013 (“the **Act**”) and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto (“the SEBI SBEB Regulations”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the SEBI LODR Regulations”), the Listing Agreement entered into with the Stock Exchange where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include the Compensation Committee), the consent of the Shareholders be and is hereby accorded to introduce and implement the RJL - Employees Stock Option Plan 2018 (“ESOP -2018”) through RJL Employee Welfare Trust (the Trust), and to create, grant, offer, issue

and allot at any time in one or more tranches, to or for the benefit of such person(s) who are in the permanent employment of the Company, whether working in India or outside India, including Director of the Company, whether Whole-time director or not, but excluding Promoter, Promoter group and independent Directors and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as "Employees"), selected on the basis of criteria decided by the Board under the ESOP-2018, such number of stock options not exceeding 10,00,000 Equity Shares of face value of ₹10 each, convertible into Equity Shares of the Company ("Options"), in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with all provisions of applicable laws and the ESOP-2018.

RESOLVED FURTHER THAT consent of the Shareholders be and is hereby accorded to utilise the existing 1,96,376 RJL shares held by the Trust and to procure balance of 8,03,624 RJL shares by way of fresh issue of shares and/or secondary acquisition.

RESOLVED FURTHER THAT the existing shares held by the Trust as well as shares acquired through secondary acquisition by the Trust under ESOP-2018, shall be administered by the Trustee/s of the Trust and shares arising out of the new issue under ESOP-2018, shall be administered by the Board or by the Compensation Committee, as may be authorized by the Board, as enumerated in the ESOP - 2018.

RESOLVED FURTHER THAT the Scheme may also envisage provisions to lend monies to the RJL Employee Welfare Trust on appropriate terms and conditions to acquire the shares either through new issue or secondary acquisition, for the purposes of implementation of the scheme(s) and can also provide financial assistance to the Eligible Employees to enable them to acquire, purchase or subscribe to the said Securities of the Company in accordance with the provisions of the Act/Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares directly to the eligible Employees upon exercise of Options from time to time in accordance with the ESOP-2018 and such Equity

Shares shall rank *pari-passu* in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organisation of capital structure of the Company, as applicable from time to time, if any additional Equity Shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the Stock Options granted earlier, the above ceiling shall be deemed to be increased to the extent of such additional Equity Shares issued.

RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of Equity Shares to be issued and allotted on exercise of Options granted under the ESOP-2018 and the exercise price of Options granted under the ESOP-2018 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹10 per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock Options under the ESOP-2018.

RESOLVED FURTHER THAT without prejudice to the generality of the above the Board, which includes the Compensation Committee is authorised to formulate, evolve, decide upon and implement the ESOP-2018, determine the detailed terms and conditions of the aforementioned ESOP-2018 including but not limited to the quantum of the Options to be granted per employee, the number of Options to be granted in each tranche, the terms or combination of terms subject to which the said Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Stock Options shall lapse and to grant such number of Options, to such employees of the Company, at par or at such other price, at such time and on such terms and conditions as set out in the ESOP-2018 and as the Board or the Compensation Committee may in its absolute discretion think fit.

RESOLVED FURTHER THAT the Board or the Compensation Committee is hereby authorised to make any modifications, changes, variations, alterations or revisions in the ESOP-2018 as it may deem fit, from time to time or to suspend,

Renaissance Jewellery Limited

withdraw or revive the ESOP-2018 from time to time, in conformity with applicable laws, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT the Board shall take necessary steps for listing of the Equity Shares allotted under the ESOP-2018 on the Stock Exchanges, where the Shares of the Company are listed in accordance with the provisions of the SEBI SBEB Regulations, the SEBI LODR Regulations and other applicable laws and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the ESOP-2018 at any stage including at the time of listing of the Equity Shares issued herein without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein to Compensation Committee or such other Committees, with power to sub-delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard.”

5. Approval to extend RJL - Employees Stock Option Plan 2018 to the employees of Subsidiary Company(ies) and in this regard to consider and if thought fit, pass, with or without modification(s), the following resolution as an **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 42, 62 (1) (b) of the Companies Act, 2013 (“the Act”) and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto (“the SEBI SBEB

Regulations”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the SEBI LODR Regulations”), the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals as may be necessary and subject to such consents, permissions, sanctions and approvals which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee including the Compensation Committee to exercise the powers conferred by this Resolution), the consent of the Shareholders be and is hereby accorded to extend the benefits of RJL - Employees Stock Option Plan 2018 (“ESOP- 2018”) proposed in the Item No. 4 above to such persons who are in the permanent employment of the subsidiary company(ies) (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time), (hereinafter referred to as “Subsidiary Companies”), whether working in India or out of India and to the directors of the Subsidiary Companies, and to such other persons as may from time to time be allowed, under prevailing laws, rules and regulations, and/ or amendments thereto from time to time, on such terms and conditions as may be decided by the Board, and selected on the basis of criteria prescribed by the Board, hereinafter referred to as “Subsidiary Companies Employees” at such price or prices in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the ESOP–2018.

RESOLVED FURTHER THAT for the purpose of creating, offering, issuing, allotting and listing of the Securities, the Board be authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the ESOP–2018 from time to time or to suspend, withdraw, or revive ESOP–2018 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be authorized to determine terms and conditions

of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company.”

6. Approval for grant of Options to issue securities equal to or exceeding One per cent but not exceeding Five per cent of the issued Capital of the Company during any one financial year to identified employees under RJJ-Employees Stock Option Plan 2018 and in this regard to consider and if thought fit, pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (which deems to include the provisions the Companies Act, 1956 applicable, if any, for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as and when it is made applicable to the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and notwithstanding ceiling limit for grant of Options during any one financial year to any employee or director of the Company not exceeding one per cent of the issued Capital of the Company, consent of the Shareholders be and is hereby accorded for Grant of options to identified employees under ‘**RJJ-Employees Stock Option Plan 2018 (ESOP-2018)**’ during any one year, equal to or exceeding one per cent but not exceeding five per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options in one or more tranches, on such terms and in such manner as stated in ‘RJJ - Employees Stock Option Plan 2018’.

7. To authorize RJJ Employee Welfare Trust for secondary acquisition for implementation of RJJ - Employees Stock Option Plan 2018 and in this regard to consider and if thought fit, pass, with or without modification(s), the following resolution as an **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 42, 56, 62 (1) (c) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereto, the Memorandum and Articles of Association of the Company, Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as “SEBI SBEB Regulations”) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of Members of the Company be and is hereby accorded to the Board (hereinafter referred to as the “Board” which term shall be deemed to include Compensation Committee which the Board has constituted to exercise its powers, including the powers conferred by this resolution) to acquire, hold and deal in such number of Equity Shares of the Company acquired from the Secondary market through RJJ Employee Welfare Trust not exceeding 8,03,624 (Eight Lakhs Three Thousand Six Hundred and Twenty Four only) fully paid-up Equity Shares of face value of ₹10/- each, being below the ceiling of 5% of the Paid-up Equity Share Capital as on 31st March, 2018. prescribed under the SEBI SBEB Regulations, for the purpose of implementation of the “RJJ - Employees Stock Option Plan - 2018” (hereinafter referred to as the “ESOP - 2018”), or for any other purpose (s) as contemplated under and in due compliance with the provisions of the SEBI SBEB Regulations.

RESOLVED FURTHER THAT based on the general direction and supervision by the Board/ Compensation Committee, the Trust will first utilize the existing available pool balance of shares available in the Demat Account of the Trust for offering to the Eligible Employees of the Company and once the entire available pool balance of the Trust is exhausted, the Company may allot new shares to the Trust or the Trust may acquire the shares from the Secondary Market as per the SEBI SBEB Regulations as amended from time to time.

RESOLVED FURTHER THAT on utilizing the entire pool balance of the Trust A/c, the Trust may acquire shares from secondary market and / or receive allotment of primary shares by the Company and / or receive shares by way of gift from the Promoters which can be utilised severally or in combination for making offer to the Employees under ESOP-2018.

Renaissance Jewellery Limited

RESOLVED FURTHER THAT Equity Shares that can be acquired from the secondary market in any financial year by the Trust shall not exceed 2% (or such other limits as may be prescribed under the SEBI SBEB Regulations) of the Paid-up Equity Share Capital as at the end of the financial year preceding the date of intended acquisition thereof.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organisation of capital structure of the Company, as applicable from time to time, if any additional Equity Shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the shares allotted/transferred earlier, the above ceiling shall be deemed to be increased to the extent of such additional Equity Shares issued.

RESOLVED FURTHER THAT the Board may delegate all or any of its powers conferred herein, to the Compensation Committee of the Board of Directors or any Executive Director of the Company with a power to further delegate to any executives /officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard”.

8. To approve giving loan/provision of money by the Company to the RJL Employee Welfare Trust for purchase of the shares of the Company for the implementation of RJL – Employees Stock Option Plan 2018 and in this regard to consider and if thought fit, pass, with or without modification(s), the following resolution as an **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 67 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force (“Act”); the Memorandum and Articles of Association of the Company and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014, as amended from time to time:

- I. subject to the Section 186 and other applicable provisions, if any, of the Act read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force); and
- II. subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions,

the consent of members of the Company be and is hereby accorded to the Board (hereinafter referred to as the “Board” which term shall be deemed to include Compensation Committee which the Board has constituted to exercise its powers, including the powers conferred by this resolution) to grant loan(s) in one or more tranches and/or to give guarantee or provide security in connection with loan(s) granted or to be granted to the RJL Employee Welfare Trust for enabling the Trust to make secondary acquisition of the shares of the Company for the purpose of the RJL - Employees Stock Option Plan 2018, such that the total amount of loan outstanding at any given point in time shall not exceed INR 20,00,00,000/- (Indian Rupees Twenty Crores Only);

RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to nominate one or more representatives of the Company to execute such deeds, documents and writings that may be considered necessary and to carry out any or all activities that the Board is empowered and is hereby further authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

By order of the Board
Renaissance Jewellery Limited

G. M. Walavalkar
GM – Legal & Company Secretary
Mumbai, May 28, 2018

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 him/her 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.

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 Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015], 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 **Tuesday, July 31, 2018 to Tuesday, August 07, 2018** (both days inclusive) for the purpose of Annual General Meeting.
5. 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 cannot act on any request received directly from the members holding shares in dematerialized form for any change of bank particulars or bank mandates. Members holding shares in physical form are requested to intimate such changes to M/s. Link Intime India Pvt. Ltd. at C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400083.

6. 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 (DP). Members holding shares in physical form can submit their PAN to the Company/ M/s. Link Intime India Pvt. Ltd.
7. Members who would like to ask any questions on the accounts of the Company are requested to send their questions to the Registered Office of the Company at least 10 days before the Annual General Meeting, to enable the Company to answer their queries satisfactorily.
8. 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, 2018, has been sent in electronic form to the email address provided by you and made available to us by the Depositories.

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 their copy of Annual Report of the Company

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at the venue of this meeting. Physical copies of the Annual Report will be made available to any member of the Company, on request.

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

10. E-voting

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide its members, the facility to exercise their right to vote at the 29th 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: **Friday, August 03, 2018 at 9.00 a.m.**
- (b) Date and time of end of e-voting, beyond which voting will not be allowed: **Monday, August 06, 2018 at 5.00 p.m.**

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

During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Friday, July 27, 2018** may cast their vote electronically, irrespective of mode of receipt of AGM notice by the shareholder.

- (c) Details of Website for e-voting: www.evotingindia.com
- (d) Details of Scrutinizer: Mr. V. V. Chakradeo Practicing Company Secretary. (COP No. 1705), E-mail: vvchakra@gmail.com
- (e) **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 AGM NOTICE is received by e-mail or in physical form)

- (i) Log on to the e-voting website www.evotingindia.com during the voting period
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your **User ID** as under:
- For CDSL: enter 16 digits beneficiary ID,
 - For NSDL: enter 8 Character DP ID followed by 8 Digits Client ID,
 - 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:
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any other company in the past, then your existing password is to be used.
 - 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/ DP are requested to enter in the PAN field the sequence number which is indicated in the Attendance Slip under Electronic Voting Particulars. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth, in dd/mm/yyyy format, as recorded in your demat account or in the company records, in order to login. – If both the details are not recorded with the DP or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii) above. |

- (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 mandatory 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 Ltd.**” 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) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xvii) 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 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.
 - After receiving the login details they have to create compliance user 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 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 under help section or write an email to helpdesk.evoting@cdslindia.com.**
11. In terms of Regulation 44 of the SEBI (LODR) Regulations, 2015, 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(s) 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-101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400083, Tel. No.: 022- 49186000, Fax No.: 022- 49186060, E-mail: rnt.helpdesk@linkintime.co.in, so as to reach him on or before **5.00 p.m. on Monday, August 06, 2018**. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received. 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.

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12. Members can request for a Ballot Form at Link Intime India Private Limited, Unit: Renaissance Jewellery Limited, C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400083 or they may also address their request through e-mail to: rnt.helpdesk@linkintime.co.in. Contact No.: 022-49186000. 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 **5.00 p.m. on Monday, August 06, 2018**.
13. Members have option to vote either through e-voting or through physical Ballot Form. Members can opt for only one mode of voting. 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.
14. 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 capital of the Company.
15. 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 within two (2) days of passing of the resolution at the AGM of the Company and communicated to the stock exchange.
16. The shareholders can also access the Annual Report 2017-18 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 or on Stock Exchange websites i.e. www.bseindia.com and www.nseindia.com.

By order of the Board
For **Renaissance Jewellery Limited**

G. M. Walavalkar
GM – Legal & Company Secretary
Mumbai, May 28, 2018

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

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

Item No. 3

M/s Damania & Varaiya, Chartered Accountants, Mumbai (Firm Registration No. 102079W) have expressed their inability to continue as the statutory Auditors for the remaining term of their appointment and have tendered their resignation w.e.f. conclusion of the ensuing AGM, resulting into a casual vacancy in the office of Statutory Auditors of the company as provided under section 139(8) of the Companies Act, 2013 ("Act").

Casual vacancy caused by the resignation of auditors can only be filled up by the Company in general meeting. Therefore, based on the recommendation of the Audit Committee, the Board of Directors of your Company at their meeting held on May 28, 2018 recommended that M/s Chaturvedi & Shah Chartered Accountants, Mumbai (Firm Registration No. 101720W), be appointed as the Statutory Auditors of the Company to hold office for a term of five years from the conclusion of this 29th Annual General Meeting till the conclusion of the 34th Annual General Meeting of the Company.

M/s Chaturvedi & Shah Chartered Accountants, Mumbai have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

The requirement to place the matter relating to ratification of appointment of Auditors by members at every Annual General Meeting is done away with by the Ministry of Corporate Affairs vide its notification dated May 7, 2018. Hence, there will be no ratification at AGM of appointment of Auditors, appointed in the ensuing Annual General Meeting.

Accordingly, Ordinary Resolution at Item No. 3 is submitted to the meeting for the consideration and approval of members.

None of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.

Item No. 4, 5, 7 and 8

Stock Options represent a reward system based on performance. Stock Options also provide a company with an opportunity to optimise its personnel costs. This also provides an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands.

Further, as the business environment is becoming increasingly competitive, it is important to attract and retain qualified, talented and competent personnel in the Company. Your Company believes in rewarding its employees including employees of the Subsidiary Company(ies), if any, for their continuous hard work, dedication and support, which has led the Company and its Subsidiary Company(ies) on the growth path.

Keeping in line with the above, "RJL - Employees Stock Option Plan 2018" ("ESOP-2018/the Scheme") has been formulated by the Company through RJL Employee Welfare Trust and to be implemented by Compensation Committee constituted under Section 178 of the Companies Act, 2013, in accordance with the requirements of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI SBEB Regulations**") issued by SEBI and other applicable laws. The Scheme has been approved by the Board of Directors at their Meeting held on May 28, 2018, subject to the approval of the members.

The Scheme will be operated and administered under the superintendence of the Company's Compensation Committee, which is a Committee of the Board of Directors, the majority of whose Members are Independent Directors. The Compensation Committee will formulate the detailed terms and conditions of the Scheme including:

- Number of options to be granted to any Employee and in the aggregate;
- Terms on which the options will vest;
- The conditions under which options vested in Employees may lapse;
- The exercise period within which an Employee should exercise the options, and lapsing of options on failure to exercise the options within the exercise period and determination of exercise price which may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP-2018;
- The specified time period within which the Employee shall exercise the vested options in the event of termination or resignation of the Employee;
- The right of an Employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
- The grant, vesting and exercise of options in case of Employees who are on long leave; and
- Any other related or incidental matters.

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Brief Description of the Scheme is given as under:**a) The total number of options to be granted -**

The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire in one or more tranches upto 10,00,000 Equity Shares of ₹ 10 each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time).

Bifurcation of 10,00,000 options is as stated below:

Type A - 1,96,376 options

Under Type A options, the RJL Employee Welfare Trust shall grant such number of options which when converted into Equity Shares shall not exceed 1,96,376 Equity Shares already held by such Trust as on the date of this Scheme.

Type B – 8,03,624 options

Under Type B options, 8,03,624 options shall be granted as under:

- (i) Fresh issue – Fresh options shall be granted by the Board or Compensation Committee as may be authorized by the Board to the eligible employees; and/or
- (ii) Secondary acquisition – In case of surplus money, RJL Employee Welfare Trust shall have authority to acquire shares from the market and depending upon the available pool, options shall be granted to the eligible employees.

SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale or division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the above ceiling shares shall be deemed to be increased to the extent of such additional Equity Shares issued.

Vested options lapsed due to non-exercise and/or unvested options that get cancelled/forfeited due to resignation of Option grantees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the provisions of ESOP-2018.

b) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme -

All permanent employees of the Company working in India or out of India and Directors (whether Managing/Whole time Director or not) and its Subsidiary Company(ies), (present or future) (excluding promoters and an employee who is a Promoter or a person belonging to the Promoter Group) and further excluding a director who either by himself or through his relative or through any Body Corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company and excluding Independent Directors as may be decided by the Compensation Committee.

The class of Employees eligible for participating in the Scheme shall be determined on the basis of the grade, number of years' service, performance, role assigned to the employee and such other parameters as may be decided by the Compensation Committee in its sole discretion from time to time.

The options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

c) Terms of the scheme -

- (1) The Company shall not vary the terms of the schemes in any manner, which may be detrimental to the interests of the Option Grantees: Provided that the company shall be entitled to vary the terms of the schemes to meet any regulatory requirements.
- (2) Subject to the proviso to sub-regulation (1), the company may by special resolution in a general meeting vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employee provided such variation is not prejudicial to the interests of the Option Grantees.
- (3) The notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore, and the details of the Option Grantees who are beneficiaries of such variation.
- (4) The Company may re-price the options as the case may be which are not exercised,

whether or not they have been vested if the terms of the grants were rendered unattractive due to fall in the price of the shares in the stock market; Provided that the company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantees and approval of the shareholders in general meeting has been obtained for such re-pricing.

d) Transferability of Employee Stock Options -

- (1) The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option Grantee, the right to exercise all the Options granted to him till such date shall be vest in his legal heirs or nominees.
- (2) In the event of resignation or termination of the Option Grantee, all the options which are granted and yet not vested as on that day shall lapse.
- (3) In the event that an Option Grantee who has been granted benefits under a scheme is transferred or deputed to subsidiary company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

e) Requirements of vesting and period of vesting -

Vesting of options may commence after a period of not less than one year from the date of grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as stipulated in the ESOP-2018.

Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising:

| Sr. No. | Separations | Vested Options | Unvested Options |
|---------|--------------------|--|--|
| 1 | Resignation | All Vested Options as on date of submission of resignation may be exercised by the Option Grantee on or before his last working day with the Company. | All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date. |

| Sr. No. | Separations | Vested Options | Unvested Options |
|---------|---|---|--|
| 2 | Termination (With or without cause) | All Vested Options which were not allotted at the time of such termination shall stand cancelled with effect from the date of such termination. | All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date. |
| 3 | Retirement or early Retirement approved by the Company | All Vested Options as on date of retirement may be exercised by the Option Grantee within permitted exercise period. | All Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within permitted exercise period. |
| 4 | Death | All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 6 months from the date of Death. | All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir/s within 6 months from the date of Death. |
| 5 | Permanent Disability | All Vested Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than 6 months from the date of such disability. | All the Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 6 months from the date of such disability. |
| 6 | Abandonment* | All the Vested Options shall stand cancelled. | All the Unvested Options shall stand cancelled. |
| 7 | Other reasons apart from those mentioned above | The Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final. | All Unvested Options on the date of separation shall stand cancelled with effect from that date. |

*The Board/ Committee, at its sole discretion shall decide the date of cancellation of Options and such decision shall be binding on all concerned.

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f) Maximum period within which the options shall be vested

The maximum vesting period may extend up to 5 (five) years from the date of grant of options, unless otherwise decided by the Compensation Committee.

g) Exercise price or pricing formula -

Exercise Price means the price at which the Option Grantee is entitled to acquire the Equity Shares pursuant to the options granted and vested in him/her under the Scheme.

The Exercise Price shall be equal to ₹ 10/- (Rupees Ten only) per option or any other price as may be decided by the Committee. In any case, the Exercise Price per Option shall not be less than the face value of shares and it may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP-2018.

h) Exercise period and process of exercise -

The Exercise period shall not be more than 5 years from the date of respective vesting of Options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.

The Vested options shall be exercisable by the employees by a written application to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Compensation Committee from time to time. The options shall lapse if not exercised within the specified exercise period. The options may also lapse, under certain circumstances even before the expiry of the specified exercise period.

Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Board/Committee may decide.

i) Appraisal Process for determining the eligibility of Employees to the Scheme -

The appraisal process for determining the eligibility of the Employee will be specified by the Compensation Committee and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the

Employee, future potential contribution by the Employee and/or by any such criteria that may be determined by the Compensation Committee.

j) Maximum number of options to be issued per Employee and in the aggregate -

The number of Options that may be granted to any specific employee under ESOP-2018 shall not exceed the number of shares equivalent to 1% of the Issued Share Capital of the Company and in aggregate if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.

k) Certificate from auditors -

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company in the general meeting.

l) Whether the scheme is to be implemented and administered directly by the Company or through a Trust -

The Scheme will be implemented directly by the Company under the guidance of the Compensation Committee of the Board. Administration shall be done by the Trust to the extent shares held by the Trust from time to time.

m) Whether scheme involves new issue of shares by the Company or Secondary acquisition by the Trust -

The Scheme will involve new (fresh) issue of shares by the Company, secondary acquisition by the Trust as well as grant of options to the extent of shares held by the RJL Employee Welfare Trust.

n) Disclosure and accounting policies -

The Company shall conform to the accounting policies specified by Securities & Exchange Board of India as per the SEBI SBEB Regulations, amended from time to time and relevant Accounting Standard as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time.

o) Method of Valuation -

The Company follows fair value method for computing the compensation cost, if any, for the options granted. The company will follow IFRS/ IND AS/ any other requirements for the same.

p) Rights of the option holder -

The employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are allotted upon exercise of options.

q) Consequence of failure to exercise option -

All unexercised options shall lapse if not exercised on or before the exercised period ends. The amount payable by the employee, if any, at the time of grant of options, -

- may be forfeited by the company if the option is not exercised by the employee within the exercise period; or
- may be refunded to the employee if the options are not vested due to non-fulfilment of conditions relating to vesting of options as per the Scheme.

r) Particulars of the Trustees or employees in whose favor such shares are to be registered -

The existing Equity Shares of the Company (i.e. 1,96,376 shares) are already registered in the name of Trust i.e RJL Employee Welfare Trust and the shares to be acquired by way of secondary acquisition will also be registered in the name of such Trust.

s) Particulars of Trust and name, address, occupation and nationality of trustees and their relationship with the Promoters, Directors, or Key Managerial Personnel, if any are as under -

Trust is called as 'RJL Employee Welfare Trust' and details of the Trustees are stated below:

| Name | Address | Occupation | Nationality |
|-------------------------|--|------------------------------|-------------|
| Mr. Naimeesh Shah | Flat No. 402, Pratap Enclave, Road No.15, Near Aarya Samaj, Jawahar Nagar, Goregaon (W), Mumbai-400062 | Service | Indian |
| Mr. Yugam Shah | Desai Apartments, 6th Floor, Dattatray Road, Behind Indian Bank, Santacruz, Mumbai-400054 | Service | Indian |
| Mr. Vidyadhar Chakradeo | B/301, Matoshree Residency CHS, 65 Prathana Samaj Road, Vile Parle (E), Mumbai-400057 | Practicing Company Secretary | Indian |

Trustees are neither Promoter or Director nor Key Managerial Personnel ("KMP") of the Company nor are they related to the Promoters, Directors or KMPs in their / personal capacity.

t) Secondary acquisition by the Trust for the purpose of implementation of the Scheme and ceiling limits thereof -

During the tenure of the Scheme, the RJL Employee Welfare Trust shall acquire/purchase upto a maximum of 8,03,624 Equity Shares of the Company from secondary market and will also comply with the limits as specified in Regulation 3(10) and 3(11) of the SBEB Regulations.

u) Details about the exercise of voting rights in respect of shares acquired pursuant to the Scheme -

Neither the Trustee/s nor the Trust are entitled to vote in respect of the Equity Shares held by the Trust.

v) Interest of the Promoters, Directors and Key Managerial Personnel in the Scheme or Trust and the effect thereof -

The Directors and KMPs are interested to the extent of their eligibility to receive shares under the Scheme. None of the Independent Directors or the Promoters is entitled to any benefit under the Scheme.

w) The amount of loan to be provided by the Company to the Trust, its tenure, utilization, repayment terms, etc. -

The Company may provide financial assistance to the Trust, for secondary acquisition of Equity Shares of the Company for the purpose of implementation of the Scheme. The terms of such loans shall inter alia include the following:

- Amount of loan:** The maximum amount of the loan to be given by the Company and outstanding at any point in time shall not exceed INR 20,00,00,000/- (Indian Rupees Twenty Crores Only).
- Tenure of Loan/Repayment terms:** The tenure of the loan will be as may be mutually agreed between the Company and the Trustees.
- Utilisation:** The loan can be utilised by the Trust for acquisition of shares of the Company for the purpose of implementation and administration of the Scheme.
- Interest on loan:** The interest rates shall be as agreed between the Company and the Trustees on an annual basis for every financial year.

Renaissance Jewellery Limited

Section 67 of the Act read with the Companies (Share Capital and Debentures) Rules, 2014, permits a Company to provide monies to a Trust for purchase of shares of the company for the benefit of the employees of the Company. Accordingly, consent of the Members is sought for approving the Special Resolution set out at Item No. 4 of the Notice for provision of monies to the Trust for secondary acquisition of Equity Shares of the Company for the implementation of the Scheme.

x) **Other terms -**

The Board or Compensation Committee shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the regulations and guidelines as prescribed by the Securities and Exchange Board of India or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the Option Grantees.

The Board or Compensation Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the ESOP - 2018, subject to compliance with the Applicable Laws and Regulations.

The shares may be allotted directly to the Option Grantees in accordance with the Scheme and such Scheme may also contain provisions to lend monies to the RJL Employee Welfare Trust on appropriate terms and conditions to acquire the shares either through new issue or secondary acquisition, for the purposes of implementation of the scheme(s) and can also provide for providing financial assistance to the Employees to enable the Employees to acquire or subscribe to the shares.

As the Scheme would entail further shares to be offered to persons other than existing Members of the Company, consent of the members is sought pursuant to the provisions of section 42 and 62 (1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per the requirement of Clause 6 of the SEBI SBEB Regulations.

None of the Directors and Key Managerial Personnel or Promoters of the Company including their relatives is interested or concerned in these resolutions, except to the extent of their shareholding entitlements, if any, under the ESOP Scheme.

Your Directors recommend the Special Resolutions set out in Item Nos. 4, 5, 7 & 8 of the Notice for approval of the Shareholders.

Item No. 6

The resolution set out at Item No. 4 and Item No. 5 provides that a Company may grant options to an employee and to a director of the Company and its subsidiary company (ies) not exceeding one per cent of the issued capital of the Company in one year. However, the Company may identify certain employee/s to whom it may be necessary to grant options exceeding one per cent in one year to ensure continuity of their service with the Company. The resolution as set out in Item No. 6 provides that the Company may grant options equal to or exceeding One per cent but not exceeding Five per cent in One year to identified employee/s or director/s of the Company.

Regulation 6(3)(d) of the SEBI (Share Based Employee Benefit) Regulations, 2014, provides that a separate special resolution is required to be passed if the benefits of ESOPs are to be extended to identified Employees, during any one year, equal to or exceeding one per cent of the issued capital of the company at the time of grant of option.

Accordingly, consent of the Members is sought for approving the Special Resolution set out at Item No. 6 of the Notice for grant of options to identified employees under 'RJL- Employees Stock Option Plan 2018 (ESOP-2018) during any one year, equal to or exceeding one per cent but not exceeding Five per cent of the issued capital.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in this resolution, except to the extent of their entitlements, if any, under the ESOP Scheme.

Your Directors recommend the special Resolutions set out in Item No. 6 of the Notice for approval of the Shareholders.

**By order of the Board
For Renaissance Jewellery Limited**

**G. M. Walavalkar
GM – Legal & Company Secretary
Mumbai, May 28, 2018**

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT
(As required to be furnished under Regulations 36(3) of SEBI (LODR) Regulations 2015)

| Particulars | Mr. Neville Tata |
|--|--|
| Date of Birth | 05/09/1973 |
| Date of Appointment | 01/02/2006 |
| Qualifications | HSC |
| Expertise in specific functional area | Neville Tata has vast work experience in gems and jewellery business. Mr. Tata was initially designated as the Chief Operating Officer of RJL and was responsible for overseeing operational functioning of factories. Production, Industrial Relations, manpower planning - recruiting and development are his forte. |
| Directorships held in other Public companies (excluding Section 8 companies) | Nil |
| Memberships/ Chairmanships of committees of other Public Limited companies (includes only Audit Committee and Stakeholders Relationship Committee) | Nil |
| Number of Equity Shares held in the Company | Nil |



Directors' Report

Dear Members,

The Directors take great pleasure in presenting the 29th report on the business and operations of your Company along with the Annual Report and Audited Financial Statements for the Financial Year 2017-18.

Financial Highlights

Your Company earned a Profit Before Tax (PBT) of ₹382.26 million, as compared to PBT of ₹384.06 million in the previous year. Highlights of the financial performance (Standalone) are as follows:

(₹ in Million)

| | F.Y. 2017-18 | F.Y. 2016-17* |
|--------------------|--------------|---------------|
| Sales | 10222.08 | 11004.32 |
| Gross Profit | 876.40 | 819.70 |
| PBID | 604.91 | 546.53 |
| Less: Interest | 91.74 | 81.08 |
| Less: Depreciation | 78.08 | 81.39 |
| PBT | 382.26 | 384.06 |
| Provision for Tax | 83.04 | 86.30 |
| PAT | 299.21 | 297.76 |

*The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 01, 2017, pursuant to the notification of Companies (Indian Accounting Standard) Rules, 2015 issued by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The financial statements for the year ended on March 31, 2017 have been restated in accordance with Ind AS for comparative information.

The consolidated revenue from operations of the Company for the year ended March 31, 2018 was ₹18251.02 million (P.Y. ₹14734.48 million), an increase of 23.87% on a year-on-year basis. An Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹1016.11 million (P.Y. ₹812.59 million) an increase of 25.05% on a year-on-year basis. Profit After Tax (PAT) was ₹637.91 million (P.Y. ₹425.22 million) an increase of 50.02% on a year-on-year basis. The detailed analysis of the Company's business is given in the Management's Discussion and Analysis Report that forms part of this Annual Report.

Dividend

Your Board of Directors has not recommended any dividend for the Financial year ended March 31, 2018.

Transfer to Reserves

During the year under review, your Company has not transferred any amount to General Reserve Account.

Material Changes & Commitments

No material changes and commitments, affecting the financial position of the Company have occurred after the end of the financial year 2017-18 and till the date of this report.

Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 (2) (e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015), is presented in a separate section forming part of this Annual Report.

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 Ltd, India #
4. Renaissance Jewellery Bangladesh Pvt. Ltd., Bangladesh
5. Verigold Jewellery DMCC, Dubai

Indirect (Step-down) Subsidiary Companies:

1. House Full International Ltd., India #
(Subsidiary of N. Kumar Diamond Exports Ltd)
2. House Full Supply Chain Management Ltd., India
(Subsidiary of House Full International Ltd.)
3. Renaissance Jewellery DMCC
(Subsidiary of Verigold Jewellery DMCC, Dubai)

Limited Liability Partnership:

1. Aurelle Jewellery LLP, India \$

#Amalgamation of wholly owned subsidiaries (WOS) of the Company

During the financial year under review, the Board of Directors of the Company at its meeting held on August 29, 2017 has approved the Scheme of Amalgamation of wholly owned subsidiaries of the Company viz. House Full International Limited and N. Kumar Diamond Exports Limited with the Company.

As per the order dated January 19, 2018 passed by the Hon'ble National Company Law Tribunal (NCLT) Mumbai Bench, the meeting of equity shareholders of the Company was convened and held on February 27, 2018 to approve the said Scheme of Amalgamation. At the said meeting the shareholders of the Company have approved the Scheme of Amalgamation. On March 21, 2018, the Company has filed the necessary proceeding documents with the NCLT as per the provisions of Companies Act, 2013. However, the final approval of the NCLT for the said Scheme of Amalgamation is awaited.

The appointed date for the said amalgamation is April 1, 2017 or such other date as may be agreed between the Transferor Companies and the Company and approved by the NCLT.

Pursuant to Scheme of Amalgamation, no consideration shall be paid and no shares of the Company shall be issued and allotted on amalgamation. The Scheme of Amalgamation will enable the Company to consolidate and effectively manage the Transferor Companies and the Company in a single entity, which will provide several benefits including synergy, economies of scale, attain efficiencies and cost competitiveness.

The details of Scheme of Amalgamation of House Full International Limited and N. Kumar Diamond Exports Limited with Renaissance Jewellery Limited and Notice of NCLT Convened Meeting are posted on website of the Company www.renjewellery.com.

\$ Strike off of Aurelle Jewellery LLP

After the closure of the financial year under review Aurelle Jewellery LLP has filed an Application for striking off its name with the Registrar, on May 10, 2018.

Financial statements/reports of the subsidiaries

The Company has eight subsidiaries including five wholly owned subsidiary and three step-down subsidiaries. The Board of Directors of the Company reviewed the affairs of subsidiaries of the Company. The Consolidated Financial Statements of the Company are prepared in accordance with the relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

Further, a statement containing the salient features of the financial statement of the subsidiaries in the format prescribed i.e. Form AOC-1, (Pursuant to first Proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) has been attached separately to this Annual Report. The Company will make available the accounts of subsidiaries to any member of the Company on request.

Consolidated Accounts

In accordance with the requirements of Companies Act, 2013 and Indian Accounting Standards IND-AS 110 prescribed by the Institute of Chartered Accountants of India, the Consolidated Financial Statements of the Company and its subsidiary is provided in this Annual Report.

Goods and Services Tax (GST)

The Goods and Services Tax (GST) is a landmark reform having a lasting impact on the economy and on businesses. Your Company has successfully implemented and migrated to GST with effect from July 01, 2017 and changes across IT systems, supply chain and operations have been made keeping in mind the sweeping changes that GST has brought in.

Share Capital

- **Issue of equity shares with differential rights**

During the financial year under review, there was no issue of equity shares with differential rights in terms of Rule 4 (4) of Companies (Share Capital and Debentures) Rules, 2014.

- **Issue of sweat equity shares**

During the financial year under review, there was no issue of sweat equity shares as provided in rule 8 (13) of Companies (Share Capital and Debentures) Rules, 2014.

• **Buyback of Equity Shares**

During the financial year under review, after obtaining requisite approval of the Board, your Company has completed the buyback of 2,00,000 equity shares of the Company (representing up to about 1.05% of the total number of Equity shares of the Company) at a price of ₹ 250 per share for an aggregate amount of ₹ 5,00,00,000/-.

The Buy Back offer size of ₹5,00,00,000 represents 1.20% of the total Paid up Capital and Free Reserves of the Company, as per the audited accounts of the Company for the financial year ended March 31, 2017.

In accordance with the provisions of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and the Companies Act, 2013 and rules made there under, the said buyback was made from the Equity Shareholders/ Beneficial owners of the Company who held Equity Shares as on the record date i.e. June 12, 2017 ("Record Date") on a proportionate basis through the tender offer using stock exchange mechanism ("Tender offer").

An amount of ₹5,00,00,000 was utilised from General Reserve to off-set the buy back offer including transfer of ₹20,00,000 to the Capital Redemption Reserve to the extent of Share Capital extinguished.

The final settlement date for buy back was September 13, 2017 and Extinguishment of Shares was completed by September 20, 2017.

Consequent to such buy back the number of Equity Shares reduced from 1,90,79,440 to 1,88,79,440 post buy back and accordingly Issued, Subscribed and Paid-up Capital reduced to ₹ 18,87,94,400/-.

Documents relating to buyback are available on Company's website www.renjewellery.com.

Apart from the above, there were no changes in the Share Capital during the Financial Year under review.

Issue of shares under the Employees' Stock Purchase Scheme (ESPS)

Compensation Committee of the Board of Directors of the Company, *inter alia*, administers the Employees' Stock Purchase Scheme of the Company in accordance with the applicable guidelines of Securities and Exchange Board of India.

The Company had opted for trust route for offering ESPS and 720000 shares were issued to the

RJL Employee Welfare Trust (ESPS Trust) in F.Y. 2008-09 for onward offering to the recommended employees. Hence, Basic and Diluted Earning Per Share (EPS) is ₹ 16.19.

Your Company, through ESPS Trust, had 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).

During the financial year under review, with the approval of shareholders obtained through a Postal Ballot process, the Company introduced and implemented the RJL - Employees Stock Purchase Scheme 2017 ("RJL ESPS-2017") for issue and/ or offer and/or transfer of not exceeding 15,00,000 fully paid-up Equity Shares of face value of ₹ 10 each, to eligible employees of the Company as well as that of its subsidiaries.

The said RJL ESPS-2017 was introduced to replace the existing RJL - ESPS-2008.

The new Scheme "RJL ESPS-2017" was approved by the Board of Directors through Circular Resolution passed on October 13, 2017 and by the members through Postal Ballot Resolutions passed on November 20, 2017.

Under the Tranch – I of RJL ESPS – 2017, the Company has offered 4,50,000 ESPS shares to the recommended employees.

The RJL ESPS – 2017 is implemented by Compensation Committee in accordance with the requirements of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, (SEBI SBEB Regulation) and other applicable laws.

During the financial year under review, the Company has issued 3,00,000 ESPS shares to Mr. Parag Shah which is exceeding 1% of the issued capital of the Company.

RJL ESPS – 2008 and RJL ESPS – 2017 of the Company are in compliance with the SEBI SBEB Regulations.

As required under Regulation 13 of the said Regulations, the Company has obtained a Certificate from M/s. Damania & Varaiya, Chartered Accountants, the Statutory Auditors of the Company, certifying that the Schemes are implemented in accordance with these regulations and the resolutions of the Company. The same would be placed before the members at the ensuing AGM and a copy of the same shall be available for inspection at the Registered Office of the Company.

As stipulated under SEBI SBEB Regulations, read with the circular issued by SEBI on June 16, 2015 and Rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014, the applicable disclosures as on March 31, 2018, are given below:

Disclosures with respect to Employees Stock Purchase Scheme of the Company

| Date of shareholders' approval: | ESPS 2008 | | ESPS 2017 | | |
|--|---|---------------------|--|---|------------|
| | September 5, 2008 | | November 20, 2017 | | |
| Lock-in period: | % of total Shares transferred to employees that would be released on the expiry of the Lock-in period | Lock-in period | | Lock-in period | |
| | | Tranch I | Tranch II | Up to 1 year from the date of transfer of shares from RJL Employee Welfare Trust's Demat account to Demat account of employee | |
| | | 33% | 01/09/2010 | | 01/02/2012 |
| | | 33% | 01/09/2011 | | 01/02/2013 |
| 33% | 01/09/2012 | 01/02/2014 | | | |
| The details of the number of shares issued under ESPS | Please refer the table given below | | | | |
| The price at which such shares are issued | Tranch I ₹ 50/- | Tranch II ₹ 65/- | Tranch I ₹ 40/- | | |
| Employee-wise details of the shares issued to; | | | | | |
| (i) senior managerial personnel; | 4,62,500 | 46,140 | 4,50,000 | | |
| (ii) any other employee who is issued shares in any one year amounting to 5% or more shares issued during that year; | - | - | 1. Mr. Parag Shah, V. P. - Operations 3,00,000 Shares 2. Mr. Nikesh Shah, V. P. - Productions 1,50,000 Shares | | |
| (iii) identified employees who were issued shares during any one year equal to or exceeding 1% of the issued capital of the company at the time of issuance; | - | - | Mr. Parag Shah, V. P. - Operations 3,00,000 Shares - 1.59% | | |
| Consideration received against the issuance of shares, if scheme is implemented directly by the company | NA, as the scheme is not implemented directly by the company | | | | |
| Loan repaid by the Trust during the year from exercise price received | ₹ 1,80,00,000/- | | | | |

Following are the details of number of shares issued under RJL ESPS – 2008 and RJL ESPS - 2017 and its' status as on March 31, 2018:

| Particulars | Number of Shares | | |
|--|------------------|-------------|-----------------|
| | ESPS 2008 | | ESPS 2017 |
| Shares allotted to ESPS Trust | 7,20,000 | | |
| | Tranch - I | Tranch - II | Tranch - I |
| Shares offered to recommended employees by ESPS Trust | 6,17,500 | 2,57,490 | 4,50,000 |
| Shares transferred back to ESPS Trust due to non-acceptance/disqualification | 1,55,000 | 3,000 | 0 |
| Shares acquired by employees | 58,334 | 15,290 | 4,50,000 |
| Shares transferred back to ESPS Trust due to Surrender / lapse | 4,04,166 | 2,39,200 | 0 |
| Balance shares to be acquired by the employees# | 0 | 0 | 0 |
| Balance shares with ESPS Trust to offer | 6,46,376 | | 1,96,376 |

#Tranch I and II of RJL ESPS - 2008 have lapsed on February 28, 2014 and July 31, 2015 respectively.

Implementation of RJL - Employees Stock Option Plan 2018 (RJL ESOP 2018)

The Board of Directors of the Company at their Meeting held on May 28, 2018, has approved the "RJL - Employees Stock Option Plan 2018" (RJL ESOP 2018), subject to shareholders' approval which will be implemented by Compensation Committee constituted under Section 178 of the Companies Act, 2013, in accordance with the requirements of Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") and other applicable laws.

The Board is proposing the said RJL ESOP 2018 for the approval of the members at the ensuing Annual General Meeting, pursuant to the provisions of section 42 and 62 (1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per the requirement of Clause 6 of the SEBI SBEB Regulations.

The details of the RJL ESOP 2018 are provided in the AGM Notice forming part of this Annual Report.

Listing

At present 18,879,440 Equity Shares of the Company are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

The Company has paid the applicable listing fees to these Stock Exchanges for the financial year 2018-19. The Company's shares are compulsorily tradable in electronic form and the Company has established connectivity with both the depositories, i.e. Central Depository Services (India) Ltd. (CDSL) & National Securities Depository Ltd. (NSDL).

Your Company has fully complied with the Securities and Exchange Board of India 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 Company are traded in the normal segment of the Exchanges.

Awards/Recognition

Your Company has always strived for the best quality and designs adhering necessary Ethical Standards. The Company 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:

- GJEPC Award for outstanding Export Performance under the category "Studded Precious Metal Jewellery Exports", in 2017
- GJEPC Award for topping Export Performance under the category "Studded Precious Metal Jewellery Exports", in 2016
- Accorded with membership of Responsible Jewellery Council (RJC), in 2016
- GJEPC Award for outstanding Export Performance under the category "Studded Precious Metal Jewellery Exports", in 2015
- GJEPC Award for outstanding Export Performance under the category "Studded Precious Metal Jewellery Exports", in 2012
- GJEPC Award for topping the export performance under the category "Studded Precious Metal Jewellery Exports from EPZ/EOU Complexes" in 2011
- Emerging India Awards 2009
- GJEPC Award for being the largest exporter of Studded Precious Metal Jewellery in 2008
- Wal-Mart's 'International Supplier of the Year' Award, in 2004
- SEEPZ-SEZ Star 2000-2001 Award

Corporate Governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by Securities and Exchange Board of India. The Company has taken appropriate steps and measures to comply with all the applicable provisions of Regulation 17 to 27 of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013.

A separate report on Corporate Governance, as stipulated under Regulation 34(3) read with Schedule V of SEBI (LODR) Regulations, 2015, along with a certificate of Practicing Company Secretary of the Company, forms an integral part of this Annual Report. 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, 2018 was placed before the Board of Directors and the Board has noted the same.

Cash Flow Statement

In conformity with the provisions of Regulation 34 (2) (c) of the SEBI (LODR) Regulations, 2015, the cash flow statement for the year ended March 31, 2018 is annexed hereto.

Directors & Key Managerial Personnel

As per the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015, the Company is compliant of the requirement of having at least 50% of the total number of Directors as Independent Directors and one lady director on the Board of the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Neville R. Tata (DIN: 00036648), Executive Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

Brief resume of the Director 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 Regulation 17 of SEBI (LODR) Regulations, 2015 are provided in the Notice forming part of this Annual Report.

Key Managerial Personnel (KMP):

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 following are whole-time Key Managerial Personnel of the Company as on March 31, 2018:

1. Mr. Hitesh Shah - Managing Director
2. Mr. G. M. Walavalkar – Company Secretary
3. Mr. Dilip Joshi – Chief Financial Officer

During the year under review, there is no change in the Board of Directors of the Company.

Declaration by Independent Director

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(b) of SEBI (LODR) Regulations, 2015.

Nomination and Remuneration Policy

The policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors, in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (LODR) Regulations, 2015.

This policy lays down the criteria for determining qualifications, positive attributes and independence of directors and evaluation of Independent Director and the Board. This policy also includes the Policy on Board diversity. The said Nomination and Remuneration policy is posted on the website of the Company www.renjewellery.com.

Annual Evaluation of Board, Committees and Directors

Pursuant to the provision of Section 134(3) (p) read with Rule 8(4) of Companies (Accounts) Rules, 2014 and part D of Schedule II of SEBI (LODR) Regulations, 2015 the Nomination and Remuneration Committee has devised a criteria for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

The Independent Directors and Non-Independent Directors at their respective meetings evaluated performance of fellow directors based on factors like leadership quality, attitude, initiatives and responsibility undertaken, decision making, commitment and achievements during the financial year under review.

Meeting of Independent Directors

In accordance with the Clause VII of Schedule IV of the Companies Act 2013 and Regulation 25(3) of SEBI (LODR) Regulations, 2015, a separate meeting of Independent Directors was held on May 08, 2018 without the attendance of Non-Independent directors and members of the management.

At this meeting the Independent Directors reviewed the performance of Non-Independent Directors including Executive Chairman and Managing Director and the Board as a whole.

Familiarisation Program for Independent Directors

The Company has formulated Familiarisation Program to familiarise the Independent Directors with the Company and its business. The details of the program and related matters are posted on the website of the Company www.renjewellery.com.

Disclosure of Pecuniary Relationship

There was no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the year under review. Also, no payment, except sitting fees, was made to any of the Non-Executive Directors of the Company. No convertible instruments are held by any of the Non-Executive Directors.

Directors' Responsibility Statement

As required under provisions of Section 134 (3)(C) of the Companies Act, 2013 the Directors hereby state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013, have been followed and there are no material departures from the same;
- b) selected accounting policies were applied 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 as at March 31, 2018 and of the profit of the Company for the year ended on that date;

- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of the Directors' knowledge and ability;
- d) the annual accounts have been prepared on a 'going concern' basis;
- e) internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and are operating effectively and
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Auditors

M/s Damania & Varaiya., Chartered Accountants, the statutory auditors of the Company have expressed their inability to continue as auditors of the Company and tendered their resignation.

In order to fill the casual vacancy due to resignation of M/s Damania & Varaiya, the Board, at its meeting held on May 28, 2018, on recommendation of Audit Committee, have decided to recommend to the shareholders, the appointment of M/s Chaturvedi and Shah, Chartered Accountants (Firm Registration No:101720W) as new statutory auditors of Company to hold office from the conclusion of 29th Annual General Meeting till the conclusion of 34th Annual General Meeting.

The requirement to place the matter relating to ratification of appointment of Auditors by members at every Annual General Meeting is done away with by the Ministry of Corporate Affairs vide its notification dated May 7, 2018. Hence, there will be no ratification at AGM of appointment of Auditors, who will be appointed in the ensuing Annual General Meeting.

M/s Chaturvedi and Shah have given their consent to act as Statutory Auditors of the Company and have also confirmed that their appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013.

Auditors' Report

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments by the Board. There is no

qualification / reservation / adverse remark / disclaimer made in the Auditors' Report for the financial year 2017-18.

Internal Auditors

In accordance with provisions of Sections 138 of the Companies Act, 2013 and pursuant to the recommendation of the Audit Committee, M/s. Jayesh Dadia & Associates, Chartered Accountants, Mumbai have been appointed as Internal Auditors of the Company for conducting Internal Audit of the Company for the Financial Year 2017-18.

The Internal Auditors independently evaluate the internal controls, adherence to and compliance with the procedures, guidelines and statutory requirements. The Audit Committee of Board periodically reviews the reports of the internal auditors and corrective actions taken by the Management with regard thereto.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

Secretarial Auditor

In accordance with provisions of Sections 204 of the Companies Act, 2013, the Board has appointed M/s V. V. Chakradeo & Co., Practising Company Secretaries, Mumbai, as Secretarial Auditors of the Company to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is enclosed herewith as **Annexure - I** forming part of this Director's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Deposits

There was no deposit accepted by the Company within the meaning of Section 58A of the Companies Act, 1956 and Rules made there under. During the financial year under review, the Company has neither invited nor accepted any deposit under Section 73 of the Companies Act, 2013 and the rules made there under and therefore, 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

Following is the information required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2018

a) Conservation of Energy:

The Company continued energy conservation efforts during the year. It has closely monitored power consumption and running hours on day to day basis, thus resulting in optimum utilization of energy. The office and production areas are fitted with energy saving devices to conserve energy in the long run.

| | |
|---|--|
| (i) the steps taken or impact on conservation of energy | Ceiling lights (CFL) in production areas at the Unit I have been replaced with LED tube lights which are durable and requires minimum maintenance. These LED Tube lights has resulted in cutting down the power consumption by almost 14 watts per tube light saving ₹ 2,50,000/- per year of the Company |
| (ii) the steps taken by the company for utilising alternate sources of energy | 490 number of LED tube lights installed at the Unit I of the company as alternate source of energy. |
| (iii) the capital investment on energy conservation equipments; | Corpus for installing LED tube lights is ₹1,92,500/- approximately. |

b) Technology Absorption:

| | |
|---|--|
| (i) the efforts made towards technology absorption | The Company continuously monitors and keep track of technological up gradation in the field of Jewellery manufacturing and the same are reviewed and considered for implementation. Your Company continued its focus on quality up-gradation and product enhancements. |
| (ii) the benefits derived like product improvement, cost reduction, product development or import substitution | a. Enhanced productivity & reduction in production time b. Total traceability of each piece during entire manufacturing process through customized software c. Reduction in re-work & rejection in manufacturing. d. Enhancement of product spectrum e. Improvement in quality of existing products. |
| (iii) the benefits derived like product improvement, cost reduction, product development or import substitution | NA |
| (iv) the expenditure incurred on Research and Development | As per the established Accounting Policy expenditure incurred on Research & Development remains merged with the respective heads. |

c) Foreign exchange earnings and outgo:

(₹ in Lakh)

| | FY 2017-18 | FY 2016-17 |
|---------------------------|------------|------------|
| Foreign Exchange Earnings | 95,073.69 | 105,097.01 |
| Foreign Exchange Outgo | 53,183.55 | 52,107.08 |

Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related

parties were in the ordinary course of business and on an arm's length basis.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is posed on the Company's website www.renjewellery.com.

Your Directors draw attention of the members to the related party disclosures sets out in the financial statements of the Company.

Corporate Social Responsibility (CSR)

The Company has established the Corporate Social Responsibility Committee (CSR Committee) which has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The said CSR Policy is posed on the Company's website www.renjewellery.com.

The Company has identified four focus areas of engagement which are as under:

Medical, Health Care and Social Welfare: Affordable solutions for healthcare and social welfare through improved access, health awareness.

Educational: Access to quality education, training and skill enhancement.

Humanitarian: Creating sustainable livelihood, addressing poverty, hunger and malnutrition.

Environmental, Animal Welfare, Cultural and Religious: Ensuring environmental sustainability, ecological balance, animal welfare, conservation of natural resources and protection of national heritage, art, culture and religion.

As required under Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR activities is enclosed herewith as **Annexure - II** forming part of this Director's Report.

Risk Management

The Board of Directors has adopted Risk Management Policy for the Company which provides for

identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company.

The Management, through a properly defined framework in terms of the aforesaid policy, identifies, monitors, controls and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

The Audit Committee and the Board periodically discuss the significant business risks identified by the Management and review the measures taken for their mitigation.

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.

Implementation of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has constituted a Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Committee meets regularly and takes up programs to spread awareness and educate employees about prevention of Sexual Harassment at Workplace.

No instances of Sexual Harassment of Women under the said Act have been reported in any of the units of the Company during the financial year under review.

Other Disclosures

CSR Committee

The CSR Committee comprises of Mr. Niranjan A. Shah as Chairman, Mr. Hitesh M. Shah and Mr. Anil K. Chopra, as other members.

Audit Committee

The Audit Committee comprises of Independent Directors namely Mr. Veerkumar C. Shah as Chairman, Mr. Arun P. Sathe and Mr. Vishwas V. Mehendale, as other members.

All the recommendations made by the Audit Committee were accepted by the Board.

Meetings of the Board

Six meetings of the Board of Directors were held during the financial year under review. For further details, please refer report on Corporate Governance enclosed in this Annual Report.

Particulars of Loans given, Investments made, Guarantees given and Securities provided

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient, as required under Section 186 of the Companies Act, 2013 are provided in the standalone financial statement (Please refer to Note 54 to the standalone financial statement).

Particulars of Employees

The disclosure pursuant to Section 197(12) read with rule 5(1) and 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed herewith as **Annexure - III** forming part of this Director's Report.

Compliance with Secretarial Standards on Board and General Meetings

During the Financial Year, your Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

Extract of Annual Return

An extract of Annual Return in Form **MGT-9** as provided under sub-section (3) of Section 92 of the Companies Act, 2013 read with and rule 12(1) of the Companies (Management and Administration) Rules, 2014 is enclosed herewith as **Annexure - IV** forming part of this Director's Report.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

In terms of Section 125 of the Companies Act, 2013, any unclaimed or unpaid Dividend relating to the financial year 2010-11 is due for remittance to the Investor Education and Protection Fund (IEPF) established by the Central Government, on October 07, 2018. For the unclaimed dividend relating to other financial years and the respective IEPF Transfer due dates, please refer the statement of IEPF transfer provided in Report on Corporate Governance.

During the financial year under review, the Company has transferred unclaimed dividend for FY 2009-10 amounting to ₹ 80,374/-, to the IEPF.

Details of Significant and Material orders passed by the Regulators or Courts

During the financial year under review, no order had been passed by the regulators/ courts or tribunals which have an effect on the going concern status of the company and its operations.

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

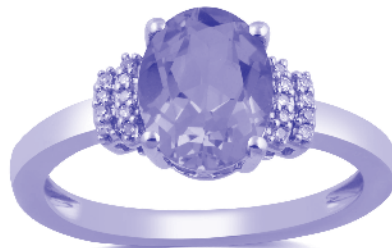
Your Directors take this opportunity to thank the Company's customers, members, vendors and Bankers for their continued support during the year. Your Directors also wish to thank the Government of India and its various agencies, the Santacruz Electronics Export Processing Zone, the Customs and Excise/GST 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,

Niranjan Shah
Executive Chairman
(DIN - 00036439)
Mumbai, May 28, 2018

Hitesh Shah
Managing Director
(DIN - 00036338)



ANNEXURE - I

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

For the Financial Year Ended March 31, 2018

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
Renaissance Jewellery Ltd.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Renaissance Jewellery Ltd. (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018, according to the provisions of:

- i) The Companies Act, 2013 (Act) and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following regulations, guidelines prescribed under Securities and Exchange Board of India Act, 1992:
 - a) The Securities and Exchange Board of India, (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employees Stock Options Scheme and Stock Purchase Scheme) Guidelines 1999/ Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Registrar to Issue and Share Transfer Agents) Regulations 1993, regarding the Companies Act, and dealing with client.
 - f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- vi) Applicable laws for Jewellery manufacturing industry, public licences permissions/licences from various local authorities, Government and semi Government bodies;
- vii) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- viii) other applicable Laws like Factory Act, Labour, Income Tax Act, Service Tax, Goods and Service Tax, Pollution Control Act, Electricity Act, Boiler Act, Hazardous Chemical Act etc.

We have also examined compliance with the applicable clauses of the followings:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meeting and agenda, detailed notes on agenda were sent at least seven days in advance and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for the meaningful participation at the meeting.

Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review the following events/actions has took place in the Company:

- The Company has bought back 2,00,000 (two Lakh Equity Shares of ₹10/- each at a price of ₹250/- (Rupees Two Hundred Fifty only) per Equity Share on a proportionate basis through the tender offer using stock exchange mechanism ("Tender offer").
- The Company has introduced and implemented the RJL - Employees Stock Purchase Scheme 2017 ("ESPS-2017") with the approval of shareholders obtained through a Postal Ballot process, for issue and/ or offer and/or transfer of not exceeding 15,00,000 fully paid-up Equity Shares of face value of ₹10 each, to eligible employees of the Company as well as that of its subsidiaries.
- The members of the Company at a NCLT Convened Meeting held on February 27, 2018 has considered and approved Scheme of Amalgamation of wholly owned subsidiaries of the Company viz. House Full International Limited and N. Kumar Diamond Exports Limited with the Company. The Company has filed all the necessary proceeding documents with the NCLT. However, the final approval of the NCLT for the said Scheme of Amalgamation is awaited

For V. V. Chakradeo & Co.

Place: Mumbai
Date: May 28, 2018

V. V. Chakradeo
COP 1705, FCS 3382

Note: This Report is to be read with our letter of even date which is annexed herewith and forms part of this report.

ANNEXURE TO SECRETARIAL AUDITORS' REPORT

To,
The Members,
Renaissance Jewellery Ltd.

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of the Corporate and other laws, rules, regulations, norms and standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report 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.

Place: Mumbai
Date: May 28, 2018

V. V. Chakradeo
COP 1705, FCS 3382



ANNEXURE - II

Annual Report on Corporate Social Responsibility (CSR) activities for the FY 2017-18

[Pursuant to Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

| | |
|---|--|
| 1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs and the composition of CSR Committee | Refer Corporate Social Responsibility and Disclosures: CSR Committee in this Directors' Report |
| 2. Average net profit of the Company for last three FYs | ₹ 3845.39 Lakh |
| 3. Prescribed CSR expenditure (2% percent of the amount mentioned in item 2 above) | ₹ 77.00 Lakh |
| 4. Details of CSR spent during the financial year: - Total amount to be spent for the financial year - Amount unspent, if any - Manner in which amount spent during the financial year | - ₹ 75.00 Lakh - ₹ 2.00 Lakh* - Details given below |

Details of Amount Spent on CSR Activities during the Financial Year 2017-18:

| Sr. No. | CSR project or Activity Identified | Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013 as amended) | Project of Program (1) Local Area/ Other (2) Specify the State & district where projects /programs was undertaken | Amount Outlay (Budget) Project/ Program wise (₹ in Lakh) | Amount spent on the Projects/ Programs Sub Heads: (1) Direct Expenditure on Projects/ Programs (2) Overheads (₹ in Lakh) | Cumulative Expenditure upto the reporting period i.e. FY 2017-18 (₹ in Lakh) | Amount Spent (Direct/ through Implementing Agency) |
|--------------|--|---|---|--|--|--|--|
| 1. | Medical, Health care and Social welfare | Clause No. i | Maharashtra: - Mumbai Gujarat: - Bhavnagar, - Patan Tamil Nadu: - Coimbatore | 31.00 | 31.50 | 97.82 | Direct/ through Implementing Agency |
| 2. | Education | Clause No. ii | Maharashtra: - Mumbai Gujarat: - Bhavnagar, - Patan Tamil Nadu: - Coimbatore | 18.00 | 18.00 | 86.86 | Direct/ through Implementing Agency |
| 3. | Humanitarian | Clause No. iii | Maharashtra: - Mumbai Gujarat: - Bhavnagar, - Patan | 18.00 | 17.50 | 61.80 | Direct/ through Implementing Agency |
| 4. | Environmental/ Animal Welfare /Cultural/ Religious | Clause No. iv | Gujarat: - Bhavnagar, - Patan | 10.00 | 8.00 | 43.24 | Direct / through Implementing Agency |
| TOTAL | | | | 77.00 | 75.00* | 289.72 | |

* The amount shown as unspent under the Activity heading "Environmental/Animal Welfare/Cultural/Religious" had received approval of CSR Committee & the Board during the FY 2017-18 but was actually spent in the month of May 2018.

The CSR activities are carried through Renaissance Foundation which is a registered trust and has a comprehensive approach towards development with the objects of promoting education/sports training, medical care and society welfare.

Some CSR activities have been carried out directly and some through support to several other Non-Governmental Organisations or Charitable Institutions.

Responsibility Statement

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.'

Niranjan Shah
Chairman, CSR Committee
(DIN - 00036439)

Hitesh Shah
Managing Director
(DIN - 00036338)

Mumbai, May 28, 2018

ANNEXURE – III

Particulars of Remuneration of Executive Directors, KMPs and Median Remuneration

[As required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

A. Disclosure pursuant to Remuneration of Executive Directors and KMPs:

| Sl. No. | Name of Director/KMP and Designation | Remuneration of Director /KMP for FY 2017-18 (₹) | % increase in Remuneration in the FY 2017-18 | Ratio of remuneration of each Director to median remuneration of employees |
|-----------|---|--|--|--|
| A. | Directors: | | | |
| 1 | Niranjan A. Shah (Executive Chairman) | 24,50,400 | 97.63 | 9.90 |
| 2 | Hitesh M. Shah (Executive Director) | 36,79,200 | 0 | 14.80 |
| 3 | Neville R. Tata (Executive Director) | 98,31,719 | 38.36 | 39.32 |
| B. | Key Managerial Personnel: (KMP) | | | |
| 1 | G. M. Walavalkar (Company Secretary) | 23,39,650 | 8.46 | NA |
| 2 | Dilip B. Joshi (Chief Financial Officer) | 30,44,400 | 5.99 | NA |

B. Other disclosures in respect of median remuneration are given below:

| Sr. No. | Requirements | Disclosure | | | | |
|----------------|--|--|----------------|------------|-------|--------|
| 1 | The median remuneration of employees of the Company during the financial year. (For the purpose calculating median remuneration, the remuneration of resigned and newly joined employees during the year has not taken into consideration.) | ₹ 2,44,718/- P.A. | | | | |
| 2 | Percentage increase in median remuneration of employees in the financial year | 8.88% | | | | |
| 3 | Number of permanent employees on the rolls of company | 847 | | | | |
| 4 | Average percentile increase already made in the salaries other than the Managerial Personnel in the last financial year and its comparison with the percentile in the remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | <table border="1"> <thead> <tr> <th>Non Managerial</th> <th>Managerial</th> </tr> </thead> <tbody> <tr> <td>7.69%</td> <td>27.68%</td> </tr> </tbody> </table> | Non Managerial | Managerial | 7.69% | 27.68% |
| Non Managerial | Managerial | | | | | |
| 7.69% | 27.68% | | | | | |
| 5 | The key parameters for any variable component of remuneration availed by directors | NA The Company does not have any variable pay structure for its directors | | | | |
| 6 | The ratio of remuneration of the highest paid director to employees who are not directors but receive remuneration in excess of highest paid directors | NA | | | | |
| 7 | Remuneration as per Policy | The Remuneration paid to Directors/ senior management personnel was as per the Remuneration policy of the Company. | | | | |

C. The Company does not have any employee whose particulars are required to be disclosed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The statement containing details of top ten employees in terms of remuneration drawn, as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is open for inspection at the Registered Office of the Company. In terms of Section 136(1) of the Companies Act, 2013, the interested shareholder(s) may obtain a copy of the said statement by writing to the Company Secretary.

ANNEXURE - IV**FORM MGT-9****EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

| | |
|---|--|
| I. REGISTRATION AND OTHER DETAILS | |
| i. CIN | L36911MH1989PLC054498 |
| ii. Registration Date | December 4, 1989 |
| iii. Name of the Company | Renaissance Jewellery Limited |
| iv. Category / Sub-Category of the Company | Public Company / Limited by shares |
| v. Address of the Registered office and contact details | Plot No. 36A & 37, SEEPZ, MIDC Marol, Andheri (E), Mumbai – 400 096. Tel. : 022 – 4055 1200 Fax : 022 – 2829 2146 Email : investors@renjewellery.com Web : www.renjewellery.com |
| vi. Whether listed company | Yes |
| vii. Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Pvt. Ltd. C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083. Tel. : 022-4918 6000 Fax : 022-4918 6060 Email : rnt.helpdesk@linkintime.co.in Web : www.linkintime.co.in |
| II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY | |
| All the business activities contributing 10% or more of the total turnover of the company | As per Attachment – A |
| III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES | As per Attachment – B |
| IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY) | |
| i. Category-wise Share Holding | As per Attachment – C |
| ii. Shareholding of Promoters | As per Attachment – D |
| iii. Change in Promoters' Shareholding | As per Attachment – E |
| iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) | As per Attachment – F |
| v. Shareholding of Directors and Key Managerial Personnel | As per Attachment – G |
| V. INDEBTEDNESS | |
| Indebtedness of the Company including interest outstanding/accrued but not due for payment | As per Attachment – H |
| VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL | |
| i. Remuneration to Managing Director, Whole-time Directors and/or Manager | As per Attachment – I |
| ii. Remuneration to other directors | As per Attachment – J |
| iii. Remuneration of KMPs | As per Attachment – K |
| VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES | As per Attachment – L |

ATTACHMENT – A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below:-

| Sl. No. | Name and Description of main products/services | NIC Code of the product/service * | % to total turnover of the company # |
|---------|--|-----------------------------------|--------------------------------------|
| 1 | Jewellery Manufacturing | 99889020 | 100 |

* As per National Industrial Classification – Ministry of Statistics and Program Implementation

On the basis of Gross Turnover

ATTACHMENT – B

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | Name of Company | Address of Company | CIN/GLN | Holding / Subsidiary / Associate | % of Shares held* | Applicable section |
|---------|---|--|-----------------------|----------------------------------|-------------------|--------------------|
| 1 | N. Kumar Diamond Exports Ltd. | CC 9081 Bharat Diamond Bourse, BKC, Mumbai-400051 | U36910MH1995PLC086106 | Wholly owned subsidiary | 100.00% | 2(87)(ii) |
| 2 | House Full International Ltd. | C-3, plot 15, WICEL, Andheri (E), Mumbai-400093 | U45401MH2005PLC158277 | Indirect Subsidiary | 33.33% | 2(87)(ii) |
| 3 | House Full Supply Chain Management Ltd. | C-3, plot 15, WICEL, Andheri (E), Mumbai-400093 | U51109MH2010PLC207801 | Indirect Subsidiary | - | 2(87)(ii) |
| 4 | Renaissance Jewellery Bangladesh Pvt. Ltd | Plot No. 107 & 108, Adamjee Export Processing Zone Extension Area, Adamjee Nagar, Narayanganj, Bangladesh | - | Wholly owned subsidiary | 100% | 2(87)(ii) |
| 5 | Verigold Jewellery (UK) Ltd. | 88-90 Hatton Garden Suite 56, 5 th floor, London EC1N8PN | - | Wholly owned subsidiary | 100% | 2(87)(ii) |
| 6 | Renaissance Jewellery NY Inc.(RJNY) | 260 Madison Avenue 18 th Floor, New York, New York – 10016 | - | Wholly owned subsidiary | 100% | 2(87)(ii) |
| 7 | Verigold Jewellery DMCC | Unit No: 20-10-21 Jewellery & Gemplex 2 Plot No: DMCC-PH2-J&GPlexS Jewellery & Gemplex DUBAI United Arab Emirates | - | Wholly owned subsidiary | 100% | 2(87)(ii) |
| 8 | Renaissance Jewellery DMCC | Unit # B03-04-31 & 33, Jewellery & Gemplex DMCC, PO Box – 26884, Dubai, United Arab Emirates | - | Indirect subsidiary | - | 2(87)(ii) |
| 9 | Aurette Jewellery LLP | Unit 101, 36 Turner Road Awing Owners Association Plot 36C, Turner Road, Opp Tava Restro. Bandra (W) Mumbai 400050 | AAB5344 | Wholly owned subsidiary (LLP) | 100% | 2(87)(ii) |

* Representing aggregate % of shares held by the Company and/or its subsidiaries

ATTACHMENT – C

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year (As on 01-04-2017) | | | | No. of Shares held at the end of the year (As on 31-03-2018) | | | | % of change during the year |
|--|--|-----------|-----------------|-------------------|--|-----------|-----------------|-------------------|-----------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| (A) PROMOTERS | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 11702460 | 0 | 11702460 | 61.34 | 6651359 | 0 | 6651359 | 35.23 | (26.11) |
| b) Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| c) State Govt (s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| d) Bodies Corp. | 80 | 0 | 80 | 0.00 | 72 | 0 | 72 | 0.00 | 0.00 |
| e) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| f) Any other - Trust | 2607040 | 0 | 2607040 | 13.66 | 2580112 | 0 | 2580112 | 13.67 | 0.00 |
| Sub-total (A) (1) | 14309580 | 0 | 14309580 | 75.000 | 9231543 | 0 | 9231543 | 48.89 | (26.11) |
| (2) Foreign | | | | | | | | | |
| a) NRIs-Individuals | 0 | 0 | 0 | 0 | 4128037 | 0 | 4128037 | 21.87 | 21.87 |
| b) Other-Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (A) (2) | 0 | 0 | 0 | 00 | 4128037 | 0 | 4128037 | 21.87 | 21.87 |
| TOTAL SHAREHOLDING OF PROMOTER (A) = (A)(1) + (A)(2) | 14309580 | 0 | 14309580 | 75.000 | 13359580 | 0 | 13359580 | 70.76 | (4.24) |
| (B) PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Banks /FI | 11596 | 0 | 11596 | 0.06 | 19599 | 0 | 19599 | 0.10 | 0.04 |
| c) Central Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) FIs | 533372 | 0 | 533372 | 2.80 | 6719 | 0 | 6719 | 0.04 | (2.76) |
| h) Foreign Venture Capital Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B) (1) | 544968 | 0 | 544968 | 2.86 | 26318 | 0 | 26318 | 0.14 | (2.72) |
| (2) Non-institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up to ₹ 1 lakh | 1791259 | 50 | 1791309 | 9.39 | 1414212 | 50 | 1414262 | 7.49 | -1.90 |
| ii) Individual shareholders holding nominal share capital in excess ₹ 1 lakh | 903121 | 0 | 903121 | 4.73 | 1867986 | 0 | 1867986 | 9.89 | 5.16 |
| c) Individuals | | | | | | | | | |
| i) Trusts | 646690 | 0 | 646690 | 3.39 | 196376 | 0 | 196376 | 1.04 | (2.35) |
| ii) Unclaimed Shares Suspense Account* | 1067 | 0 | 1067 | 0 | 1067 | 0 | 1067 | 0 | 0.01 |
| iii) Hindu Undivided Family | 272876 | 0 | 272876 | 1.43 | 247894 | 0 | 247894 | 1.31 | (0.12) |
| iv) NRIs | 276559 | 0 | 276559 | 1.45 | 226363 | 0 | 226363 | 1.20 | (0.25) |
| v) Clearing Member | 41786 | 0 | 41786 | 0.22 | 101251 | 0 | 101251 | 0.54 | 0.32 |
| vi) Bodies Corporate | 291484 | 0 | 291484 | 1.53 | 1438343 | 0 | 1438343 | 7.62 | 6.09 |
| Sub-total (B) (2) | 4224842 | 50 | 4224892 | 22.14 | 5493492 | 50 | 5493542 | 29.10 | 6.96 |
| TOTAL PUBLIC SHAREHOLDING (B) = (B) (1) + (B)(2) | 4769810 | 50 | 4769860 | 25.00 | 5519810 | 50 | 5519860 | 29.24 | 4.24 |
| (C) SHARES HELD BY CUSTODIAN FOR GDRS & ADRS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| GRAND TOTAL (A+B+C)** | 19079390 | 50 | 19079440 | 100.00 | 18879390 | 50 | 18879440 | 100 | 0 |

* The voting rights on these shares shall remain frozen till the rightful owner claims the shares [Refer to Regulation 34(3) and provisions under Schedule V (F) of SEBI (LODR) Regulations, 2015]

** The Company has completed buyback of 2,00,000 Equity Shares of face value of ₹10/- each at price of ₹250/- per share on September 13, 2017. The number of Equity Shares post buyback stands reduce to 1,88,79,440 of ₹10/- each.

ATTACHMENT – D

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

ii) Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year (As on 01-04-2017) | | | Shareholding at the end of the year (As on 31-03-2018) | | | % change in shareholding during the year |
|--------------|--|---|----------------------------------|--|---|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares * | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares * | |
| 1 | Niranjan A. Shah | 2861900 | 15.00 | 0 | 2910677 | 15.42 | 0 | 0.42 |
| 2 | Niranjan Family Private Trust (shares held in the name of trustee Mr. Sumit N. Shah) | 2607040 | 13.66 | 0 | 2580112 | 13.67 | 0 | 0.00 |
| 3 | Sumit N. Shah | 4171120 | 21.86 | 0 | 4128037 | 21.87 | 0 | 0.00 |
| 4 | Hitesh M. Shah | 1430950 | 7.50 | 0 | 1335958 | 7.08 | 0 | (0.42) |
| 5 | Amit C. Shah | 715475 | 3.75 | 0 | 667979 | 3.54 | 0 | (0.21) |
| 6 | Bhupen C. Shah | 715475 | 3.75 | 0 | 667979 | 3.54 | 0 | (0.21) |
| 7 | Kalpana N. Shah | 662780 | 3.47 | 0 | 0 | 0 | 0 | (3.47) |
| 8 | Pinky D. Shah | 1144760 | 6.00 | 0 | 1068766 | 5.66 | 0 | (0.34) |
| 9 | N. Kumar Diamond Exports Limited | 80 | 0.00 | 0 | 72 | 0.00 | 0 | (0.00) |
| TOTAL | | 14309580 | 75.00 | 0 | 13359580 | 70.76 | 0 | (4.24) |

* The term "encumbrance" has the same meaning as assigned to it in regulation 28(3) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



ATTACHMENT – E

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

iii) Change in Promoters' Shareholding

| Sr. No. | Name | Shareholding at the beginning of the year (01-04-17) | | Date of transaction | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding at the end of the year (31-03-18) | |
|--------------|--|--|----------------------------------|---------------------|------------------------------------|---|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| 1 | Niranjan Shah | 2861900 | 15.00 | 12 Sep 2017 | (29560) | Buyback of Shares | 2910677 | 15.42 |
| | | | | 18 Jan 2018 | (650000) | Transaction in open Market | | |
| | | | | 19 Feb 2018 | (71982) | Inter se transfer of shares through gift to Hitesh Shah | | |
| | | | | 28 Feb 2018 | 800319 | Inter se transfer of shares through gift from Kalpana Shah | | |
| 2 | Sumit Shah | 4171120 | 21.86 | 12 Sep 2017 | (43083) | Buyback of Shares | 4128037 | 21.87 |
| 3 | Hitesh Shah | 1430950 | 7.50 | 12 Sep 2017 | (14779) | Buyback of Shares | 1335958 | 7.08 |
| | | | | 27 Nov 2017 | (2195) | Transaction in open Market | | |
| | | | | 18 Jan 2018 | (150000) | Transaction in open Market | | |
| | | | | 19 Feb 2018 | 71982 | Inter se transfer of shares through gift from Niranjan Shah | | |
| 4 | Kalpana Shah | 662780 | 3.47 | 12 Sep 2017 | (6845) | Buyback of Shares | 0 | 0.00 |
| | | | | 19 Feb 2018 | 40107 | Inter se transfer of shares through gift from Amit Shah | | |
| | | | | 19 Feb 2018 | 40107 | Inter se transfer of shares through gift from Bhupen Shah | | |
| | | | | 20 Feb 2018 | 64170 | Inter se transfer of shares through gift from Pinky Shah | | |
| | | | | 28 Feb 2018 | (800319) | Inter se transfer of shares through gift to Niranjan Shah | | |
| 5 | Amit Shah | 715475 | 3.75 | 12 Sep 2017 | (7389) | Buyback of Shares | 667979 | 3.54 |
| | | | | 19 Feb 2018 | (40107) | Inter se transfer of shares through gift to Kalpana Shah | | |
| 6 | Bhupen Shah | 715475 | 3.75 | 12 Sep 2017 | (7389) | Buyback of Shares | 667979 | 3.54 |
| | | | | 19 Feb 2018 | (40107) | Inter se transfer of shares through gift to Kalpana Shah | | |
| 7 | Pinky Shah | 1144760 | 6.00 | 12 Sep 2017 | (11824) | Buyback of Shares | 1068766 | 5.66 |
| | | | | 20 Feb 2018 | (64170) | Inter se transfer of shares through gift to Kalpana Shah | | |
| 8 | N. Kumar Diamond Exports Ltd | 80 | 0.00 | 12 Sep 2017 | (8) | Buyback of Shares | 72 | 0.00 |
| 9 | Niranjan Family Private Trust (shares held in the name of trustee Mr. Sumit N. Shah) | 2607040 | 13.66 | 12 Sep 2017 | (26928) | Buyback of Shares | 2580112 | 13.67 |
| TOTAL | | 14309580 | 75.00 | | | | 13359580 | 70.76 |

ATTACHMENT – F

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs)

| Sr. No. | Name | Shareholding at the beginning of the year (01-04-17) | | Date of transaction | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding At the end of the year (31-03-18) | |
|---------|---|--|----------------------------------|---------------------|------------------------------------|--|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| 1 | BG Advisory Services LLP* | 0 | 0.00 | 26 Jan 2018 | 697337 | Transaction in open market | 699898 | 3.7072 |
| | | | | 16 Feb 2018 | 350 | | | |
| | | | | 23 Feb 2018 | 2211 | | | |
| 2 | PARAG SURESHCHANDRA SHAH | 233364 | 1.2361 | 10 Aug 2017 | 65716 | Transaction in open market | 304930 | 1.6150 |
| | | | | 11 Aug 2017 | (200125) | | | |
| | | | | 11 Aug 2017 | (93987) | | | |
| | | | | 12 Sep 2017 | (38) | Buyback of Shares | | |
| | | | | 01 Dec 2017 | 300000 | Shares issued under RJL ESPS Scheme 2017 | | |
| 3 | POOJA ARORA* | 0 | 0.00 | 18 Aug 2017 | 270000 | Transaction in open market | 270000 | 1.4301 |
| 4 | REENA ARORA* | 0 | 0.0000 | 18 Aug 2017 | 270000 | Transaction in open market | 270000 | 1.4301 |
| 5 | VRSHA ARORA* | 0 | 0.0000 | 18 Aug 2017 | 267294 | Transaction in open market | 267294 | 1.4158 |
| 6 | JBCG ADVISORY SERVICES PRIVATE LIMITED* | 0 | 0.0000 | 18 Aug 2017 | 321762 | Transaction in open market | 228118 | 1.2083 |
| | | | | 15 Sep 2017 | 15238 | | | |
| | | | | 26 Jan 2018 | (8500) | | | |
| | | | | 02 Feb 2018 | (94000) | | | |
| | | | | 09 Feb 2018 | 13618 | | | |
| | | | | 02 Mar 2018 | (5000) | | | |
| | | | | 09 Mar 2018 | (4550) | | | |
| | | | | 16 Mar 2018 | (10450) | | | |
| 7 | RJL EMPLOYEE WELFARE TRUST | 646376 | 3.4237 | 01 Dec 2017 | (450000) | Shares issued under RJL ESPS Scheme 2017 | 196376 | 1.0402 |
| 8 | NIKESH SURESHCHANDRA SHAH | 118687 | 0.6287 | 09 Jun 2017 | (6700) | Transaction in open market | 165073 | 0.8744 |
| | | | | 11 Aug 2017 | (72900) | | | |
| | | | | 18 Aug 2017 | (3005) | | | |
| | | | | 12 Sep 2017 | (1241) | Buyback of Shares | | |
| | | | | 01 Dec 2017 | 150000 | Shares issued under RJL ESPS Scheme 2017 | | |
| | | | | 22 Dec 2017 | (19768) | Transaction in open market | | |

| | | | | | | | | |
|-------------|-----------------------------------|--------|--------|-------------|---------|----------------------------|--------|--------|
| 9 | SHRENIK MANHARLALSHAH HUF | 166818 | 0.8836 | 12 Sep 2017 | (2531) | Buyback of Shares | 156562 | 0.8293 |
| | | | | 22 Dec 2017 | (7725) | Transaction in open market | | |
| 10 | ADESH VENTURES LLP* | 0 | 0.0000 | 01 Dec 2017 | 48065 | Transaction in open market | 149912 | 0.7940 |
| | | | | 08 Dec 2017 | 30492 | | | |
| | | | | 15 Dec 2017 | 8195 | | | |
| | | | | 22 Dec 2017 | 17691 | | | |
| | | | | 12 Jan 2018 | (14443) | | | |
| | | | | 23 Feb 2018 | 70830 | | | |
| | | | | 02 Mar 2018 | 3359 | | | |
| | | | | 16 Mar 2018 | (14277) | | | |
| 11 | SHRENIK MANHARLAL SHAH # | 177469 | 0.9400 | 09 Jun 2017 | (5000) | Transaction in open market | 139883 | 0.7409 |
| | | | | 12 Sep 2017 | (2586) | Buyback of Shares | | |
| | | | | 22 Dec 2017 | (30000) | Transaction in open market | | |
| 12 | WALLFORT FINANCIAL SERVICES LTD # | 100023 | 0.5298 | 21 Apr 2017 | (50023) | Transaction in open market | 100000 | 0.5297 |
| | | | | 28 Apr 2017 | (50000) | | | |
| | | | | 22 Dec 2017 | 150000 | | | |
| | | | | 05 Jan 2018 | (25000) | | | |
| | | | | 12 Jan 2018 | (25000) | | | |
| 13 | SANGEETHA S # | 80620 | 0.4270 | 16 Feb 2018 | (1260) | Transaction in open market | 79180 | 0.4194 |
| | | | | 09 Mar 2018 | (180) | | | |
| 14 | RIMA NIKESH SHAH# | 84497 | 0.4476 | 11 Aug 2017 | (36180) | Transaction in open market | 8798 | 0.0466 |
| | | | | 18 Aug 2017 | (38595) | | | |
| | | | | 12 Sep 2017 | (924) | Buyback of Shares | | |
| 15 | MASTER CAPITAL SERVICES LTD# | 36044 | 0.1909 | 07 Apr 2017 | (16547) | Transaction in open market | 2676 | 0.0142 |
| | | | | 14 Apr 2017 | (2965) | | | |
| | | | | 21 Apr 2017 | 260 | | | |
| | | | | 05 May 2017 | 496 | | | |
| | | | | 12 May 2017 | 575 | | | |
| | | | | 19 May 2017 | (14914) | | | |
| | | | | 26 May 2017 | 1695 | | | |
| | | | | 02 Jun 2017 | 203 | | | |
| | | | | 09 Jun 2017 | (4052) | | | |
| | | | | 16 Jun 2017 | 1663 | | | |
| | | | | 23 Jun 2017 | (622) | | | |
| | | | | 30 Jun 2017 | (125) | | | |
| | | | | 07 Jul 2017 | (21) | | | |
| | | | | 14 Jul 2017 | 160 | | | |
| | | | | 21 Jul 2017 | (136) | | | |
| | | | | 28 Jul 2017 | (142) | | | |
| | | | | 04 Aug 2017 | (180) | | | |
| | | | | 11 Aug 2017 | 48 | | | |
| 18 Aug 2017 | 555 | | | | | | | |
| 25 Aug 2017 | (118) | | | | | | | |

| | | | | | | | | |
|----|--|--------|--------|-------------|----------|----------------------------|---|--------|
| | | | | 01 Sep 2017 | (916) | Buyback of Shares | | |
| | | | | 08 Sep 2017 | 151 | Transaction in open market | | |
| | | | | 15 Sep 2017 | 627 | | | |
| | | | | 22 Sep 2017 | 459 | | | |
| | | | | 29 Sep 2017 | 2139 | | | |
| | | | | 06 Oct 2017 | (1793) | | | |
| | | | | 13 Oct 2017 | 43 | | | |
| | | | | 20 Oct 2017 | 42 | | | |
| | | | | 27 Oct 2017 | 313 | | | |
| | | | | 03 Nov 2017 | (183) | | | |
| | | | | 10 Nov 2017 | (100) | | | |
| | | | | 17 Nov 2017 | 5 | | | |
| | | | | 24 Nov 2017 | (30) | | | |
| | | | | 01 Dec 2017 | (167) | | | |
| | | | | 08 Dec 2017 | (1809) | | | |
| | | | | 15 Dec 2017 | 500 | | | |
| | | | | 22 Dec 2017 | 776 | | | |
| | | | | 29 Dec 2017 | 1961 | | | |
| | | | | 30 Dec 2017 | 5 | | | |
| | | | | 05 Jan 2018 | (297) | | | |
| | | | | 12 Jan 2018 | (630) | | | |
| | | | | 19 Jan 2018 | (693) | | | |
| | | | | 26 Jan 2018 | 879 | | | |
| | | | | 02 Feb 2018 | 195 | | | |
| | | | | 09 Feb 2018 | 560 | | | |
| | | | | 16 Feb 2018 | (952) | | | |
| | | | | 23 Feb 2018 | 229 | | | |
| | | | | 02 Mar 2018 | 467 | | | |
| | | | | 09 Mar 2018 | (695) | | | |
| | | | | 16 Mar 2018 | (30) | | | |
| | | | | 23 Mar 2018 | (101) | | | |
| | | | | 31 Mar 2018 | (156) | | | |
| 16 | ELARA INDIA OPPORTUNITIES FUND LIMITED # | 533234 | 2.8244 | 18 Aug 2017 | (533234) | Transaction in open market | 0 | 0.0000 |

* Not in the list of Top 10 shareholders as on 01-04-2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2018.

Ceased to be in the list of Top 10 shareholders as on 31-03-2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2017.

ATTACHMENT – G

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

v) Shareholding of Directors and Key Managerial Personnel

| Sr. No. | Name | Shareholding at the beginning of the year (01-04-17) | | Date of transaction | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding at the end of the year (31-03-18) | |
|--|----------------------|--|----------------------------------|---------------------|------------------------------------|--|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| A. DIRECTORS: | | | | | | | | |
| 1 | Niranjan A. Shah | 2861900 | 15.00 | 12 Sep 2017 | (29560) | Buyback of Shares | 2910677 | 15.42 |
| | | | | 18 Jan 2018 | (650000) | Transaction in open Market | | |
| | | | | 19 Feb 2018 | (71982) | Inter se transfer of shares through gift | | |
| | | | | 28 Feb 2018 | 800319 | Inter se transfer of shares through gift | | |
| 2 | Sumit N. Shah | 4171120 | 21.86 | 12 Sep 2017 | (43083) | Buyback of Shares | 4128037 | 21.87 |
| 3 | Hitesh M. Shah | 1430950 | 7.50 | 12 Sep 2017 | (14779) | Buyback of Shares | 1335958 | 7.08 |
| | | | | 27 Nov 2017 | (2195) | Transaction in open Market | | |
| | | | | 18 Jan 2018 | (150000) | Transaction in open Market | | |
| | | | | 19 Feb 2018 | 71982 | Inter se transfer of shares through gift | | |
| 4 | Neville R. Tata | 0 | 0 | - | 0 | - | 0 | 0 |
| 5 | Vishwas V. Mehendale | 0 | 0 | - | 0 | - | 0 | 0 |
| 6 | Anil K. Chopra | 0 | 0 | - | 0 | - | 0 | 0 |
| 7 | Veer Kumar C. Shah | 64 | 0 | - | 0 | - | 64 | 0.00 |
| 8 | Arun P. Sathe | 0 | 0 | - | 0 | - | 0 | 0 |
| 9 | Madhavi S. Pethe | 0 | 0 | - | 0 | - | 0 | 0 |
| B. Key Managerial Personnel (KMP's) | | | | | | | | |
| 1 | G. M. Walavalkar | 0 | 0 | - | 0 | - | 0 | 0 |
| 2 | Dilip B. Joshi | 0 | 0 | - | 0 | - | 0 | 0 |

ATTACHMENT – H

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in Lakh)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year (01.04.2016) | | | | |
| i) Principal Amount | 19,726.29 | 160.62 | - | 19,886.91 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 2.12 | - | - | 2.12 |
| TOTAL (i+ii+iii) | 19,728.41 | 160.62 | - | 19,889.03 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 1,13,540.66 | 3,616.00 | - | 1,17,156.66 |
| Reduction | (1,15,516.12) | (2,738.20) | - | (1,18,254.32) |
| Exchange Difference | - | - | - | - |
| Net Change | (1,975.46) | 877.80 | - | (1,097.66) |
| Indebtedness at the end of the financial year (31.03.2018) | | | | |
| i) Principal Amount | 17,752.95 | 1,038.42 | - | 18,791.37 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | 37.89 | - | 37.89 |
| TOTAL (i+ii+iii) | 17,752.95 | 1,076.31 | - | 18,829.26 |

ATTACHMENT – I

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

i. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Name of MD/WTD | | | Total Amount |
|---------|--|----------------------|--------------------|---------------------|--------------------|
| | | Mr. Niranjan A. Shah | Mr. Hitesh M. Shah | Mr. Neville R. Tata | |
| 1. | Gross salary | | | | |
| | a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 24,00,000 | 36,00,000 | 96,00,000 | 1,56,00,000 |
| | b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | 28,800 | 57,600 | 2,10,119 | 2,96,519 |
| | c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | 0 | 0 | 0 | 0 |
| 2. | Stock Option | 0 | 0 | 0 | 0 |
| 3. | Sweat Equity | 0 | 0 | 0 | 0 |
| 4. | Commission | | | | |
| | - as % of profit | 0 | 0 | 0 | 0 |
| | - others | 0 | 0 | 0 | 0 |
| 5. | Others | 21,600 | 21,600 | 21,600 | 64,800 |
| | TOTAL (A) | 24,50,400 | 36,79,200 | 98,31,719 | 1,59,61,319 |

ATTACHMENT – J

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

ii. Remuneration to Directors:

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | | | Total Amount | |
|--|--|-----------------------|--------------------------|--------------------|-------------------|-----------------------|----------------|--------------------|------------------------|
| | | Independent Directors | | | | | | | Non-Executive Director |
| | | Mr. Veerkumar C. Shah | Mr. Vishwas V. Mehendale | Mr. Anil K. Chopra | Mr. Arun P. Sathe | Mrs. Madhavi S. Pethe | Mr. Sumit Shah | | |
| 1. | Fee for attending board / committee meetings | 3,00,000 | 2,70,000 | 2,55,000 | 2,70,000 | 2,10,000 | - | 13,05,000 | |
| 2. | Fee for attending board / committee meetings/ commission /others | - | - | - | - | - | 0 | 0 | |
| | TOTAL (B) | 3,00,000 | 2,70,000 | 2,55,000 | 2,70,000 | 2,10,000 | 0 | 13,05,000 | |
| TOTAL MANAGERIAL REMUNERATION (A+B) | | | | | | | | 1,72,66,319 | |

The total Managerial Remuneration Paid to Directors during FY 2017-18 is within the limit specified under section 197 of Companies Act, 2013.

ATTACHMENT – K**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****iii. Remuneration to Key Managerial Personnel other than MD/WTD:**

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Name of Key Managerial Personnel | | |
|---------|---|----------------------------------|---|------------------|
| | | CFO (Mr. Dilip B. Joshi) | Company Secretary (Mr. G. M. Walavalkar) | Total Amount |
| 1. | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 29,94,000 | 22,62,000 | 52,56,000 |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | 28,800 | 56,050 | 84,850 |
| | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | 0 | 0 | 0 |
| 2. | Stock Option | 0 | 0 | 0 |
| 3. | Sweat Equity | 0 | 0 | 0 |
| 4. | Commission | | | |
| | - as % of profit | 0 | 0 | 0 |
| | - others | 0 | 0 | 0 |
| 5. | Others | 21,600 | 21,600 | 43,200 |
| | TOTAL | 30,44,400 | 23,39,650 | 53,84,050 |

ATTACHMENT – L**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

| Type | Section of the Companies Act | Brief Description | Details of Penalty / punishment / compounding fees imposed | Authority (RD/NCLT / COURT) | Appeal made, if any (give details) |
|----------------------------------|------------------------------|-------------------|--|-----------------------------|------------------------------------|
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

Management's Discussion and Analysis

As we complete one more year of sustained growth, we ready ourselves for the coming year. Last year we had mentioned that **Renaissance means a revival or rebirth especially of culture and learning.** We have adapted the same in our business processes to re-orient and re-invent the company to be globally competitive.

The global business environment has been extremely volatile. Economies of the world have moved from a relatively free trade economy to a more protectionist regime by imposing trade barriers. The Company's strategy of transforming itself from being an Indian manufacturer a decade ago to a more diversified global Company has paid dividends. The Company has always taken extremely measured steps in its journey over the last decade. The Company has kept working relentlessly to deliver to its clients. The same has been done without compromising on the core principles of delivering value to its stakeholders.

The Company started its relationship with the investors in December, 2007. During the financial year ended March 31, 2008, the Company had recorded a Sales of INR 596 crore with a PAT of INR 33.6 crores. A decade later, i.e. for the quarter ended December 31, 2017, the Company recorded its highest ever turnover in a quarter of INR 616 crores and a PAT for the quarter of INR 29.6 crores. What was being achieved in a full year is now being achieved in a quarter. The period also coincided with the Company's market capitalisation crossing INR 500 crores for the first time since the IPO. The same reaffirms that the Company's strategy of re-inventing itself is paying good dividends to its stakeholders.

OUR BUSINESS & CLIENTS

The Company has been engaged in the business of design, manufacturing and sales of various types of Jewellery - Pendants, Earrings, Bracelets, Rings, Necklaces, Bangles made of Platinum, Gold or Silver Studded with Diamonds and/or Precious/Semi-Precious stones. Categories under which these products are sold are Diamond Fashion, Bridal and Gemstones.

The integration of the Dubai unit has given the Company a strong platform to expand its Product Portfolio to Plain Gold bangles – both casted and

CNC. The Company plans to expand the product portfolio to other types of jewellery that can be sold in the Middle East.

We have Marquee Global Corporates as our Clients. Our clients are very large retailers or speciality jewellery chains in the USA, Europe and the Middle East. We also sell some of our jewellery products through online channels. Some of the key clients the Company caters to are Amazon, Argos, Damas, J C Penney, Kohls, Signet, Sterling Jewellers, Wal-Mart, Zales Corporation etc.

The Company believes that the sustained growth is on account of a well-managed team that operates under a well-planned Corporate set-up. Over the years, leadership teams have been created in each subsidiary/ geography to cater to the specific needs of the local clients of that geography. The same works very closely under the guidance of the top leadership and management team. The Company believes that its efforts to continuously bring in corporatisation into its business practises has been one of the key drivers for its sustained growth in its journey.

RESPONSIBLE JEWELLERY COUNCIL

As part of its efforts to bring in Corporatisation and best practises, the Company is a certified member of the Responsible Jewellery Council (RJC). Being a RJC member, the Company is committed to and is independently audited against the RJC Code of Practices – an international standard on responsible business practices for the Gems and Jewellery industry. The Code of Practices addresses human rights, labour rights, environmental impact, mining practices, product disclosure and many more important topics in the jewellery supply chain. The Company also works with multi-stakeholder initiatives on responsible sourcing and supply chain due diligence.

GJEPC AWARD

The Gem and Jewellery Export Promotion Council (GJEPC) has once again recognised the Company as a leading manufacturer of Studded Jewellery in India. During the year, Renaissance has received the GJEPC Award for largest exporter in the category of Precious Metal Jewellery – Studded for the year 2016-17. It is an award for recognizing the

largest exporter for outstanding performance and contribution in the trade category. This is the seventh time that the Company has won this award since 2006.

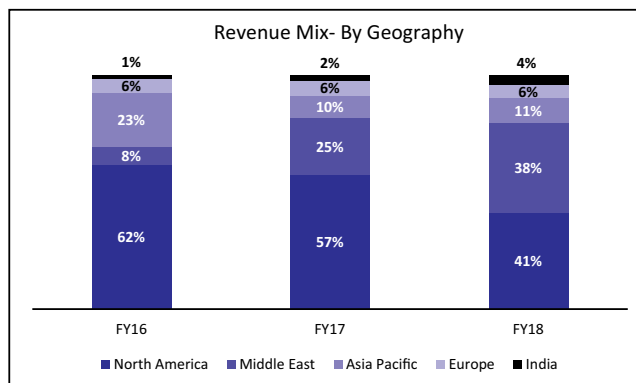
CONSOLIDATION OF BUSINESS

The Company has invested the last 12 months in taking consolidation measures across several areas. The same has yielded phenomenal growth for the Company. The Company is now poised to attain sustainable growth on account of the actions taken during this period. Some of the consolidation measures taken are highlighted below:

Dubai operations

In November 2016, Verigold Jewellery DMCC, Dubai, a wholly owned subsidiary of RJL has set up a JV Renaissance Jewellery DMCC (RJDMCC) with a local partner. The Company had identified the Middle East as a thrust area for its future growth. This acquisition has given RJL a good foothold to penetrate the jewellery market in the Middle East. During the current financial year, the integration of Dubai unit was seamless and has paid rich dividends to the company with respect to the output.

With the integration of the Dubai entity, the Company's dependence on the festive season in the USA reduces to a reasonable extent. From an aggregate sale to USA comprising of about 85% in FY'11, the same has reduced to about 41% in FY'18. The Middle East now comprises about 38% of the Consolidated Sales.



Going forward the Company proposes to maintain a diversified yet well-balanced sale to the USA and the Middle East.

Manufacturing Units

In an effort to consolidate its manufacturing facilities, the Group has principally decided to exit out of its operation in Bangladesh wherein it has a Wholly Owned Subsidiary, Renaissance Jewellery Bangladesh Private Limited (RJBPL). The Company is pursuing appropriate steps in this direction either through divestment of its stake in RJBPL or sale of the entire operation as slump sale.

The Company continues to have manufacturing facilities in Mumbai and Bhavnagar with workforce comprising of 4000+ people.

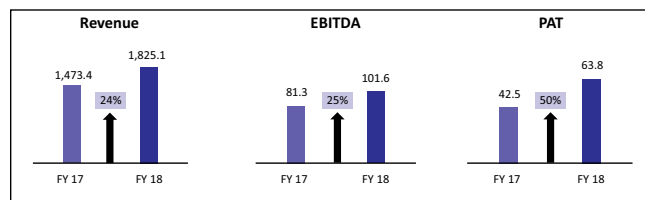
Buy Back of Shares

During the year, the Company had offered to buy back 2,00,000 equity shares of the Company at a fixed price of INR 250/- share. The buyback was being carried out to provide overall enhancement of the shareholders' value. The buyback price was at a marginal premium to the book value of the shares. The same has resulted in better return to the stakeholders of the Company. The management will always keep stakeholder values at the core of its decision-making process.

PERFORMANCE OF THE COMPANY

Financial Performance

- **The Company has recorded its highest ever Sales, EBIDTA and PAT in any financial year since its inception.** While Consolidated sales for the full year increased by 23.9% over the previous year, the Consolidated PAT increased by 50.0% over the same period



- The Company has recorded a Consolidated Sales turnover of **INR 1825.1 crore** for the year ended March 31, 2018 as compared to **INR 1473.4 crore** for the year ended March 31, 2017. The Company achieved a **growth of 23.9% in sales.**
- **For the first time, the EBIDTA achieved during the year surpassed the INR 100 crore mark.** Consolidated EBIDTA of the Company for the year ended March 31, 2018 stands at

INR 101.6 crores as against INR 81.3 crores for the same period of the earlier year. This reflects a growth of 25.1%.

Despite strong Sales growth, the Company has maintained and marginally improved the **EBITDA Margin**. The current year Margin stands at **5.6% vs 5.5%** in the last year.

- The Consolidated **PAT** for the year ended March 31, 2018 is **INR 63.8 crores** as compared to INR 42.5 crore for the same period last year. The same is an increase of **50.0% growth** on a y-o-y basis.

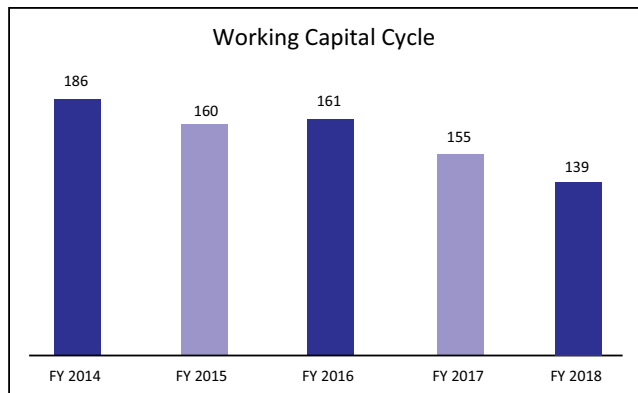
The Consolidated **PAT margin** of the Company has grown from **2.9%** during the earlier year to **3.5%** during the year ended March 31, 2018. The same translated to an **EPS** (annualized) of **INR 34.1** for the year ended March 31, 2018.

- Book Value per Share** has reached **INR 295.4** during the current financial year.

Change in Accounting standards to Ind-AS

The Company has adopted Ind-AS for the first time beginning April 1, 2017. The results for the year ended March 31, 2018 are as per Ind-AS. Changes in Balance Sheet items are recognized under the Other Comprehensive Income(OCI). The PAT mentioned above reflects the profitability from operations.

Working Capital Cycle & Efficient Capital Allocation



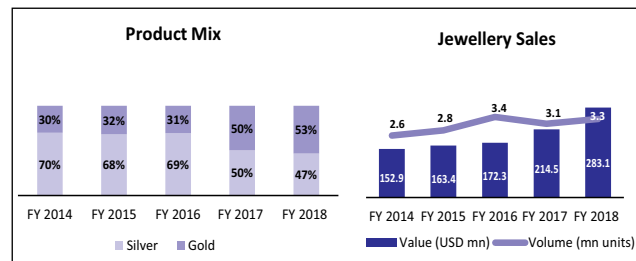
The Company has been reducing the overall working capital cycle by efficient capital allocation. The same has been possible by very closely monitoring the entire cycle from placing orders to delivery till the receipt of money.

The Working Capital Cycle has reduced to about 139 days in FY'18 from 186 days in FY'14

The company has been working in a very systematic planned way towards efficient capital utilization. The business is working capital intensive. Over the last 5 years, the Company has worked on the total Working Capital Cycle along with the enhanced profitability.

The same has resulted in an increase of ROCE from 13% to 16% during the current year.

Product Metrics

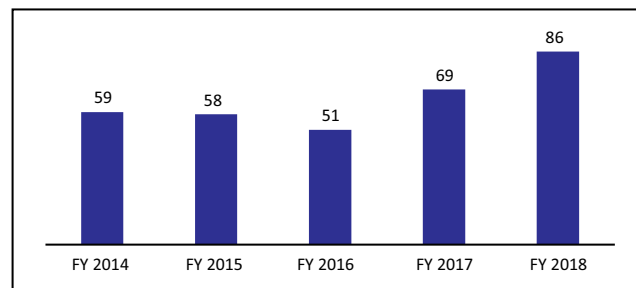


- Smooth integration of Dubai unit has enabled the company to maintain the Product mix of Silver and Gold to a more balanced level.

Proportion of **Silver: Gold** in terms of Value was **47:53**.

- The Company sold **3.3 million pieces** this year compared to 3.1 million pieces in FY17. In value terms, the **Sales were USD 283.1 million** this year against USD 214.5 million in the previous year.

Average Realization Per Piece



- Average Realization Per Piece** has increased considerably to **USD 86** this year from **USD 69** last year. The Higher Average Realization per piece can be attributed to Gold products manufactured and sold from Dubai Unit.

THE WAY FORWARD

The Company has been working continually to improve the margin through higher value addition. Management's focus on working with brands for a higher margin businesses including licensing arrangements has yielded good results.

On account of the strategy of improving margins on its products, Company's Profitability is likely to increase at a faster rate than the top line.

There is a fair element of turmoil in the industry leading to consolidation of players. There are lot of businesses with good clients and complementary product bouquets that are looking to be bought out or their operations being merged with larger entities. The management believes that there will be significant opportunities for the company to grow through acquisitions.

The Company is constantly evaluating such acquisition opportunities (both domestically and internationally) based on their products and markets being complementary to its own.

There have been several measures initiated by the current government to propagate financially transparent measures for purchase of jewellery in the domestic retail segment. Providing PAN numbers of buyers, GST imposition on jewellery etc. are some of the measures. This has hastened the consumer shift from Unorganised to Organised players. Furthermore, the Changes in the Consumer Preference towards designer and branded jewellery are encouraging signs. The Company believes that the Indian retail market offers a huge opportunity.

Over the course of next year, the Company will evaluate entering the domestic retail market. The Company stands for Craftsmanship and international styling combined with good governance and it will examine carefully how this can be utilised to create a strong domestic retail brand in the years to come.



Report on Corporate Governance

REPORT ON CORPORATE GOVERNANCE

In compliance with the Corporate Governance requirements as prescribed in Regulation 34(3) read with PART C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015), the Company's philosophy on Corporate Governance and compliance thereof in respect of specific areas, as applicable, for the year ended March 31, 2018 are set out below for information of shareholders and investors of the Company.

THE COMPANY'S GOVERNANCE PHILOSOPHY

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 Regulation 17 to 27 of the SEBI (LODR) Regulations, 2015 is concerned, the Company has complied in all material respects with the requirements of Corporate Governance specified in the SEBI (LODR) Regulations, 2015.

To ensure integrity, transparency, independence and accountability in dealing with all stakeholders, the Company has adopted various codes and policies to carry out business in an ethical manner. Some of these codes and policies are:

- Code of Conduct for Directors and senior management
- Code of Conduct for Prohibition of Insider Trading
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)
- Vigil Mechanism and Whistle Blower Policy
- Policy on Related Party Transactions
- Corporate Social Responsibility Policy
- Nomination and Remuneration Policy
- Policy for determining Material Subsidiaries
- Policy for Preservation of documents
- Risk Management Policy

BOARD OF DIRECTORS

In terms of the Company's Corporate Governance philosophy, 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.

BOARD'S FUNCTION AND PROCEDURE

The Board of Directors, in its meetings, focuses mainly on:

- Reviewing corporate strategy, major plans of actions, risk policy, and business plans,
- Overseeing major capital expenditure, acquisitions and disinvestments,
- Monitoring the effectiveness of governance practices,
- Business development, internal controls, regulatory compliances,
- Selecting, compensating, monitoring, replacing key managerial personnel of the company,
- Ensuring a transparency by diversity of thought, experience, knowledge and gender in board,
- Ensuring the integrity of the Company's accounting and financial reporting systems,
- Overseeing the process of disclosure and communications,
- Monitoring and reviewing board evaluation framework for ensuring good corporate governance.

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 Regulation 17 of the SEBI (LODR) Regulations, 2015 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, Law 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, 2018

| Name of the Director | Business Relationship | Executive/ Non-Executive/ Independent |
|--|------------------------|--|
| Niranjan A. Shah (DIN – 00036439) | Executive Chairman | Promoter, Executive |
| Sumit N. Shah (DIN – 00036387) | Vice Chairman | Promoter, Non-Executive |
| Hitesh M. Shah (DIN – 00036338) | Managing Director | Promoter, Executive |
| Neville R. Tata (DIN – 00036648) | Executive Director | Executive |
| Veer Kumar C. Shah (DIN – 00129379) | Director | Independent, Non-Executive |
| Vishwas V. Mehendale (DIN – 00094468) | Director | Independent, Non-Executive |
| Anil K. Chopra (DIN – 01417814) | Director | Independent, Non-Executive |
| Arun P. Sathe (DIN – 03092215) | Director | Independent, Non-Executive |
| Madhavi S. Pethe (DIN – 05210916) | Director | Independent, Non-Executive |
| Composition of the Board | Independent 55% | Non-Executive 67% Executive 33% |

Except Mr. Niranjan A. Shah and Mr. Sumit N. Shah who are related to each other as father and son, no Director on the Board is related to the other, as per definition of 'relative' given in Companies Act, 2013

Mr. Neville R. Tata, Executive Director retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

The information prescribed under the SEBI (LODR) Regulations, 2015 on Directors seeking appointment and re-appointment, to be sent to the shareholders is stated in the Notice of the Annual General Meeting.

Remuneration of Directors

Remuneration of Executive Directors is determined by the Nomination and Remuneration Committee comprising only Independent & Non-Executive Directors. The recommendations of the Nomination and 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 receives only Sitting Fees. Sitting Fees constitute the fees paid to Non-Executive Directors for attending Board and Committee Meetings.

Details of Remuneration Paid to Directors during the F.Y. ended March 31, 2018

(₹ In Lakh)

| Name of Directors | Category | Sitting Fees | Salary | PF & Super-annuation Fund | Total |
|----------------------|----------------------|--------------|--------|---------------------------|-------|
| Niranjan A. Shah | Executive Chairman | - | 24.00 | 0.22 | 24.22 |
| Sumit N. Shah | Vice Chairman | - | - | - | - |
| Hitesh M. Shah | Managing Director | - | 36.00 | 0.22 | 36.22 |
| Neville R. Tata | Executive Director | - | 96.00 | 0.22 | 96.22 |
| Veer Kumar C. Shah | Independent Director | 3.00 | - | - | 3.00 |
| Vishwas V. Mehendale | Independent Director | 2.70 | - | - | 2.70 |
| Anil K. Chopra | Independent Director | 2.55 | - | - | 2.55 |
| Arun P. Sathe | Independent Director | 2.70 | - | - | 2.70 |
| Madhavi S. Pethe | Independent Director | 2.10 | - | - | 2.10 |

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 Salaries payable to the Managing Director and Executive Directors are reviewed by the Board of Directors annually and are 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, 2017, approved by the members through Postal Ballot Resolution passed on November 20, 2017.

The services of Managing Director and Executive Director(s) may be terminated by either party, giving

the other party three months' notice. There is no separate provision for payment of severance fees.

Following are details of Equity Shares held by the Directors as on March 31, 2018

| Name of the Directors | No. of Equity Shares held | % Holding |
|-----------------------|---------------------------|-----------|
| Niranjan A. Shah | 2910677 | 15.4172 |
| Sumit N. Shah | 4128037 | 21.8653 |
| Hitesh M. Shah | 1335958 | 7.0763 |
| Neville R. Tata | 0 | 0 |
| Veer Kumar C. Shah | 64 | 0.0003 |
| Vishwas V. Mehendale | 0 | 0 |
| Anil K. Chopra | 0 | 0 |
| Arun P. Sathe | 0 | 0 |
| Madhavi S. Pethe | 0 | 0 |

Board Meetings and Attendance

During the F.Y. 2017-18 six Board Meetings were held, at the Registered Office of the Company. The maximum time gap between any two board meetings was not more than 120 days.

Following are details of Board Meetings held in FY 2017-18

| Sr. No. | Date of Board Meeting | Board Strength | No. of Directors Present |
|---------|-----------------------|----------------|--------------------------|
| 1 | 30/05/2017 | 9 | 7 |
| 2 | 28/07/2017 | 9 | 8 |
| 3 | 29/08/2017 | 9 | 7 |
| 4 | 14/09/2017 | 9 | 9 |
| 5 | 14/12/2017 | 9 | 8 |
| 6 | 14/02/2018 | 9 | 7 |

Minimum five Board Meetings are held annually. For specific needs of the Company, additional Board meetings are convened by giving appropriate notice. In case of business exigencies or urgency of matters, resolutions are passed by circulation, in accordance with the Companies Act, 2013.

The Board and Committee meetings are usually held at the Company's Registered Office situated at Plot No. 36A & 37, SEEPZ, Andheri (E), Mumbai -400096.

The matters requiring discussion / approval / decision at Board / Board Committee meetings are communicated to the members of Board and its committees in advance to enable them to contribute effectively in the decision making process.

The presentations covering Finance, Sales, major business segments and their operations, overview of

operations of major subsidiary companies, are given to the Board before taking on record the Company's quarterly/annual financial results.

All the necessary information as required under SEBI (LODR) Regulations, 2015, is placed before the Board.

Recording minutes of proceedings at Board and Committee meetings

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board members for their comments. The signed minutes are entered in the Minutes Book within 30 days from the conclusion of the respective meetings.

Following is the attendance of directors at the board meetings held in FY 2017-18 and at the Twenty Eighth Annual General Meeting

| Name of the Directors | Number of Board Meetings attended | Attendance at last AGM |
|-----------------------|-----------------------------------|------------------------|
| Niranjan A. Shah | 5 | Yes |
| Sumit N. Shah | 2 | Yes |
| Hitesh M. Shah | 5 | Yes |
| Neville R. Tata | 5 | Yes |
| Veer Kumar C. Shah | 6 | Yes |
| Vishwas V. Mehendale | 6 | Yes |
| Anil K. Chopra | 6 | Yes |
| Arun P. Sathe | 6 | Yes |
| Madhavi S. Pethe | 5 | Yes |

Leave of absence was granted to directors who could not attend the Board Meetings. None of the directors remained absent from all the Board Meetings during a period of twelve months with or without leave of absence of the Board.

Following are the details of Directorships/ Committee Memberships of Directors in other companies as on March 31, 2018

| 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 | 1 | Nil | Nil |
| Hitesh M. Shah | 3 | Nil | 1 |
| Neville R. Tata | 0 | Nil | Nil |
| Veer Kumar C. Shah | 2 | 1 | Nil |
| Vishwas V. Mehendale | 1 | Nil | 1 |
| Anil K. Chopra | 0 | Nil | Nil |
| Arun P. Sathe | 0 | Nil | Nil |
| Madhavi S. Pethe | 0 | Nil | Nil |

Directorship and Committee Membership/ Chairmanship in foreign companies, private limited companies and companies registered under Section 8 of the Companies Act, 2013 are excluded.

The above information includes Chairmanship/ Membership in Audit Committee and the Stakeholders Relationship 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, 2018 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

Compliance

While preparing the agenda, notes on agenda and minutes of the meeting(s), the Company has ensured adherence to all applicable laws and regulations, including the Companies Act, 2013 and rules thereof and the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

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.

The Company Secretary's role in Corporate Governance

The Company Secretary plays a very important role in Corporate Governance process by ensuring that the Board and its' committees procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings.

The Company Secretary is responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He acts as an interface between the management and regulatory authorities for governance and compliance matters.

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.

All the Board Members and Senior Management Personnel have affirmed their compliance with this Code of Conduct. Following is the declaration to that effect signed by the Managing Director of the Company in accordance with Part D of Schedule V of SEBI (LODR) Regulations, 2015.

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.

Hitesh Shah
Managing Director

(DIN – 00036338)

Mumbai, May 28, 2018

Insider trading Code

The Company has adopted a Code of Conduct for Prevention of Insider Trading, applicable to the Promoters, Directors, Key Managerial Personnel and the Senior Management personnel of the Company. The same was approved by the Board of Directors of the Company, in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Company has obtained required disclosures from Promoter, Key managerial Personnel and Director of a Company.

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.

Familiarisation programmes for Board Members

The Company has eminent professionals on its Board who are abreast of the latest laws and practices.

A formal letter of appointment is given to directors at the time of appointment, inter alia explaining the role, function, duties and responsibilities expected from them as a Director of the Company. The details of Compliance required from directors under the

Companies Act, 2013, Regulation 25 of the SEBI (LODR) Regulations, 2015 and other relevant regulations have been explained to them.

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business segments were made at the meetings of Directors.

As required under Regulation 25(7) of SEBI (LODR) Regulations, 2015, the Company has formulated a familiarisation programme for Independent Directors. The same is available on the website of the Company www.renjewellery.com.

COMMITTEES OF THE BOARD

Currently, there are five Board Committees - Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and 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 Company has set up an independent Audit Committee comprising of appropriately qualified members. 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 Audit Committee:

In accordance with Section 177 of the Companies Act, 2013 and Regulation 18(3) and Part C of Schedule II to the SEBI (LODR) Regulations, 2015, the terms of reference of the Audit Committee, inter-alia, include:

- Oversight of the Company's financial reporting processes and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 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 section 134(3)(c) of the Companies Act, 2013;
 - 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 audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions, if any;
 - Modified opinion(s) in the draft audit report;
- Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.

- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the Management, 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 the internal audit.
- Discussion with the internal auditors on any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into 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.
- Discussion with the 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 payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.
- Approval of all transactions with related parties and any subsequent modification of such transactions.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Reviewing mandatorily the following information:
 - Management discussion and analysis of financial condition and results of operations.
 - Statement of significant related party transactions, submitted by Management.
 - Management letters / letters of internal control weaknesses issued by the statutory auditors.
 - Internal audit reports relating to internal control weaknesses; and

- The appointment, removal and terms of remuneration of the internal auditor.

Internal Control Systems

The Company has laid down adequate internal controls to safeguard and protect its assets as well as to improve the overall productivity of its operations. The Internal Auditors of the Company Jayesh Dadia & Associates, Chartered Accountants, Mumbai, ensures compliance with the prescribed internal control procedures. Internal audits are carried out at regular intervals and the audit reports are periodically laid before the Audit Committee for review.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

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 Regulation 18 of SEBI (LODR) Regulations, 2015. Members of the Audit Committee possess financial / accounting expertise and exposure.

Meetings and Attendance

During the year ended March 31, 2018, Four Audit Committee meetings were held on 30/05/2017, 14/09/2017, 14/12/2017 and 14/02/2018. 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 | 4 | 4 |

The Chairman of the Audit Committee was present at the last Annual General Meeting held on August 31, 2017.

Attendees

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

In accordance with Section 178 (5) of the Companies Act, 2013 and Regulation 20 and Part D of Schedule II to the SEBI (LODR) Regulations, 2015, the scope and broad function of this committee is to consider and resolve shareholders'/ investors' grievances and complaints including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends 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. This Committee also oversees the performance of the Company's Registrars and Transfer Agents and recommends methods to upgrade the standard of services to investors.

Constitution & Composition

All the members of Stakeholders Relationship Committee are Non-Executive and Independent Directors.

During the financial year under review Mr. Anil K. Chopra was Chairman of the Stakeholders Relationship Committee. The other members of this Committee were Mr. Veerkumar C. Shah and Mrs. Madhavi S. Pethe.

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

This Committee's constitution and composition is in compliance with provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015.

Meetings and Attendance

During the year ended on March 31, 2018, Four Stakeholders Relationship Committee meetings were held on 30/05/2017, 28/07/2017, 14/12/2017 and 14/02/2018. 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 |
| Veerkumar C. Shah | 4 | 4 |
| Madhavi S. Pethe | 3 | 4 |

NOMINATION AND REMUNERATION COMMITTEE

In accordance with Section 178 (1) of the Companies Act, 2013 and Regulation 19(4) and Part D of Schedule II to the SEBI (LODR) Regulations, 2015 the scope and broad terms of reference of the Nomination and Remuneration Committee include inter alia, the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors

Constitution & Composition

The Company has through its Board of Directors, constituted a Nomination and Remuneration Committee comprising of three directors. All the members of Nomination and Remuneration Committee are Non-Executive and Independent Directors.

During the financial year under review Mr. Arun P. Sathe was Chairman of the Nomination and Remuneration Committee. The other members of this Committee were Mr. Vishwas V. Mehendale and Mrs. Madhavi S. Pethe.

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

This Committee's constitution and composition is in compliance with provisions of Section 178 (1) of the Companies Act, 2013 and Regulation 19(1) of SEBI (LODR) Regulations, 2015.

Meetings and Attendance

During the year ended on March 31, 2018, One Nomination and Remuneration Committee meetings was held on 14/12/2017. 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 |
|-----------------------|---|---|
| Arun P. Sathe | 1 | 1 |
| Vishwas V. Mehendale | 1 | 1 |
| Madhavi S. Pethe | 1 | 1 |

The details relating to the Nomination and Remuneration Policy and performance evaluation of Independent Directors, Board, Committees and other individual Directors have been given under the Directors' Report forming part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted a "Corporate Social Responsibility Committee" (CSR Committee) on May 23, 2014. This CSR Committee has formulated and recommended to the Board a policy on Corporate Social Responsibility. The said Policy is available on website of the Company www.renjewellery.com.

The CSR Committee's main responsibility is to assist the Board in discharging its social responsibilities as per the Corporate Social Responsibility Policy of the Company.

The broad terms of reference of the Corporate Social Responsibility (CSR) Committee are:

- Formulate, monitor and recommended to the Board, the CSR Policy.
- Recommend to the Board, modifications to the CSR Policy as and when required.
- Recommend to the Board, amount of expenditure to be incurred on the activities undertaken.
- Review the performance of the Company in the area of CSR.
- Review the Company's disclosure of CSR activities.
- To approve the CSR Report to be provided with Directors Report.

Constitution & Composition

The Company has through its Board of Directors, constituted a Corporate Social Responsibility (CSR) Committee comprising of three directors. One of the members of CSR committee is Independent and Non-Executive Director.

During the Financial Year under review, Mr. Niranjan A. Shah was the Chairman of this Committee. The other members of the Committee were Mr. Anil K. Chopra and Mr. Hitesh M. Shah.

Meetings and Attendance

During the year ended on March 31, 2018, One CSR Committee meeting was held on 30/05/2017. 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 |
|-----------------------|---|---|
| Niranjan A. Shah | 0 | 1 |
| Hitesh M. Shah | 1 | 1 |
| Anil K. Chopra | 1 | 1 |

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

This Committee's constitution and terms of reference are in compliance with provisions of Section 135 of the Companies Act, 2013.

COMPENSATION COMMITTEE

In accordance with Regulation 5(1) of the SEBI (Share Based Employee Benefits) Regulations, 2014 and for the purposes of administration of ESPS-2017, the nomenclature of this Committee has been changed from ESPS Compensation Committee to the Compensation Committee. The same was approved by passing the Board Resolution as well shareholders resolution through Postal Ballot.

Hence, the ESPS Compensation Committee established under the RJL ESPS-2008 has re-named and re-designated as the 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 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 on March 31, 2018, one meeting of the Compensation Committee was held

on 21/11/2017. 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 |
|--------------------------|---|---|
| Mr. Vishwas V. Mehendale | 1 | 1 |
| Mr. Arun P. Sathe | 1 | 1 |
| Mr. Hitesh M. Shah | 1 | 1 |

PREVENTION OF SEXUAL HARASSMENT COMMITTEE

The Company has constituted a Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

MEETINGS OF INDEPENDENT DIRECTORS

In accordance with the provisions of Clause VII of Schedule IV of the Companies Act, 2013 and Regulation 25(3) of SEBI (LODR) Regulations, 2015, the Company's Independent Directors met on May 08, 2018, inter alia to discuss:

1. Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole;
2. Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
3. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the Lead Independent Director.

SUBSIDIARY COMPANIES

The Company does not have a 'material non-listed Indian subsidiary'. However, as required under SEBI (LODR) Regulation, 2015, the Company has formulated the Material Subsidiary Policy which is available on website of the Company www.renjewellery.com.

The Board of Directors of the Company reviews and monitors all significant transactions and arrangements entered into as well as investments made by unlisted subsidiary companies.

COMPLIANCE OFFICER

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

SHAREHOLDERS' COMPLAINTS

During the financial year ended on March 31, 2018, the Company has received two new complaints from the shareholders, which were attended to promptly and resolved to the satisfaction of investors. 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, which were responded promptly.

GENERAL BODY MEETINGS

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

| Day | Date | Time | Venue |
|-----------|--------------------|---------|---|
| Thursday | August 31, 2017 | 3.30 PM | Yuvraj Hall, Supremo Activity Centre, |
| Wednesday | September 21, 2016 | 3.30 PM | Matoshree Arts & Sports Trust, Jogeshwari Vikroli Link Road, Andheri (E), Mumbai - 400093 |
| Wednesday | September 23, 2015 | 3.30 PM | |

Special Resolutions

The following matters were passed by Special Resolutions at the last three Annual General Meetings of the Company:

| Day | Date of AGM | Matter of Special Resolution |
|-----------|--------------------|---|
| Thursday | August 31, 2017 | - |
| Wednesday | September 21, 2016 | Re-appointment of Mr. Niranjan A. Shah as Whole Time Director designated as Executive Chairman, under Section 196 and 197 of the Companies Act, 2013. |
| Wednesday | September 23, 2015 | Appointment of Mr. Ariez R. Tata, as President-Gem Division, under Section 188 of the Companies Act, 2013. |

Special Resolutions passed through Postal Ballot

During the year under review, the Company has passed three Special Resolutions through the postal ballot procedure, in accordance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations.

The Company has completed the dispatch of the Postal Ballot Notice along with the Explanatory Statement,

postal ballot form and self-addressed business reply envelopes, on October 17, 2017. And the newspaper notice declaring the completion of dispatch of postal Ballot was published on October 18, 2017.

In compliance with the provisions of Sections 108 and 110 of the Act read with Rule 20 & 22 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations. e-voting facility was also offered to the members for casting their vote electronically.

The postal ballot voting was open from October 19, 2017 (9.00 a.m. IST) to November 18, 2017 (5.00 p.m. IST).

The Board had appointed Mr. V. V Chakradeo (Membership No. 3382), Practicing Company Secretary, as the Scrutinizer for conducting the voting through Postal Ballot in a fair and transparent manner.

Upon completion of scrutiny of the postal ballot forms and votes cast through e-voting, the Scrutinizer submitted his report to the Chairman of the Company.

On the basis of the Scrutinizer's Report, the Chairman of the Company announced the results of Postal Ballot on November 20, 2017.

Following are the details of Voting Pattern of the Special Resolutions passed through Postal Ballot:

| Sr. No. | Particulars of Special Resolutions | No. of votes polled | Vote cast | | | |
|---------|--|---------------------|--------------|-------|--------------|------|
| | | | In Favour | | Against | |
| | | | No. of votes | % | No. of votes | % |
| 1 | To approve the Renaissance Jewellery Ltd. ("RJL")-ESPS Scheme 2017 and its Implementation through Trust. | 14888619 | 14887485 | 99.99 | 1134 | 0.01 |
| 2 | To approve extending benefits of RJL-Employee Stock Purchase Scheme 2017 to the employees of Holding / Subsidiary Company (ies). | 14888719 | 14887585 | 99.99 | 1134 | 0.01 |
| 3 | To approve offer to issue securities equal to or exceeding 1% but not exceeding 5% of the issued Capital of the Company during any one financial year to identified employees under RJL Employee Stock Purchase Scheme 2017. | 14888719 | 14887585 | 99.99 | 1134 | 0.01 |

The above mentioned voting results of Postal Ballot were submitted with the Stock Exchanges and also displayed on the Company's website www.renjewellery.com and on the website of Central Depository Services Limited www.evotingindia.com.

None of the Businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

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 (Business Standard in English language and Navshakti/Lakshdeep in Marathi, a vernacular language) and the same are displayed on the website of the Company www.renjewellery.com. In accordance with the Regulation 10 of SEBI (LODR) Regulations, 2015, the same are submitted/filed on LISTING CENTRE and NEAPS, the electronic platform specified by the Bombay Stock Exchange Ltd. and National Stock Exchange Ltd, respectively. The Performance Update is also being uploaded quarterly on Company's as well as Stock Exchanges' website.

Shareholders seeking information related to their shareholding may contact the Company or Company's Registrars and Transfer Agents. Renaissance Jewellery Ltd. always ensures that complaints and suggestions of its shareholders are responded to in a timely manner.

Shareholders seeking information related to their shareholding may contact the Company or Company's Registrars and Transfer Agents. Renaissance Jewellery Ltd. always ensures that complaints and suggestions of its shareholders are responded to in a timely manner.

Website of the Company

A separate dedicated section of 'Investor Relations' on the Company's website www.renjewellery.com has been provided where the information on unclaimed dividends, quarterly / half yearly / yearly compliance of SEBI (LODR), Regulations, 2015 and other shareholders' / public related information are available. The Company's Annual Reports are also available in downloadable form on this website.

Designated email-id of the Company

The Company has designated the email-id "investors@renjewellery.com", exclusively for the service of investors.

BSE Corporate Compliance & Listing Centre (the 'LISTING CENTRE')

The Listing Centre is a web-based application designed by BSE for corporate filings. The Company has complied with the requirement of electronic filing of all periodical compliances like Board meeting notices, shareholding pattern, corporate governance report, financial results, media releases etc., on the Listing Centre.

NSE Electronic Application Processing System (NEAPS)

The NEAPS is a web-based application designed by NSE for corporate filings. The Company has complied with the requirement of electronic filing of all periodical compliances like Board meeting notices, shareholding pattern, corporate governance report, financial results, media releases etc. on NEAPS.

SEBI Complaints Redress System (SCORES)

The SCORES is web-based complaints redress system designed by SEBI for processing the investor complaints in a centralized manner. The SCORES facilitates the investors to lodge their complaint online with SEBI and subsequently view its status. SCORES provides for the Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

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). Pursuant to Section 101 and Section 136 of the Companies Act, 2013, read with relevant rules made there under, the Company has served 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, 2018, has been sent in electronic form to the email address provided by you and made available to us by the Depositories.

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 their copy of Annual Report of the Company at the venue of this meeting.

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.

MANAGEMENT DISCUSSION & ANALYSIS

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

CERTIFICATION BY THE MANAGING DIRECTOR AND THE CFO

Mr. Hitesh Shah, Managing Director and Mr. Dilip Joshi, V. P. – Finance (CFO), have issued a Certificate to the Board, as prescribed under Regulation 17(8) read with Schedule II Part B of SEBI (LODR), Regulations, 2015, which is enclosed to this report. The said Certificate was placed before the Board Meeting held on May 28, 2018, in which the Audited Accounts for the Financial Year ended March 31, 2018 were considered and approved by the Board of Directors.

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATION

As required under Para E of Schedule V of SEBI (LODR) Regulations, 2015, a certificate from the Practicing Company Secretary, M/s. V. V. Chakradeo & Co., Company Secretaries, Mumbai, certifying the compliance of conditions of Corporate Governance as stipulated in Regulations 17-27 and Regulation 46(2)(b) to (i) of SEBI (LODR) Regulations, 2015 is enclosed.

SHAREHOLDER INFORMATION

Company Registration Details

The Company is registered in the State of Maharashtra, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is **L36911MH1989PLC054498**.

Twenty Ninth Annual General Meeting Details

| | |
|--------------|--|
| Day | Tuesday |
| Date | August 07, 2018. |
| Time | 3.30 p.m. |
| Venue | Yuvraj Hall, Supremo Activity Centre, Matoshree Arts & Sports Trust, Jogeshwari - Vikroli Link Road, Andheri (E), Mumbai – 400 093 |

Financial Year

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

Dates of Book Closure

From : Tuesday, July 31, 2018

To : Tuesday, August 07, 2018

(Both days inclusive)

Listing on Stock Exchanges

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

| Name of Stock Exchanges | Script 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 |

Payment of Listing Fees

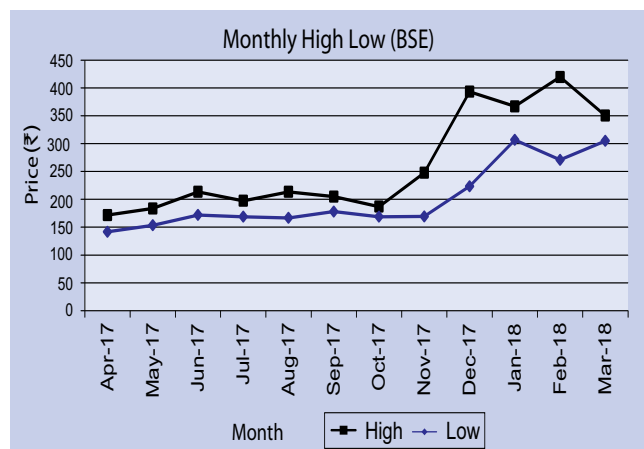
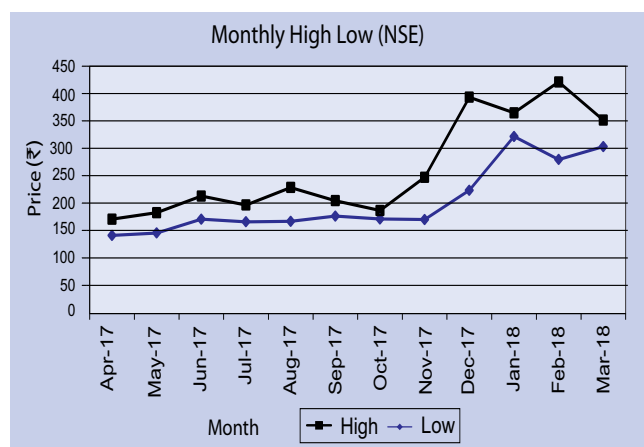
Annual listing fee for the year 2018-19 has been paid by the Company to BSE and NSE.

Market Price Data

| Month | BSE | | NSE | |
|--------|----------|---------|----------|---------|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| Apr-17 | 168.00 | 138.60 | 168.00 | 139.00 |
| May-17 | 179.50 | 150.00 | 179.50 | 143.30 |
| Jun-17 | 208.80 | 168.10 | 209.00 | 168.00 |
| Jul-17 | 193.00 | 165.00 | 193.05 | 163.30 |
| Aug-17 | 208.70 | 163.00 | 224.30 | 164.00 |

| Month | BSE | | NSE | |
|--------|----------|---------|----------|---------|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| Sep-17 | 200.40 | 174.00 | 200.85 | 173.40 |
| Oct-17 | 182.80 | 165.00 | 183.30 | 168.30 |
| Nov-17 | 242.20 | 165.60 | 242.45 | 167.30 |
| Dec-17 | 384.80 | 218.60 | 384.80 | 219.35 |
| Jan-18 | 359.00 | 300.00 | 357.00 | 315.00 |
| Feb-18 | 410.65 | 265.00 | 411.85 | 274.00 |
| Mar-18 | 342.75 | 298.25 | 343.90 | 296.95 |

| Particulars | BSE | NSE |
|---|--------|--------|
| Closing share price as on March 31, 2018 (₹) | 311.25 | 311.55 |
| Market Capitalisation as on March 31, 2018 (₹ in Crore) | 587.62 | 588.19 |

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 2017 to March 2018.

Chart showing RJL price at BSE vs SENSEX

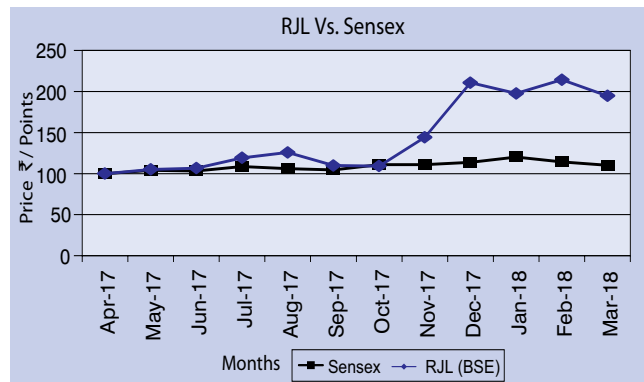
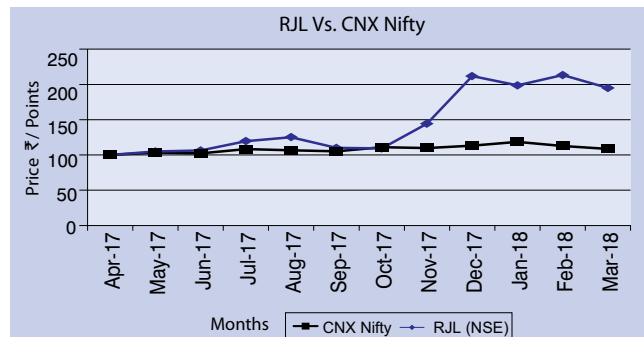


Chart showing RJL price at NSE vs CNX NIFTY



Distribution of shareholding as on March 31, 2018

| Shareholding of Nominal Value of ₹ | No. of Shareholders | % total no. of shareholders | No of Shares | Amount In ₹ | % of total issued amount |
|------------------------------------|---------------------|-----------------------------|-----------------|------------------|--------------------------|
| Up to 5000 | 8978 | 93.88 | 726355 | 7263550 | 3.85 |
| 5001 to 10000 | 261 | 2.73 | 199298 | 1992980 | 1.06 |
| 10001 to 20000 | 131 | 1.37 | 186734 | 1867340 | 0.99 |
| 20001 to 30000 | 56 | 0.59 | 144308 | 1443080 | 0.76 |
| 30001 to 40000 | 32 | 0.33 | 109313 | 1093130 | 0.58 |
| 40001 to 50000 | 16 | 0.17 | 75217 | 752170 | 0.40 |
| 50001 to 100000 | 35 | 0.37 | 259893 | 2598930 | 1.38 |
| 100001 onwards | 54 | 0.56 | 17178322 | 171783220 | 90.99 |
| Total | 9563 | 100.00 | 18879440 | 188794400 | 100.00 |

Shareholding pattern as on March 31, 2018

| Category | No. of Shares | Percentage |
|-------------------------------------|-----------------|---------------|
| A. Promoters' Holding | | |
| Promoters | 9710630 | 51.43 |
| Promoter Trust | 2580112 | 13.67 |
| Relatives of Promoters | 1068766 | 5.66 |
| Corporate Bodies (Promoter Co) | 72 | 0.00 |
| Sub Total A | 13359580 | 70.76 |
| B. Non Promoters' Holding | | |
| Institutional Investors: | | |
| Mutual Fund | 0 | 0.00 |
| Insurance Companies | 0 | 0.00 |
| Foreign Inst. Investors (FII) | 6719 | 0.04 |
| Financial Institutions / Banks | 19599 | 0.10 |
| Sub Total | 26318 | 0.14 |
| Non Institutional Investors: | | |
| Other Bodies Corporate | 1438343 | 7.62 |
| Clearing Member | 101251 | 0.54 |
| Non Resident Indians | 56869 | 0.30 |
| Non Resident (Non Repatriable) | 169494 | 0.90 |
| Public | 3283315 | 17.39 |
| HUF | 247894 | 1.31 |
| Trusts | 196376 | 1.04 |
| Sub Total | 5493542 | 29.10 |
| Sub Total B | 5519860 | 29.24 |
| Grand Total (A+B) | 18879440 | 100.00 |

Buyback of shares:

During the financial year under review, the Company has completed buyback of 2,00,000 Equity Shares of face value of ₹ 10/- each at price of ₹ 250/- per share on September 13, 2017. The number of Equity Shares post buyback stands reduced to 1,88,79,440 equity shares of ₹10/- each.

Inter se transfer of shares by the promoters

During the financial year under review, the following transactions were done through the Inter se Transfer of shares under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

| Sr. No. | Name of Transferor | Name of Transferee | Number of shares Transferred |
|---------|--------------------|--------------------|------------------------------|
| 1 | Mr. Niranjan Shah | Mr. Hitesh Shah | 71982 |
| 2 | Mr. Amit Shah | Mrs. Kalpana Shah | 40107 |
| 3 | Mr. Bhupen Shah | Mrs. Kalpana Shah | 40107 |
| 4 | Mrs. Pinky D. Shah | Mrs. Kalpana Shah | 64170 |
| 5 | Mrs. Kalpana Shah | Mr. Niranjan Shah | 800319 |

List of top ten shareholders other than Promoter/ promoter group as on March 31, 2018

| Sr. No. | Name of Shareholder | No. of shares held | % of holding |
|---------|--|--------------------|--------------|
| 1 | BG Advisory Services LLP | 699898 | 3.71 |
| 2 | Parag Sureshchandra Shah | 304930 | 1.62 |
| 3 | Pooja Arora | 270000 | 1.43 |
| 4 | Reena Arora | 270000 | 1.43 |
| 5 | Vrsha Arora | 267294 | 1.42 |
| 6 | JBCG Advisory Services Private Limited | 228118 | 1.21 |
| 7 | RJL Employee Welfare Trust | 196376 | 1.04 |
| 8 | Nikesh Sureshchandra Shah | 165073 | 0.87 |
| 9 | Shrenik Manharlal Shah | 156562 | 0.83 |
| 10 | Adesh Ventures LLP | 149912 | 0.79 |

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.

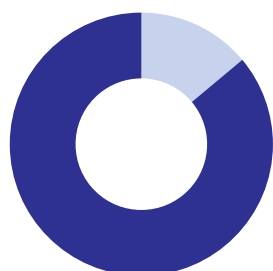
Bad deliveries are immediately returned to Depository participants under advice to the shareholders within the aforesaid period.

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. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

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 99.99% of total equity shares of the Company are held in dematerialized form with NSDL & CDSL.



| | |
|------------|-------------|
| □ NSDL | : 13.92182% |
| ■ CDSL | : 86.07791% |
| □ Physical | : 0.00026% |

Reconciliation of Share Capital Audit Report

Pursuant to Regulation 55A (1) of SEBI (Depositories and Participants) Regulations, 1996, the audit for reconciliation of the total issued capital, listed capital and capital held by depositories in dematerialized form and changes therein, has been carried out by a qualified Practicing Company Secretary. The said Audit Report has been submitted with the Stock Exchanges on quarterly basis. This report confirms that the total listed and paid up capital of the company is tallying with the number of shares in dematerialized form and in physical form.

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 plant locations is given at the beginning of the Annual Report on Company Information page.

Following is the address for correspondence with the Company:

Name : Renaissance Jewellery Ltd.
 Address : Plot No. 36A & 37, SEEPZ, MIDC, Marol, Andheri (E), Mumbai – 400 096
 Tel : +91-022 – 4055 1200
 Fax : +91-022 – 2829 2146
 e-mail : investors@renjewellery.com
 Website : www.renjewellery.com

Following is the address for correspondence with the Registrar and Transfer Agents:

Name : Link Intime India Pvt. Ltd.
 Address : C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai – 400083
 Tel : +91-22- 49186000
 Fax : +91-22- 49186060
 e-mail : rnt.helpdesk@linkintime.co.in
 Website : www.linkintime.co.in

Transfer of Unclaimed Dividends to Investor Education and Protection Fund (IEPF)

Pursuant to Section 125 of the Companies Act, 2013, 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.

Following is the statement of IEPF transfer containing dates of declaration of dividend and corresponding dates when the unclaimed amounts will be due for transfer to IEPF:

Statement of IEPF transfer

| Financial Year | Due for payment | Due Date for transfer to IEPF | Actual date and amount transferred to IEPF |
|-------------------------|--------------------|-------------------------------|--|
| IPO Refund | | | |
| 2006-2007 | December 5, 2007 | January 4, 2015 | December 18, 2014 (₹ 54,000/-) |
| Final Dividend | | | |
| 2007-2008 | September 5, 2008 | October 5, 2015 | October 1, 2015 (₹ 64,956/-) |
| 2008-2009 | August 28, 2009 | September 27, 2016 | September 23, 2016 (₹ 82,532/-) |
| 2009-2010 | August 25, 2010 | September 24, 2017* | September 21, 2017 (₹ 80,374/-) |
| 2010-2011 | September 7, 2011 | October 7, 2018 | |
| 2011-2012 | September 7, 2012 | October 7, 2019 | |
| 2012-2013 | August 30, 2013 | September 28, 2020 | |
| 2013-2014 | September 12, 2014 | October 12, 2021 | |
| 2014-2015 | September 23, 2015 | October 23, 2022 | |
| Interim Dividend | | | |
| 2015-2016 | March 11, 2016 | April 11, 2023 | |

*During the financial year under review, the Company has transferred unclaimed dividend of the year 2009-2010, amounting to ₹ 80,374/-, to the Investor Education and Protection Fund (IEPF).

Members who so far have not encashed their dividend warrants for FY 2010-11 to 2015-16 are requested to write to the Company/Registrar and Transfer Agent to claim the same before the above mentioned due dates for transfer to IEPF.

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

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 31, 2017 (date of last Annual General Meeting) on the website of the Company www.renewellery.com and also on the website of the Ministry of Corporate Affairs.

Transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Suspense Account

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares on which dividend has not been paid or claimed for continuous period of seven or more of its becoming due, shall be transferred to Demat Account of IEPF notified by the Authority.

The Company has sent individual notices to all the shareholders whose dividends are lying unpaid/

unclaimed against their name for seven consecutive years or more and also published an advertisement in the Newspapers seeking action from the shareholders.

Shareholders are requested to claim the same as per procedure laid down in the Rules. In case the dividends are not claimed by the due date(s), necessary steps will be initiated by the Company to transfer shares held by the members to IEPF Demat account without further notice.

Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF.

In the event of transfer of shares and the unclaimed dividends to IEPF, shareholders are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in.

Disclosure pursuant to Regulation 34(3) of SEBI (LODR) Regulations, 2015

As per Regulation 34(3) and provisions under Schedule V (F) of the SEBI (LODR) Regulations, 2015, details in respect of the shares, which were issued from time to time and lying in the suspense account,

| Description | Number of shareholders | Number of Equity Shares |
|--|------------------------|-------------------------|
| Aggregate number of shareholders and the outstanding shares as on April 1, 2017 | 18 | 1067 |
| Number of shareholders who approached the Company for transfer of shares from suspense account till March 31, 2018 | 0 | 0 |
| Number of shareholders to whom shares were transferred from the Suspense account till March 31, 2018 | 0 | 0 |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2018 | 18 | 1067 |

The voting rights on the shares outstanding in the suspense account as on March 31, 2018 shall remain frozen till the rightful owner of such shares claims the shares. In compliance with the said requirements, these shares are transferred into a single folio and deposited in separate Demat account opened in the name of "Renaissance Jewellery Ltd - Unclaimed Securities Suspense Account".

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.

Payment of dividends etc. through Electronic mode

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 all payments to investors including dividend to shareholders, by using any RBI approved electronic mode of payment viz. ECS, LECS (Local ECS), RECS (Regional ECS), NECS (National ECS), direct credit, RTGS, NEFT, National Automated Clearing House (NACH) etc.

In the absence of any of the RBI approved electronic mode of payment, 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.

AFFIRMATIONS AND DISCLOSURES

Compliances with SEBI (LODR) Regulations, 2015

The Company is in compliance with all mandatory requirements of SEBI (LODR) Regulations, 2015.

Related Party Transactions

During the Financial Year under review, 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. None of the transactions with related parties were in conflict, actual or potential, with the interest of the Company.

All transactions entered into with the Related Parties were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

The Related party transactions as per "Accounting Standard 18" have been disclosed in Standalone Financial Statements, forming part of the Annual Report. A summary statement of transactions with related parties is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

As required under Regulation 23 of SEBI (LODR) Regulations, 2015, the Company has formulated a policy on dealing with Related Party Transactions. The same is available on website of the Company www.renewellery.com, as required under Part C of Schedule V of SEBI (LODR) Regulations, 2015.

Details of non-compliance by Company; penalties and restrictions imposed on the Company:

The Company has complied with all requirements of the SEBI (LODR) Regulations, 2015 as well as

the regulations and guidelines of SEBI. There were no strictures or penalties imposed by SEBI or the Stock Exchanges or any statutory authority for non compliance of any matter related to the capital markets during the last three years.

Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

Whistle Blower Policy/ Vigil Mechanism

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has formulated and adopted a Whistle Blower Policy for Vigil Mechanism for Directors and employees under which the employees are free to report to the management about the unethical behavior, fraud or Violation of Company's code of conduct. The same has been communicated within the organization.

The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee Chairman.

As required under part C of Schedule V of SEBI (LODR) Regulations, 2015, the Whistle Blower Policy is available on the website of the Company www.renewellery.com.

Shareholder Rights

The Company is publishing unqualified financial statements in the news papers and the same are also available on Companies website www.renewellery.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.

For & on behalf of the Board

Niranjan Shah
Executive Chairman
(DIN – 00036439)

Mumbai, May 28, 2018

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

(Pursuant to Regulation 17(8) read with Schedule II Part B of the SEBI (LODR) Regulations, 2015)

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

1. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or 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 over financial reporting.

Hitesh Shah
Managing Director
(DIN - 00036338)

Mumbai, May 28, 2018

Dilip Joshi
Chief Financial Officer

CERTIFICATE OF PRACTICING COMPANY SECRETARY REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

(Pursuant to para E of Schedule V of the SEBI (LODR) Regulations, 2015)

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 2018, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI (LODR) Regulations, 2015).

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 SEBI (LODR) Regulations, 2015.

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 Secretaries

V. V. Chakradeo
COP 1705

Mumbai, May 28, 2018

Independent Auditor's Report

To the Members of
Renaissance Jewellery Limited

Report on the Standalone Indian Accounting Standard (Ind AS) Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Renaissance Jewellery Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'standalone Ind AS financial statements').

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the

aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Emphasis of Matters

Further, without qualifying our Report, we draw attention to Note No. 52 regarding reasons for non-provision for diminution in the value of investment in and Inter Corporate Deposit given to wholly owned subsidiary Company "House Full International Limited" aggregating to ₹ 3,066.31 Lakhs.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening Balance Sheet as at April 01, 2016 included in these standalone Ind AS financial statements, are based on the standalone financial statements for the year ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended), which were audited by predecessor Auditor, whose audit report for the year ended March 31, 2017 and March 31, 2016 dated May 30, 2017 and dated May 26, 2016 respectively expressed an unmodified opinion on those financial statements. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the

information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss (Including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act and the rules prescribed thereunder;
- e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements (Refer Note No. 48);

- ii. the Company did not have any long term contracts including derivative contracts, as such the question of commenting on any material foreseeable losses thereon does not arise;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Damania & Varaiya
Chartered Accountants
Firm's registration No.: 102079W

CA. Bharat Jain
Partner
Membership No.: 100583

Place : Mumbai
Date : May 28, 2018

Annexure A to the Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Renaissance Jewellery Limited of even date)

- | | |
|--|---|
| <p>(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.</p> <p>c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.</p> | <p>covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). The terms and conditions of the said ICD are not prejudicial to the interest of the company. The schedule of repayment of principal and payment of interest is stipulated and there has been no overdue in respect of principal and interest.</p> |
| <p>(ii) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the discrepancies noticed on physical verification between physical stock and the book records were not material and have been adequately dealt with in the books of account.</p> | <p>(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect grant of loans, making investments and providing guarantees and securities, as applicable.</p> |
| <p>(iii) The Company has granted Inter Corporate Deposit (ICD) to two subsidiary companies</p> | <p>(v) In our opinion and according to the information and explanations given to us, the Company, during the year, has not accepted the deposits from the public.</p> <p>(vi) The maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.</p> <p>(vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.</p> |

- b) According to information and explanation given to us, details of disputed, customs duty demands that have not been deposited on account of disputes are given below:

| Name of Statue | Nature of Dues | Amount (₹ In lakhs) | Period to which amount relates | Name of Statue |
|-------------------|--|---------------------|--------------------------------|------------------------|
| Customs Act, 1962 | Customs Duty | 3.11 | 1998-1999 2002-2003 | CESTAT |
| Customs Act, 1962 | Duty & Penalty for Non Compliance with SEEPZ Rules | 21,322.24 | April 2005 to March 2009 | Hon. Bombay High Court |

- (viii) According to the records of the Company, it has not defaulted in repayment of dues to any banks.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit for the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is

not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Damania & Varaiya
Chartered Accountants
Firm's registration No.: 102079W

CA. Bharat Jain
Partner
Membership No.: 100583

Place : Mumbai
Date : May 28, 2018

Annexure B to the Auditors' Report

[Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Renaissance Jewellery Limited on the Standalone Ind AS financial statements for the year ended March 31, 2018]

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

In conjunction with our audit of the Standalone Ind AS Financial Statement of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Renaissance Jewellery Limited (hereinafter referred to as "the Company") as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal

Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Damania & Varaiya
Chartered Accountants
Firm's registration No.: 102079W

CA. Bharat Jain
Partner
Membership No.: 100583

Place : Mumbai
Date : May 28, 2018

Standalone Balance Sheet

as at March 31, 2018

| Particulars | Notes | March 31, 2018 ₹ In Lakhs | March 31, 2017 ₹ In Lakhs | April 01, 2016 ₹ In Lakhs |
|--|-------|------------------------------|------------------------------|------------------------------|
| ASSETS | | | | |
| NON-CURRENT ASSETS | | | | |
| Property, Plant and Equipment | 5 | 3,133.63 | 3,296.06 | 2,978.36 |
| Capital work-in-progress | | 294.52 | 23.45 | 538.49 |
| Intangible assets | 5 | 28.82 | 41.83 | 43.43 |
| Financial assets | | | | |
| Investments | 6 | 10,782.05 | 10,798.75 | 10,658.17 |
| Other financial assets | 7 | 164.50 | 147.14 | 149.85 |
| Deferred Tax assets | 8 | 1,539.49 | 848.76 | 1,347.34 |
| Other non-current assets | 9 | 218.20 | 113.93 | 107.32 |
| TOTAL NON-CURRENT ASSETS | | 16,161.21 | 15,269.92 | 15,822.96 |
| CURRENT ASSETS | | | | |
| Inventories | 10 | 26,597.95 | 18,252.42 | 22,020.66 |
| Financial assets | | | | |
| Investments | 11 | 2,111.30 | 4,384.22 | 2,648.82 |
| Trade receivables | 12 | 31,464.48 | 32,694.90 | 33,050.74 |
| Cash and cash equivalents | 13 | 2,466.68 | 5,006.04 | 4,482.95 |
| Bank balances other than Cash and cash equivalents | 14 | 405.06 | 379.36 | 447.92 |
| Loans | 15 | 1,264.54 | 66.97 | 61.29 |
| Other financial assets | 16 | 542.49 | 2,234.83 | 837.06 |
| Current tax assets (Net) | 17 | 163.65 | 149.87 | 178.87 |
| Other current assets | 18 | 1,855.09 | 1,090.75 | 1,100.07 |
| TOTAL CURRENT ASSETS | | 66,871.24 | 64,259.36 | 64,828.38 |
| TOTAL ASSETS | | 83,032.45 | 79,529.28 | 80,651.34 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity share capital | 19 | 1,868.30 | 1,843.30 | 1,843.30 |
| Other equity | 20 | 43,908.40 | 41,584.13 | 37,530.30 |
| TOTAL EQUITY | | 45,776.70 | 43,427.43 | 39,373.60 |
| LIABILITIES | | | | |
| NON-CURRENT LIABILITIES | | | | |
| Financial liabilities | | | | |
| Borrowings | 21 | 126.75 | 187.16 | 242.12 |
| Provisions | 22 | 160.57 | 135.69 | 148.51 |
| TOTAL NON-CURRENT LIABILITIES | | 287.32 | 322.85 | 390.63 |

Standalone Balance Sheet

as at March 31, 2018

| Particulars | Notes | March 31, 2018 ₹ In Lakhs | March 31, 2017 ₹ In Lakhs | April 01, 2016 ₹ In Lakhs |
|---|---------|------------------------------|------------------------------|------------------------------|
| CURRENT LIABILITIES | | | | |
| Financial liabilities | | | | |
| Borrowings | 23 | 18,700.39 | 19,697.57 | 15,249.57 |
| Trade payables | 24 | 17,699.86 | 15,443.47 | 25,137.29 |
| Other financial liabilities | 25 | 361.12 | 380.53 | 287.79 |
| Other current liabilities | 26 | 71.58 | 85.91 | 67.54 |
| Provisions | 27 | 135.48 | 153.16 | 141.51 |
| Current Tax liabilities (Net) | 28 | - | 18.36 | 3.41 |
| TOTAL CURRENT LIABILITIES | | 36,968.43 | 35,779.00 | 40,887.11 |
| TOTAL EQUITY AND LIABILITIES | | 83,032.45 | 79,529.28 | 80,651.34 |
| Significant accounting policies | 2 | | | |
| Notes forming part of the Standalone financial statements | 3 to 57 | | | |

As per our report of even date
For Damania & Varaiya
 Firm Registration No. 102079W
 Chartered Accountants

CA. Bharat Jain
 Partner
 Membership No : 100583

Place: Mumbai
 Date : May 28, 2018

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

Niranjan A. Shah
 Executive Chairman

Dilip B. Joshi
 Chief Financial Officer

Place: Mumbai
 Date : May 28, 2018

Hitesh M. Shah
 Managing Director

Ghanashyam M. Walavalkar
 Company Secretary

Standalone Statement of profit and loss for the year ended March 31, 2018

| Particulars | Notes | March 31, 2018 ₹ In Lakhs | March 31, 2017 ₹ In Lakhs |
|---|-------|------------------------------|------------------------------|
| REVENUE FROM OPERATIONS | | | |
| Revenue | 29 | 102,220.87 | 110,043.15 |
| Other income | 30 | 3,043.44 | 1,601.77 |
| TOTAL REVENUE FROM OPERATIONS | | 105,264.31 | 111,644.92 |
| EXPENSES | | | |
| Cost of materials consumed | 31 | 87,517.38 | 88,036.71 |
| (Increase)/decrease in inventories | 32 | (4,292.00) | 3,273.14 |
| Employee benefits expense | 33 | 3,965.66 | 3,444.22 |
| Other expenses | 36 | 12,024.21 | 11,425.51 |
| TOTAL EXPENSES | | 99,215.25 | 106,179.58 |
| EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTIZATION (EBITDA) | | 6,049.06 | 5,465.34 |
| Finance costs | 34 | 917.35 | 810.82 |
| Depreciation and amortisation | 35 | 780.81 | 813.92 |
| PROFIT BEFORE EXCEPTIONAL ITEM AND TAX | | 4,350.90 | 3,840.60 |
| EXCEPTIONAL ITEM | | | |
| Less : Provision for diminution in the value of investment (Refer Note No.55) | | 528.33 | - |
| PROFIT BEFORE TAX | | 3,822.57 | 3,840.60 |
| TAX EXPENSES | | | |
| Current tax | | 1,124.00 | 857.00 |
| Deferred tax | | (167.79) | (20.80) |
| Short/(Excess) Provision of tax relating to earlier years | | 4.52 | 26.78 |
| MAT credit in respect of earlier years | | (130.30) | - |
| TOTAL TAX EXPENSE | | 830.43 | 862.98 |
| PROFIT AFTER TAX FOR THE YEAR | | 2,992.14 | 2,977.62 |
| OTHER COMPREHENSIVE INCOME (OCI) | | | |
| ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT AND LOSS | | | |
| Remeasurement of defined benefit plans | | (0.41) | (12.00) |
| Equity instruments through OCI | | 276.30 | 194.01 |
| Mutual fund instruments through OCI | | 3.04 | 9.40 |
| Income tax effect on above | | (48.98) | (31.05) |

Standalone Statement of profit and loss for the year ended March 31, 2018

| Particulars | Notes | March 31, 2018 ₹ In Lakhs | March 31, 2017 ₹ In Lakhs |
|--|---------|------------------------------|------------------------------|
| Items that will be reclassified to profit and loss | | | |
| Fair value changes on derivatives designated as cash flow hedges | | (1,766.76) | 1,398.86 |
| Mutual fund debts instruments through OCI | | - | 1.35 |
| Income tax effect on above | | 609.92 | (484.34) |
| Total Other comprehensive income | | (926.89) | 1,076.23 |
| Total Comprehensive Income for the year | | 2,065.25 | 4,053.85 |
| Earnings per equity share [nominal value of share ₹ 10] | | | |
| Basic (₹) | 46 | 16.19 | 16.15 |
| Diluted (₹) | | 16.19 | 16.15 |
| Significant accounting policies | 2 | | |
| Notes forming part of the Standalone financial statements | 3 to 57 | | |

As per our report of even date
For Damania & Varaiya
Firm Registration No. 102079W
Chartered Accountants

CA. Bharat Jain
Partner
Membership No : 100583

Place: Mumbai
Date : May 28, 2018

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

Niranjan A. Shah
Executive Chairman

Dilip B. Joshi
Chief Financial Officer

Place: Mumbai
Date : May 28, 2018

Hitesh M. Shah
Managing Director

Ghanashyam M. Walavalkar
Company Secretary

Standalone Cash Flow Statement

for the year ended March 31, 2018

| CASH FLOW FROM OPERATING ACTIVITIES | March 31, 2018 ₹ In Lakhs | March 31, 2017 ₹ In Lakhs |
|--|------------------------------|------------------------------|
| Profit before tax | 3,822.57 | 3,840.60 |
| Non-cash adjustment to reconcile profit before tax to net cash flows | | |
| Depreciation/amortization | 780.81 | 813.92 |
| Sundry balance written off | 10.63 | 25.77 |
| Unrealized foreign exchange loss/(gain) | 33.19 | 122.48 |
| Loss/(profit) on sale of fixed assets | (7.17) | (6.00) |
| Expected Credit Loss / Bad Debts | 44.96 | (55.62) |
| Interest expense | 917.35 | 810.82 |
| Interest income | (155.70) | (92.43) |
| Provision for Diminution in value of investment | 528.33 | - |
| Employee Compensation cost | 604.01 | - |
| Remeasurement of Defined Benefit Plan | 0.41 | 12.00 |
| Dividend Income | (41.28) | (31.72) |
| Operating profit before working capital changes | 6,538.11 | 5,439.82 |
| (Increase)/decrease in Working Capital | (7,784.88) | (4,989.30) |
| Cash generated from/(used in) operations | (1,246.77) | 450.52 |
| Direct taxes paid (Net of refunds) | (992.35) | (835.81) |
| Net cash flow from/(used in) operating activity (A) | (2,239.12) | (385.29) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets, including intangible assets, CWIP and capital advances | (997.93) | (628.33) |
| Proceeds from sale of fixed assets | 27.34 | 13.76 |
| Purchase of Equity Shares and Mutual Fund | (5,428.33) | (4,879.43) |
| Sale of Equity Shares and Mutual Fund | 7,470.89 | 3,238.00 |
| Capital Withdrawn from LLP | - | 0.50 |
| Movement in Other Bank Balances | (29.06) | 71.27 |
| Interest received | 75.96 | 89.81 |
| Dividend received | 41.28 | 31.72 |
| Net cash flow from/(used in) investing activities (B) | 1,160.15 | (2,062.71) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds/ (Repayment) from/of short-term borrowing (net) | (234.52) | 3,767.79 |
| Interest paid | (905.06) | (796.43) |
| Receipt from ESPS Trust. | 180.00 | - |
| Buy back of Equity Shares | (500.00) | - |
| Dividend paid | (0.81) | (0.27) |
| Net cash flow from/(used in) financing activities (C) | (1,460.39) | 2,971.09 |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | (2,539.36) | 523.09 |
| Cash and cash equivalents at the beginning of the year | 5,006.04 | 4,482.95 |
| Cash and cash equivalents at the end of the year | 2,466.68 | 5,006.04 |
| COMPONENTS OF CASH AND CASH EQUIVALENTS | | |
| Cash on hand | 5.92 | 18.67 |
| With banks | | |
| – on current account | 1,201.90 | 3,028.56 |
| – on deposit account | 1,258.86 | 1,958.81 |
| Cash and Cash Equivalents (Refer note 13) | 2,466.68 | 5,006.04 |
| Note: The cash flow statement is prepared using the “indirect method” set out in IND AS 7 - “Statement of Cash Flows”. | | |
| Summary of significant accounting policies | 2 | |

As per our report of even date
For Damania & Varaiya
 Firm Registration No. 102079W
 Chartered Accountants

CA. Bharat Jain
 Partner
 Membership No : 100583
 Place: Mumbai
 Date : May 28, 2018

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

Niranjan A. Shah
 Executive Chairman
Dilip B. Joshi
 Chief Financial Officer

Place: Mumbai
 Date : May 28, 2018

Hitesh M. Shah
 Managing Director
Ghanashyam M. Walavalkar
 Company Secretary

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

1. CORPORATE INFORMATION

1.1 Nature of Operations

Renaissance Jewellery Limited (“the company”) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the manufacture of diamond studded jewellery. The company’s shares are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE).

1.2 General information and statement of compliance with Ind AS

The standalone financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the ‘Act’) read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules there under. For periods up to and including the year ended March 31, 2017, the Company prepared its standalone financial statements in accordance with accounting standards notified under section 133 of the Act read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Refer Note No. 39 for the explanation of transition from previous GAAP to Ind AS.

The Ministry of “Corporate Affairs” (MCA) has notified a road map to implement Ind AS. As per the said road map, the Company is required to apply Ind AS starting from the financial year beginning April 1, 2017. Accordingly the first Ind AS standalone financial statements shall be for the financial year 2017-18 with comparables for the financial year 2016-17. The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, “First time adoption of Indian Accounting Standards”. The date of transition to Ind AS is April 1, 2016. The transition was carried out from Accounting Principles generally accepted in India (previous GAAP). Reconciliation and descriptions of the effect of the transition have been summarized in note no. 39.

The standalone Ind AS financial statements for the year ended March 31, 2018 were authorised and approved for issue by the Board of Directors on May 28, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The standalone Ind AS financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities (including financial instruments) which have been measured at fair value at the end of each reporting period as explained in the accounting policies stated below.

2.2 Functional and presentation currency and Rounding off of the amounts

The functional and presentation currency of the company is Indian rupees. These standalone financial statements are presented in Indian rupees and all values are stated in lakhs of Rupees except otherwise indicated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

2.3 Current/non-current classification

2.3.1 The company has classified all its assets and liabilities under current and non-current as required by Ind AS 1- Presentation of Financial Statements. The asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading

Standalone Notes to the Financial Statements for the year ended March 31, 2018

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

2.3.2 All other assets are classified as non-current.

2.3.3 A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

2.3.4 All other liabilities are classified as non-current.

2.3.5 The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Deferred tax assets (including Minimum Alternate Tax Credit) and liabilities are always classified as non-current assets and liabilities.

2.4 Property, Plant and Equipment (PPE)

2.4.1 Freehold land are stated at historical cost.

2.4.2 All other items of PPE including capital work in progress are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. PPE is recognized when the cost of an asset can be reliably measured and it is probable that the entity will obtain future economic benefits from the asset.

2.4.3 PPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and non-refundable purchase taxes).

2.4.4 The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its PPE as recognised in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (April 1, 2016).

2.4.5 Capital work in progress (CWIP) comprises of cost of acquisition of assets, duties, levies and any cost directly attributable to bringing the asset to its working condition for the intended use. Expenditure incurred on project under implementation is treated as incidental expenditure incurred during construction and is pending allocation to the assets which will be allocated / apportioned on completion of the project.

2.5 Depreciation/Amortization

2.5.1 The depreciable amount of PPE (being the gross carrying value less the estimated residual value) is depreciated over its useful life as prescribed in Schedule II to The Companies Act, 2013 on Written down value basis.

Standalone Notes to the Financial Statements for the year ended March 31, 2018

2.5.2 The management believes that the estimated useful lives are realistic and reflects fair approximation of the period over which the assets are likely to be used. At each financial year end, management reviews the residual values, useful lives and method of depreciation of property, plant and equipment and values of the same are adjusted prospectively where needed.

2.6 Intangible assets

2.6.1 Intangible assets acquired separately are measured on initial recognition at cost. Cost comprises the acquisition price, development cost and any attributable / allocable incidental cost of bringing the asset to its working condition for its intended use. The useful life of intangible assets is assessed as either finite or indefinite. All finite-lived intangible assets, are accounted for using the cost model whereby intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised over the estimated useful economic life. Residual values and useful lives are reviewed at each reporting date.

2.6.2 Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2.6.3 When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in the statement of profit and loss within 'other income' or 'other expenses' respectively.

2.7 Impairment of non-financial Assets

2.7.1 The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

2.7.2 An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

2.7.3 The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.8 Leases

2.8.1 Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.8.2 The determination of whether an arrangement is a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is considered as a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

2.8.3 Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

2.9 Financial instruments

The Company recognizes financial assets and financial liabilities when it becomes party to the contractual provision of the instrument.

2.9.1 Financial assets

a. Initial recognition and measurement

Financial assets are initially measured at its fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the concerned financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognized immediately in profit or loss. However, trade receivable that do not contain a significant financing component are measured at transaction price.

b. Subsequent measurement

For subsequent measurement, the Company classifies financial assets in following broad categories:

- Financial assets carried at amortized cost.
- Financial assets carried at fair value through other comprehensive income (FVTOCI)
- Financial assets carried at fair value through profit or loss (FVTPL)

c. Financial asset carried at amortized cost (net of any write down for impairment, if any)

Financial assets are measured at amortized cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortized costs using Effective Interest Rate (EIR) method less impairment, if any. The losses arising from impairment are recognized in the statement of profit or loss. Cash and bank balances, trade receivables, loans and other financial asset of the Company are covered under this category.

Under the EIR method, the future cash receipts are exactly discounted to the initial recognition value using EIR. The cumulative amortization using the EIR method of the difference between the initial recognition amount and maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at amortized cost at each reporting date. The corresponding effect of the amortization under EIR method is recognized as interest income over the relevant period of the financial asset. The same is included under "other income" in the statement of profit or loss. The amortized cost of the financial asset is also adjusted for loss allowance, if any.

Standalone Notes to the Financial Statements for the year ended March 31, 2018

d. Financial asset carried at FVTOCI

Financial asset under this category are measured initially as well as at each reporting date at fair value, when asset is held with a business model whose objective is to hold asset for both collecting contractual cash flows and selling financial assets. Fair value movements are recognized in the other comprehensive income.

e. Financial asset carried at FVTPL

Financial asset under this category are measured initially as well as at each reporting date at fair value. Changes in fair value are recognized in the statement of profit or loss.

f. Financial Guarantee

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Guarantees given on behalf of subsidiaries by parent company without charging any fee is recognised at a value which represents a differential interest rate of borrowing, had there been no financial guarantee issued to the subsidiary. Such determined value is considered as an investment in group companies and the liability recognised is to be amortised to the profit and loss account over the term of the guarantee.

g. Derecognition of Financial Assets

A financial asset is primarily derecognized when rights to receive cash flows from the asset have expired or the Company has transferred its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risk and reward of the ownership of the financial asset.

h. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

2.9.2 Financial liabilities

a. Initial recognition and measurement

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. The Company classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

b. Subsequent measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortization is included as finance costs in the statement of profit and loss.

c. Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

2.9.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.9.4 Derivative financial instrument

- a. Company uses derivative financial instruments such as forward contracts to mitigate its foreign currency fluctuation risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.
- b. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss, except for the effective portion of cash flow hedges, which

Standalone Notes to the Financial Statements for the year ended March 31, 2018

is recognized in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

- c. For the purpose of hedge accounting, hedges are classified as:
- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
 - Cash flow hedges when hedging the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment;
 - Hedges of a net investment in a foreign operation.
- d. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how will the entity assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective if achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.
- e. Hedges that meet the strict criterion for hedge accounting are accounted for, as described below:
- **Fair value hedges**
The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the Statement of Profit and Loss as finance costs.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss. When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in the Statement of profit and loss.
 - **Cash flow hedges**
The effective portion of the gain or loss on the hedging instrument is recognized in

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

the OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the Statement of profit and loss. The Company uses forward contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognized in finance costs.

Amounts recognized in OCI are transferred to Statement of profit and loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. When the hedged item is a cost of a non-financial asset or non-financial liability, the amounts recognized in OCI are transferred to the initial carrying amount of the non-financial asset or liability. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

The Company does not use hedges of net investment.

f. **Derecognition**

On derecognition of hedged item, the unamortized fair value, of the hedging instrument adjusted to the hedged items is recognized in the Statement of Profit or Loss.

2.10 **Fair value measurement**

The Company measures certain financial instruments at fair value at each balance sheet date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 — inputs that are unobservable for the asset or liability

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.11 Investment in subsidiaries

Investment in subsidiaries are recorded at cost and reviewed for impairment at each reporting date.

2.12 Inventories

Inventories are valued as under:

| | |
|-------------------------------------|--|
| Cut & Polished Diamonds | Polished diamonds are valued at lower of cost or net realizable value. Cost is ascertained on lot-wise weighted average basis. |
| Finished Goods of Jewellery | Finished goods are valued at lower of cost or net realizable value. Cost includes direct materials, labour and all other cost related to converting them into finished goods. Cost is determined on specific identification 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 | Lower of cost and 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.

2.13 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment which flows to the company on its own account but excluding taxes or duties collected on behalf of the government.

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

2.13.1 Sale of goods

- a. Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.
- b. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

2.13.2 Sale of services

- a. Sale of services comprises of jewellery making charges.
- b. Revenue from Jewellery making charges is recognized when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably.

2.13.3 Other operating revenue

- a. Other operating revenue comprises of sale of dust.
- b. Revenue from sale of dust is recognized when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably.

2.14 Other Income

- a. Other income comprises of interest income and dividend from investment and profits on redemption of investments.
- b. Interest income from financial assets is recognized when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably. Interest income is accrued on time basis by reference to the principal outstanding and at the effective rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- c. Dividend income from investment is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably).
- d. Profit on redemption of investment is recognized by upon exercise of power by the company to redeem the investment held in any particular security / instrument (non-current as well as current investment).
- e. Income other than mentioned above is recognized only when it is reasonably certain that the ultimate collection will be made.

2.15 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 qualifying asset

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for the year ended March 31, 2018

are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

2.16 Foreign Currency Transactions and Translations

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities at the Balance Sheet date are translated at the exchange rate prevailing on the date of Balance Sheet.

Exchange rate differences resulting from foreign currency transactions settled during the period including year-end translation of assets and liabilities are recognized in the Statement of Profit and Loss.

Non-monetary assets, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income (OCI) or Statement of Profit and Loss are also recognized in OCI or Statement of Profit and Loss, respectively).

2.17 Employee benefits

2.17.1 Short Term Employee Benefits

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

2.17.2 Long Term Employee Benefits

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

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

The Company's contributions to these schemes are recognized as expense in Statement of Profit and Loss account during the period in which the employee renders the related service. The Company has no further obligation under these plans beyond its monthly contributions.

b. Leave Encashment

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

c. Gratuity

The Company provides for gratuity obligations through a Defined Benefits Retirement plan ('The Gratuity Plan') covering all employees. The present value of the obligation under such

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for the year ended March 31, 2018

Defined benefits plan is determined based on actuarial valuation using the Project Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up final obligation. The obligation is measured at the present value of the estimated cash flows. The discount rate used for determining the present value of the defined obligation under defined benefit plan, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized in profit and loss account as and when determined.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding the amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding the amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to Statement of Profit or Loss in subsequent periods.

2.18 Tax

The tax expense for the period comprises current and deferred tax. Taxes are recognised in the statement of profit and loss, except to the extent that it relates to the items recognised in the comprehensive income or in Equity. In which case, the tax is also recognised in the comprehensive income or in Equity.

2.18.1 Current tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity).

2.18.2 Deferred tax

- a. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.
- b. Deferred tax liabilities are generally recognized for all taxable temporary timing difference. Deferred tax assets are recognized for deductible temporary differences to the extent that they are probable that taxable profit will be available against which the deductible temporary difference can be utilized.
- c. The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.
- d. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted on the reporting date.
- e. Current and deferred tax for the year are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

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for the year ended March 31, 2018

- f. 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.

2.18.3 Minimum Alternate Tax (MAT) Credit

Deferred Tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

2.19 Segment reporting

The company is primarily engaged in the business of Diamond and Jewellery. This represents a primary segment. However, the Company has two operating/reportable segments based on geographical area, i.e., domestic sales and export sales.

2.20 Earnings per share

Basic EPS is calculated by dividing the profit or loss for the period attributable to the equity holders of the parent company by the weighted average number of ordinary shares outstanding (including adjustments for bonus and rights issues).

Diluted EPS is calculated by adjusting the profit or loss and the weighted average number of ordinary shares by taking into account the conversion of any dilutive potential ordinary shares.

Basic and diluted EPS are presented in the statement of profit and loss for each class of ordinary shares in accordance with Ind AS 33.

2.21 Provisions, Contingent Liabilities and Contingent Assets

2.21.1 Provisions

- a. Provisions are recognized when the company has present obligation (legal or constructive) as a result of past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense related to a provision is presented in the statement of profit and loss net of any reimbursement/contribution towards provision made.
- b. If the effect of the time value of money is material, estimate for the provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

- c. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.21.2 Contingent liability

- a. **Contingent liability is disclosed in the case;**

- When there is a possible obligation which could arise from past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or;
- A present obligation that arises from past events but is not recognized as expense because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or;
- The amount of the obligation cannot be measured with sufficient reliability.

- b. **Commitments**

Commitments include the value of the contracts for the acquisition of the assets net of advances.

2.21.3 Contingent assets

Contingent asset is disclosed in case a possible asset arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.22 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.23 Cash flow statements

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of Company is segregated.

2.24 Measurement of EBITDA

As permitted by the Guidance Note on Division II – Ind AS Schedule III to the Companies Act, 2013, 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.

3. STANDARDS ISSUED BUT NOT YET EFFECTIVE

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

3.1 Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

3.2 Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

- i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- ii. Ind AS 40 - Investment Property
- iii. Ind AS 12 - Income Taxes
- iv. Ind AS 28 - Investments in Associates and Joint Ventures and
- v. Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's Ind AS Financial Statements.

4. KEY ACCOUNTING JUDGMENTS', ESTIMATES AND ASSUMPTIONS

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements are as below:

- a. Assessment of functional currency;
- b. Financial instruments;
- c. Estimates of useful lives and residual value of PPE and intangible assets;
- d. Impairment of financial and non-financial assets;
- e. Valuation of inventories;
- f. Measurement of recoverable amounts of cash-generating units;
- g. Measurement of Defined Benefit Obligations and actuarial assumptions;
- h. Allowances for uncollected trade receivable and advances
- i. Provisions;
- j. Evaluation of recoverability of deferred tax assets; and
- k. Contingencies.

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

Standalone Notes to the Financial Statements for the year ended March 31, 2018

₹ in Lakhs

| Particulars | Gross Block | | | Accumulated Depreciation | | | Net Block | |
|--------------------------|----------------------|---------------|--------------|--------------------------|----------------------|--------------|----------------------|----------------------|
| | As at April 01, 2017 | Additions | Disposals | As at March 31, 2018 | As at April 01, 2017 | On Disposals | As at March 31, 2018 | As at March 31, 2017 |
| Land | 95.17 | - | - | 95.17 | - | - | 95.17 | 95.17 |
| Factory Building | 1,517.00 | 25.94 | - | 1,542.94 | 969.90 | - | 517.80 | 547.11 |
| Office Building | 332.84 | - | - | 332.84 | 92.60 | - | 223.96 | 240.24 |
| Plant and Machinery | 3,429.09 | 305.13 | 77.05 | 3,657.17 | 2,307.09 | 57.61 | 1,172.87 | 1,122.00 |
| Electrical Installations | 521.13 | 1.29 | - | 522.42 | 416.66 | - | 78.31 | 104.47 |
| Office Equipments | 759.48 | 13.15 | 3.74 | 768.89 | 669.81 | 3.51 | 72.98 | 89.67 |
| Computers | 537.02 | 6.80 | 9.21 | 534.61 | 499.75 | 9.21 | 27.70 | 37.27 |
| Furniture and Fixtures | 948.73 | 21.64 | - | 970.37 | 809.09 | - | 122.47 | 139.64 |
| Vehicles | 1,265.52 | 228.11 | 8.99 | 1,484.64 | 549.39 | 8.49 | 667.67 | 716.13 |
| Leasehold Improvements | 1,045.80 | 8.21 | - | 1,054.01 | 841.43 | - | 154.70 | 204.37 |
| Total | 10,451.78 | 610.27 | 98.99 | 10,963.06 | 7,155.72 | 78.82 | 3,133.63 | 3,296.06 |

| Particulars | Gross Block | | | Accumulated Depreciation | | | Net Block | |
|-------------------|----------------------|--------------|-----------|--------------------------|----------------------|--------------|----------------------|----------------------|
| | As at April 01, 2017 | Additions | Disposals | As at March 31, 2018 | As at April 01, 2017 | On Disposals | As at March 31, 2018 | As at March 31, 2017 |
| Computer Software | 175.12 | 11.64 | - | 186.76 | 133.29 | - | 28.82 | 41.83 |
| Total | 175.12 | 11.64 | - | 186.76 | 133.29 | - | 28.82 | 41.83 |

Standalone Notes to the Financial Statements for the year ended March 31, 2018

₹ in Lakhs

| 5. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT | | | | | | | | | | | |
|---|----------------------|-----------------|--------------|----------------------|--------------------------|---------------------------|--------------|----------------------|----------------------|----------------------|--|
| Particulars | Gross Block | | | | Accumulated Depreciation | | | | Net Block | | |
| | As at April 01, 2016 | Additions | Disposals | As at March 31, 2017 | As at April 01, 2016 | Depreciation for the year | On Disposals | As at March 31, 2017 | As at March 31, 2017 | As at April 01, 2016 | |
| Land | 95.17 | - | - | 95.17 | - | - | - | - | 95.17 | 95.17 | |
| Factory Building | 1,451.98 | 65.02 | - | 1,517.00 | 914.87 | 55.03 | - | 969.90 | 547.11 | 537.11 | |
| Office Building | 332.84 | - | - | 332.84 | 77.07 | 15.53 | - | 92.60 | 240.24 | 255.77 | |
| Plant and Machinery | 3,270.15 | 177.15 | 18.20 | 3,429.09 | 2,058.38 | 264.38 | 15.67 | 2,307.09 | 1,122.00 | 1,211.77 | |
| Electrical Installations | 478.48 | 42.65 | - | 521.13 | 385.58 | 31.08 | - | 416.66 | 104.47 | 92.90 | |
| Office Equipments | 720.11 | 39.37 | - | 759.48 | 629.54 | 40.27 | - | 669.81 | 89.67 | 90.57 | |
| Computers | 510.94 | 26.08 | - | 537.02 | 481.24 | 18.51 | - | 499.75 | 37.27 | 29.70 | |
| Furniture and Fixtures | 943.42 | 5.31 | - | 948.73 | 757.81 | 51.28 | - | 809.09 | 139.64 | 185.61 | |
| Vehicles | 565.14 | 742.39 | 42.01 | 1,265.52 | 354.03 | 232.14 | 36.79 | 549.39 | 716.13 | 211.11 | |
| Leasehold Improvements | 1,031.25 | 14.55 | - | 1,045.80 | 762.60 | 78.83 | - | 841.43 | 204.37 | 268.65 | |
| Total | 9,399.48 | 1,112.52 | 60.21 | 10,451.78 | 6,421.12 | 787.05 | 52.45 | 7,155.72 | 3,296.06 | 2,978.36 | |
| 5. NON-CURRENT ASSETS - INTANGIBLE ASSETS | | | | | | | | | | | |
| Particulars | Gross Block | | | | Accumulated Depreciation | | | | Net Block | | |
| | As at April 01, 2016 | Additions | Disposals | As at March 31, 2017 | As at April 01, 2016 | Depreciation for the year | On Disposals | As at March 31, 2017 | As at March 31, 2017 | As at April 01, 2016 | |
| Computer Software | 155.33 | 19.79 | - | 175.12 | 111.90 | 21.39 | - | 133.29 | 41.83 | 43.43 | |
| Total | 155.33 | 19.79 | - | 175.12 | 111.90 | 21.39 | - | 133.29 | 41.83 | 43.43 | |

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ In Lakhs | March 31, 2017 ₹ In Lakhs | April 01, 2016 ₹ In Lakhs |
|--|------------------------------|------------------------------|------------------------------|
| 6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS | | | |
| In Equity Shares (Unquoted-Trade) | | | |
| Direct Subsidiary Companies (At Cost) : | | | |
| Renaissance Jewelry N.Y Inc without par value | 5,082.74 | 5,082.74 | 5,082.74 |
| No. of shares Mar 31, 2018 : 100 | | | |
| No. of shares Mar 31, 2017 : 100 | | | |
| No. of shares Apr 01, 2016 : 100 | | | |
| Verigold Jewellery (UK) Ltd of GBP 1/- each | 309.72 | 309.72 | 309.72 |
| No. of shares Mar 31, 2018 : 450,000 | | | |
| No. of shares Mar 31, 2017 : 450,000 | | | |
| No. of shares Apr 01, 2016 : 450,000 | | | |
| N.Kumar Diamond Exports Pvt Ltd of ₹ 10/- each | 1,235.00 | 1,235.00 | 1,235.00 |
| No. of shares Mar 31, 2018 : 6,500,000 | | | |
| No. of shares Mar 31, 2017 : 6,500,000 | | | |
| No. of shares Apr 01, 2016 : 6,500,000 | | | |
| Renaissance Jewellery Bangladesh Pvt. Ltd of Taka 100/- each | 1,371.87 | 1,371.87 | 1,371.87 |
| No. of shares Mar 31, 2018 : 2,122,063 | | | |
| No. of shares Mar 31, 2017 : 2,122,063 | | | |
| No. of shares Apr 01, 2016 : 2,122,063 | | | |
| Verigold Jewellery DMCC of AED 1000/- each | 51.04 | 51.04 | 51.04 |
| No. of shares Mar 31, 2018 : 300 | | | |
| No. of shares Mar 31, 2017 : 300 | | | |
| No. of shares Apr 01, 2016 : 300 | | | |
| Total | 8,050.37 | 8,050.37 | 8,050.37 |
| Less: Provision for diminution in the value of investment (Refer Note No.55) | 528.33 | - | - |
| Total | 7,522.04 | 8,050.37 | 8,050.37 |
| Indirect Subsidiary Company : (Unquoted-Trade) (At cost) | | | |
| House Full International Ltd of ₹ 10/- each | 1,500.00 | 1,500.00 | 1,500.00 |
| No. of shares Mar 31, 2018 : 15,000,000 | | | |
| No. of shares Mar 31, 2017 : 15,000,000 | | | |
| No. of shares Apr 01, 2016 : 15,000,000 | | | |
| Total | 1,500.00 | 1,500.00 | 1,500.00 |
| In Preference Shares (Unquoted-Trade) (At Cost) | | | |
| Indirect Subsidiary Company : House Full International Limited | | | |
| Eight years' 0% optionally convertible Redeemable | 1,000.00 | 1,000.00 | 1,000.00 |
| Preference shares of ₹10/- each | | | |
| No. of shares Mar 31, 2018 : 10,000,000 | | | |
| No. of shares Mar 31, 2017 : 10,000,000 | | | |
| No. of shares Apr 01, 2016 : 10,000,000 | | | |
| Total | 1,000.00 | 1,000.00 | 1,000.00 |

Standalone Notes to the Financial Statements for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ In Lakhs | March 31, 2017 ₹ In Lakhs | April 01, 2016 ₹ In Lakhs |
|---|------------------------------|------------------------------|------------------------------|
| 6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS | | | |
| In Others (Unquoted-Trade) | | | |
| Indirect Subsidiary Company : House Full International Limited | | | |
| (At Fair value through profit and loss account) | | | |
| Equity component of financial guarantee | 77.46 | 64.82 | 34.48 |
| Total | 77.46 | 64.82 | 34.48 |
| In Mutual Funds (Unquoted-Non Trade) | | | |
| (At Fair value through OCI) | | | |
| SBI PSU Fund (Growth Plan) of ₹ 10/- each | 11.08 | 11.64 | 8.32 |
| No. of units Mar 31, 2018 : 100,000 | | | |
| No. of units Mar 31, 2017 : 100,000 | | | |
| No. of units Apr 01, 2016 : 100,000 | | | |
| Principal Smart Equity Fund (Growth Plan) of ₹ 10/- each | - | 58.01 | - |
| No. of units Mar 31, 2018 : Nil | | | |
| No. of units Mar 31, 2017 : 301,823.972 | | | |
| No. of units Apr 01, 2016 : Nil | | | |
| Principal Low Duration Fund (Growth Plan) of ₹ 10/- each | - | 100.20 | - |
| No. of units Mar 31, 2018 : Nil | | | |
| No. of units Mar 31, 2017 : 3,881.388 | | | |
| No. of units Apr 01, 2016 : Nil | | | |
| Principal Asset Allocation Fund (Growth Plan) of ₹ 10/- each | - | - | 50.79 |
| No. of units Mar 31, 2018 : Nil | | | |
| No. of units Mar 31, 2017 : Nil | | | |
| No. of units Apr 01, 2016 : 500,000 | | | |
| Reliance Pharma Fund (Growth Plan) of ₹ 10/- each | 663.14 | - | - |
| No. of units Mar 31, 2018 : 475,270.69 | | | |
| No. of units Mar 31, 2017 : Nil | | | |
| No. of units Apr 01, 2016 : Nil | | | |
| Total | 674.22 | 169.85 | 59.11 |
| In Limited Liability Partnership: (Unquoted Non-Trade) (At Cost) | | | |
| Aurelle Jewellery LLP | 8.33 | 13.71 | 14.21 |
| Total | 8.33 | 13.71 | 14.21 |
| TOTAL NON-CURRENT FINANCIAL ASSETS | 10,782.05 | 10,798.75 | 10,658.17 |

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ In Lakhs | March 31, 2017 ₹ In Lakhs | April 01, 2016 ₹ In Lakhs |
|---|------------------------------|------------------------------|------------------------------|
| 6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS | | | |
| Details of Investment in LLP | Profit/(Loss) Sharing | | |
| Renaissance Jewellery Limited | 99% | 99% | 99% |
| Mr. Bhupen C. Shah | 1% | 1% | 1% |
| Total Capital of LLP (₹ in lakhs) | 7.75 | 13.19 | 13.69 |
| Aggregate amount of unquoted investments | 10,782.05 | 10,798.75 | 10,658.17 |
| Category-wise Non current investment | | | |
| Financial assets carried at cost (net of provision for diminution) | 10,030.37 | 10,564.08 | 10,564.58 |
| Financial assets measured at Fair Value through profit and loss account | 77.46 | 64.82 | 34.48 |
| Financial assets carried at Fair Value through OCI | 674.22 | 169.85 | 59.11 |
| 7. NON-CURRENT FINANCIAL ASSETS - OTHERS | | | |
| (Unsecured considered good) | | | |
| Security Deposits | 126.39 | 114.97 | 117.06 |
| Deposits with original maturity for more than 12 months | 26.21 | 22.85 | 25.56 |
| Interest accrued on fixed deposits | 11.90 | 9.32 | 7.23 |
| Total | 164.50 | 147.14 | 149.85 |
| 8. DEFERRED TAX ASSETS | | | |
| Deferred tax liability: | | | |
| Fair valuation of financial instruments | 81.36 | 33.94 | 27.51 |
| Fair Valuation of Forward Contracts | 158.52 | 768.44 | 284.33 |
| Financial Guarantee | 13.46 | 13.46 | 7.16 |
| | 253.34 | 815.84 | 319.00 |
| Deferred tax assets: | | | |
| Property plant and equipment | 202.31 | 160.89 | 115.14 |
| Employee benefits | 78.15 | 75.89 | 71.15 |
| Provision for Expected Credit Loss | 2.94 | 1.77 | 21.00 |
| Provision for diminution in value of investment | 123.08 | - | - |
| MAT credit entitlement | 1,386.35 | 1,426.05 | 1,459.05 |
| | 1,792.83 | 1,664.60 | 1,666.34 |
| Deferred tax assets (net) Total | 1,539.49 | 848.76 | 1,347.34 |
| (For movements during the year Refer Note No.40) | | | |
| 9. OTHER NON CURRENT ASSETS | | | |
| (Unsecured considered good) | | | |
| Capital Advances | 163.00 | 58.05 | 46.98 |
| Security Deposits | 3.61 | 2.85 | 2.75 |
| Prepaid expenses and deferment | 51.59 | 53.03 | 57.59 |
| Total | 218.20 | 113.93 | 107.32 |

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ In Lakhs | March 31, 2017 ₹ In Lakhs | April 01, 2016 ₹ In Lakhs |
|--|------------------------------|------------------------------|------------------------------|
| 10. CURRENT ASSETS - INVENTORIES | | | |
| Raw Materials | | | |
| Gems and diamonds | 9,919.63 | 5,767.25 | 6,195.74 |
| Gold, Silver and others (Refer Note No.51) | 185.76 | 252.92 | 301.05 |
| Manufactured Jewellery (Finished Goods) | 650.42 | 603.33 | 473.74 |
| Work-In-progress | 15,369.34 | 11,124.43 | 14,527.16 |
| Consumable, tools and spares | 472.80 | 504.49 | 522.97 |
| Total | 26,597.95 | 18,252.42 | 22,020.66 |
| 11. CURRENT FINANCIAL ASSETS - INVESTMENTS | | | |
| In Equity Shares (Quoted - Non Trade) (At fair value through OCI) | | | |
| Aditya Birla Fashion and Retail Limited of ₹ 10 each | - | 274.51 | - |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 178,429 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Alembic Pharmaceuticals Limited of ₹ 2 each | - | - | 259.76 |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : 43,409 | | | |
| Avenue Supermarts Limited of ₹ 10 each | 22.46 | - | - |
| No. of shares Mar 31, 2018 : 1,525 | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Bajaj Corp Limited of ₹ 1 each | - | 138.17 | - |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 34,981 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Bajaj Finance Limited of ₹ 2 each | 126.08 | - | - |
| No. of shares Mar 31, 2018 : 6,550 | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Bata India Limited of ₹ 10 each | - | - | 158.18 |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : 31,100 | | | |
| Cera Sanitaryware Limited of ₹ 5 each | 38.50 | - | - |
| No. of shares Mar 31, 2018 : 1,135 | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Cipla Limited of ₹ 2 each | - | - | 281.57 |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : 55,000 | | | |

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ In Lakhs | March 31, 2017 ₹ In Lakhs | April 01, 2016 ₹ In Lakhs |
|--|------------------------------|------------------------------|------------------------------|
| 11. CURRENT FINANCIAL ASSETS - INVESTMENTS | | | |
| Development Bank Limited of ₹ 10 each | - | 317.85 | 64.52 |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 186,695 | | | |
| No. of shares Apr 01, 2016 : 81,407 | | | |
| Dr. Lal Path Labs Limited of ₹ 10 each | 317.07 | - | - |
| No. of shares Mar 31, 2018 : 36,183 | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| GNA Axles Limited of ₹ 10 each | - | 89.19 | - |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 40,744 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Housing Development Finance Corp Limited of ₹ 2 each | 182.56 | 150.21 | |
| No. of shares Mar 31, 2018 : 10,000 | | | |
| No. of shares Mar 31, 2017 : 10,000 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Indian Terrian Fashions Limited of ₹ 2 each | 336.45 | 195.31 | - |
| No. of shares Mar 31, 2018 : 192,588 | | | |
| No. of shares Mar 31, 2017 : 115,502 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Maruti Suzuki India Limited of ₹ 5 each | 93.44 | - | - |
| No. of shares Mar 31, 2018 : 1,005 | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Mindtree Limited of ₹ 10 each | - | 215.95 | 41.66 |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 47,676 | | | |
| No. of shares Apr 01, 2016 : 6,377 | | | |
| Nestle India Limited of ₹ 10 each | - | 207.23 | 83.60 |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 3,102 | | | |
| No. of shares Apr 01, 2016 : 1,452 | | | |
| Persistent Systems Limited of ₹ 10 each | 259.33 | 458.02 | 479.29 |
| No. of shares Mar 31, 2018 : 37,365 | | | |
| No. of shares Mar 31, 2017 : 76,888 | | | |
| No. of shares Apr 01, 2016 : 62,886 | | | |
| Prabhat Dairy Limited of ₹ 10 each | - | 99.73 | - |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 81,982 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ In Lakhs | March 31, 2017 ₹ In Lakhs | April 01, 2016 ₹ In Lakhs |
|---|------------------------------|------------------------------|------------------------------|
| 11. CURRENT FINANCIAL ASSETS - INVESTMENTS | | | |
| Repco Home Finance Limited of ₹ 10 each | - | 367.19 | - |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 52,329 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Shemaroo Entertainment Limited of ₹ 10 each | 126.40 | 151.66 | - |
| No. of shares Mar 31, 2018 : 24,690 | | | |
| No. of shares Mar 31, 2017 : 40,160 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| SRG Housing Finance Limited of ₹ 10 each | 165.54 | - | - |
| No. of shares Mar 31, 2018 : 55,822 | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Sun Pharmaceuticals Industries Limited of ₹ 1 each | - | 563.86 | 546.12 |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 81,938 | | | |
| No. of shares Apr 01, 2016 : 66,600 | | | |
| Tata Consultancy Services Limited of ₹ 1 each | - | - | 241.95 |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : 9,600 | | | |
| Themis Medicare Limited of ₹ 10 each | - | 166.87 | - |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 27,238 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| V-Mart Retail Limited of ₹ 10 each | 291.99 | 227.65 | 480.02 |
| No. of shares Mar 31, 2018 : 15,370 | | | |
| No. of shares Mar 31, 2017 : 27,607 | | | |
| No. of shares Apr 01, 2016 : 102,100 | | | |
| Whirlpool of India Limited of ₹ 10 each | 1.08 | - | - |
| No. of shares Mar 31, 2018 : 70 | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| In Mutual Funds (Unquoted-Non Trade) (At fair value through OCI) | | | |
| HDFC Liquid Fund - Direct Plan - Daily Dividend | 150.40 | 760.82 | 12.15 |
| No. of units Mar 31, 2018 : 14,748.148 | | | |
| No. of units Mar 31, 2017 : 74,603.172 | | | |
| No. of units Apr 01, 2016 : 1,190.981 | | | |
| Total | 2,111.30 | 4,384.22 | 2,648.82 |
| Aggregate amount of unquoted investments | 150.40 | 760.82 | 12.15 |
| Aggregate amount of quoted investments - At Cost | 1,499.46 | 3,434.98 | 2,476.79 |
| Aggregate amount of quoted investments - At Market Value | 1,960.90 | 3,623.40 | 2,636.67 |

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ In Lakhs | March 31, 2017 ₹ In Lakhs | April 01, 2016 ₹ In Lakhs |
|--|------------------------------|------------------------------|------------------------------|
| 12. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLE | | | |
| (Unsecured, considered good unless otherwise stated) | | | |
| Considered Good | 31,472.89 | 32,700.02 | 33,111.48 |
| Less: Allowance as per expected credit loss model | 8.41 | 5.12 | 60.74 |
| Total | 31,464.48 | 32,694.90 | 33,050.74 |
| Due from relative of directors | 0.19 | 0.08 | - |
| 13. CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS | | | |
| Balances with Banks | 1,201.90 | 3,028.56 | 1,426.06 |
| Cash on hand | 5.92 | 18.67 | 18.24 |
| Deposits with original maturity of less than 3 months | 1,258.86 | 1,958.81 | 3,038.65 |
| Total | 2,466.68 | 5,006.04 | 4,482.95 |
| 14. CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS | | | |
| Unclaimed dividend account | 4.01 | 4.82 | 5.09 |
| Margin Money Deposit with banks against gold loan | 176.60 | 35.10 | 5.10 |
| Deposits with original maturity of more than 3 months but less than 12 months | 224.45 | 339.44 | 437.73 |
| Total | 405.06 | 379.36 | 447.92 |
| 15. CURRENT FINANCIAL ASSETS - LOANS | | | |
| Inter Corporate Deposit to related parties | 1,228.50 | - | 40.00 |
| Loan to Employees | 36.04 | 66.97 | 21.29 |
| Total | 1,264.54 | 66.97 | 61.29 |
| 16. CURRENT FINANCIAL ASSETS - OTHERS | | | |
| (Unsecured, considered good) | | | |
| Forward contract receivable (net) | 450.91 | 2,220.41 | 823.17 |
| Interest accrued on fixed deposits | 11.24 | 14.42 | 12.52 |
| Interest accrued on ICD | 80.34 | - | 1.37 |
| Total | 542.49 | 2,234.83 | 837.06 |
| 17. CURRENT TAX ASSETS (NET) | | | |
| Taxes Paid | 3,542.81 | 4,341.33 | 4,263.21 |
| Less: Provision for Tax | 3,379.16 | 4,191.46 | 4,084.34 |
| Total | 163.65 | 149.87 | 178.87 |
| 18. OTHERS CURRENT ASSETS | | | |
| (Unsecured considered good) | | | |
| Security Deposits | - | - | 0.10 |
| Prepaid expenses and deferment | 180.29 | 193.66 | 170.18 |
| Advance recoverable in cash or in Kind | 372.40 | 261.88 | 393.85 |
| Balance with statutory/government authorities | 1,300.91 | 633.34 | 533.06 |
| Others | 1.49 | 1.87 | 2.88 |
| Total | 1,855.09 | 1,090.75 | 1,100.07 |

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ In Lakhs | March 31, 2017 ₹ In Lakhs | April 01, 2016 ₹ In Lakhs |
|--|------------------------------|------------------------------|------------------------------|
| 19. EQUITY SHARE CAPITAL | | | |
| Authorized | | | |
| 27,000,000 (March 31, 2017 : 27,000,000, April 01, 2016 : 27,000,000) equity shares of ₹ 10/- each | 2,700.00 | 2,700.00 | 2,700.00 |
| Issued, subscribed and fully paid-up | | | |
| 18,879,440 (March 31, 2017 : 19,079,440, April 01, 2016 : 19,079,440) equity shares of ₹ 10/- each | 1,887.94 | 1,907.94 | 1,907.94 |
| RJL-Employee welfare Trust for Investment in Shares (Refer Note No. 56) | (19.64) | (64.64) | (64.64) |
| | 1,868.30 | 1,843.30 | 1,843.30 |

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year. (₹ in Lakhs)

| Particulars | March 31, 2018 | | March 31, 2017 | | April 01, 2016 | |
|------------------------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| At the beginning of the year | 19,079,440 | 1,907.94 | 19,079,440 | 1,907.94 | 19,079,440 | 1,907.94 |
| Buyback during the year | (200,000) | (20.00) | - | - | - | - |
| Total | 18,879,440 | 1,887.94 | 19,079,440 | 1,907.94 | 19,079,440 | 1,907.94 |

b. Terms/rights attached to equity shares

The company has only one class of issued shares having par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share and carries identical right as to dividend. These shares are not subject to any restrictions.

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.

| Particulars | March 31, 2018 | | March 31, 2017 | | April 01, 2016 | |
|---|----------------|--------------|----------------|--------------|----------------|--------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Equity Shares of ₹ 10/- each fully paid up | | | | | | |
| Mr. Sumit N. Shah | 4,128,037 | 21.87 | 4,171,120 | 21.86 | 4,171,120 | 21.86 |
| Mr. Niranjana A. Shah | 2,910,677 | 15.42 | 2,861,900 | 15.00 | 2,861,900 | 15.00 |
| Mr. Hitesh M. Shah | 1,335,958 | 7.08 | 1,430,950 | 7.50 | 1,430,950 | 7.50 |
| Ms. Pinky D. Shah | 1,068,766 | 5.66 | 1,144,760 | 6.00 | 1,144,760 | 6.00 |
| Niranjana Family Private Trust | 2,580,112 | 13.67 | 2,607,040 | 13.66 | 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.

d. Buy back of equity shares

On May 30, 2017, the Board of Directors approved a buyback proposal for purchase by the Company of up to 2 lakhs shares of ₹ 10 each from the shareholders of the Company on a proportionate basis by way of a tender offer at a price of ₹ 250 per equity share for an aggregate amount not exceeding ₹ 500 lakhs in accordance with the provisions of the Companies Act, 2013 and the SEBI (Buy Back of Securities) Regulations, 1998. The Company extinguished the equity shares bought on September 20, 2017. An amount of ₹ 500 Lakhs was utilized from General Reserve to off-set the buy-back offer including the Capital Redemption Reserve of ₹ 20 Lakhs created to the extent of Share Capital extinguished.

Standalone Notes to the Financial Statements for the year ended March 31, 2018

20. OTHER EQUITY

| Particulars | Reserve and Surplus | | | | Items of Other Comprehensive Income (OCI) | | | | Other Component of Equity on shares issued under ESPS | Own Shares held by ESPS Trusts | Total Other equity attributable to Equity holders of the company | | |
|--|---------------------|----------------------------|-----------------|-------------------|---|--|--|--------------------------------|---|--------------------------------|--|--|---|
| | Capital Reserve | Securities Premium Reserve | General Reserve | Retained Earnings | Capital Redemption Reserve (CRR) | Effective portion of Cash Flow Hedge Reserve | Remeasurement of Defined Benefit Plans | Equity Instruments through OCI | | | | Mutual Fund Equity Instruments through OCI | Mutual Fund Debts Instruments through OCI |
| As at April 1, 2016 (Ind AS) (A) | 380.00 | 7,129.54 | 754.00 | 28,856.64 | - | 537.22 | - | 132.20 | (1.39) | 0.65 | - | (258.56) | 37,530.30 |
| Add / (Less): | | | | | | | | | | | | | |
| Profit for the year | - | - | - | 2,977.62 | - | - | - | - | - | - | - | - | 2,977.62 |
| Fair Value of changes on derivatives designated as Cash flow reserves (net of tax) | - | - | - | - | - | 914.74 | - | - | - | - | - | - | 914.74 |
| Re-measurement defined benefit plans (net of tax) | - | - | - | - | - | - | (7.85) | - | - | - | - | - | (7.85) |
| Fair value change of financial instruments through OCI (net of tax) | - | - | - | - | - | - | - | 160.44 | 7.77 | 1.11 | - | - | 169.32 |
| De-recognition of financial instruments (net of tax) | - | - | - | 136.81 | - | - | - | (136.81) | - | - | - | - | - |
| Total adjustments (B) | - | - | - | 3,114.43 | - | 914.74 | (7.85) | 23.62 | 7.77 | 1.11 | - | (258.56) | 4,053.83 |
| As at March 31, 2017 (Ind AS) (C) = (A) + (B) | 380.00 | 7,129.54 | 754.00 | 31,971.07 | - | 1,451.97 | (7.85) | 155.82 | 6.38 | 1.76 | - | (258.56) | 41,584.13 |
| Add / (Less): | | | | | | | | | | | | | |
| Profit for the year | - | - | - | 2,992.14 | - | - | - | - | - | - | - | - | 2,992.14 |
| Fair Value of changes on derivatives designated as Cash flow reserves (net of tax) | - | - | - | - | - | (1,156.85) | - | - | - | - | - | - | (1,156.85) |
| Re-measurement defined benefit plans (net of tax) | - | - | - | - | - | - | (0.26) | - | - | - | - | - | (0.26) |
| Fair value change of financial instruments through OCI (net of tax) | - | - | - | - | - | - | - | 227.71 | 2.51 | - | - | - | 230.22 |
| Receipt from R/J-Employee welfare trust | - | - | - | - | - | - | - | - | - | - | - | 180.00 | 180.00 |
| Shares issued by R/J-Employee welfare trust | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer from General Reserve to CRR on Buyback of shares | - | (20.00) | - | - | 20.00 | - | - | - | - | - | - | 559.01 | 559.01 |
| Utilization towards Buyback of shares | - | (480.00) | - | - | - | - | - | - | - | - | - | - | (480.00) |
| De-recognition of financial instruments (net of tax) | - | - | - | 9.88 | - | - | - | (2.71) | (5.41) | (1.76) | - | - | - |
| Total adjustments (D) | - | - | (500.00) | 3,002.02 | 20.00 | (1,156.85) | (0.26) | 225.00 | (2.90) | (1.76) | - | 180.00 | 2,324.27 |
| As at March 31, 2018 (Ind AS) (E) = (C) + (D) | 380.00 | 7,129.54 | 254.00 | 34,973.09 | 20.00 | 295.12 | (8.11) | 380.82 | 3.48 | (0.01) | - | (78.56) | 43,908.40 |

Nature and purpose of Reserves

Capital Reserve

It represents forfeiture of money received against equity shares warrants as conversion option not being exercised by warrant holders.

Securities Premium Reserve

The amount received in excess of face value of the equity shares is recognized in Securities Premium Reserve.

General Reserve

General Reserve represents appropriation of retained earnings and are available for distribution to shareholders.

Retained Earnings

Retained Earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

Capital Redemption Reserve (CRR)

CRR represents amount equivalent to the face value of the equity shares bought back by the Company which was transferred from general reserves.

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ In Lakhs | March 31, 2017 ₹ In Lakhs | April 01, 2016 ₹ In Lakhs |
|--|------------------------------|------------------------------|------------------------------|
| 21. NON CURRENT FINANCIAL LIABILITIES - BORROWINGS | | | |
| Secured Loans | | | |
| Vehicle Loan | 126.75 | 187.16 | 242.12 |
| Total | 126.75 | 187.16 | 242.12 |
| Vehicle loan is secured by hypothecation of vehicle and same is repayable in thirty four equated monthly installments inclusive of interest on reducing balance. | | | |
| 22. NON CURRENT LIABILITIES - PROVISIONS | | | |
| Provision for employee benefits | | | |
| Gratuity | 108.50 | 86.38 | 105.71 |
| Leave encashment | 52.07 | 49.31 | 42.80 |
| Total | 160.57 | 135.69 | 148.51 |
| 23. CURRENT FINANCIAL LIABILITIES - BORROWINGS | | | |
| Secured | | | |
| Working Capital Finance from banks denominated in | | | |
| Foreign Currency * | 17,624.08 | 19,451.22 | 14,801.28 |
| Indian Currency * | - | 85.73 | 0.32 |
| Unsecured | | | |
| Loan from related parties repayable on demand | | | |
| from Directors (Interest Free) | 859.02 | 56.22 | 233.57 |
| Inter Corporate Deposit ** | 217.29 | 104.40 | 214.40 |
| Total | 18,700.39 | 19,697.57 | 15,249.57 |

* 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% and Indian currency Loans carries interest rate @ 9% to 10%.

** Inter Corporate Deposit carries Interest Rate of 9% and repayable within six months or earlier at the option borrower company.

| Particulars | March 31, 2018 ₹ In Lakhs | March 31, 2017 ₹ In Lakhs | April 01, 2016 ₹ In Lakhs |
|--|------------------------------|------------------------------|------------------------------|
| 24. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE | | | |
| Payable to Micro, Small and Medium Enterprises | 0.53 | 0.14 | 0.55 |
| Payable to Others | 17,699.33 | 15,443.33 | 25,136.74 |
| Total | 17,699.86 | 15,443.47 | 25,137.29 |

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ In Lakhs | March 31, 2017 ₹ In Lakhs | April 01, 2016 ₹ In Lakhs |
|---|------------------------------|------------------------------|------------------------------|
| 25. CURRENT FINANCIAL LIABILITIES - OTHERS | | | |
| Current maturities of Long term debt | | | |
| Vehicle loan from bank (secured) # | 60.41 | 54.96 | 50.00 |
| Interest accrued but not due on gold loan | - | 2.18 | 2.18 |
| Salaries, wages and other payables | 227.04 | 291.09 | 218.18 |
| Unclaimed dividend | 4.01 | 4.82 | 5.09 |
| Interest accrued on ICD | 37.89 | 23.42 | 9.03 |
| Payable to Others | 31.77 | 4.06 | 3.31 |
| Total | 361.12 | 380.53 | 287.79 |

Vehicle loan is secured by hypothecation of vehicle and same is repayable in thirty four equated monthly installments inclusive of interest on reducing balance.

| | | | |
|--------------------------------------|--------------|--------------|--------------|
| 26. OTHER CURRENT LIABILITIES | | | |
| Advance from customer | - | 8.99 | - |
| Statutory dues payable | 71.58 | 76.92 | 67.54 |
| Total | 71.58 | 85.91 | 67.54 |

| | | | |
|---|---------------|---------------|---------------|
| 27. CURRENT LIABILITIES - PROVISIONS | | | |
| Provision for employee benefits | | | |
| Gratuity | 124.82 | 143.07 | 129.13 |
| Leave encashment | 10.66 | 10.09 | 12.38 |
| Total | 135.48 | 153.16 | 141.51 |

| | | | |
|--|----------|--------------|-------------|
| 28. CURRENT TAX LIABILITIES (NET) | | | |
| Provision for taxes | - | 1,050.50 | 235.70 |
| Less: Taxes paid | - | 1,032.14 | 232.29 |
| Total | - | 18.36 | 3.41 |

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| CURRENT TAX LIABILITIES (NET) | | |
| A. The major components of income tax expense for the year are as under : | | |
| i. Tax expense recognized in the statement of profit and loss | | |
| Current Tax expense: | | |
| Current tax on profit for the year | 1,124.00 | 857.00 |
| Short/(Excess) Provision of tax relating to earlier years | 4.52 | 26.78 |
| MAT credit in respect of earlier years | (130.30) | - |
| Deferred Tax expense: | | |
| Deferred Tax expenses | (167.79) | (20.80) |
| Total tax expense recognized in the statement of profit and loss | 830.43 | 862.98 |
| ii. Tax expense recognized in other comprehensive income items that will not be reclassified to profit and loss | | |
| Re-measurement of defined benefit plan | 0.14 | 4.15 |
| Fair valuation of equity instruments | (48.59) | (33.57) |
| Fair valuation of mutual fund | (0.53) | (1.63) |
| Fair valuation of cash flow hedge | 609.92 | (484.11) |
| Mutual fund debts instruments through OCI | - | (0.23) |
| Total Income tax recognized in other comprehensive income | 560.94 | (515.39) |

Standalone Notes to the Financial Statements for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| CURRENT TAX LIABILITIES (NET) | | |
| B. Reconciliation of tax expense and the accounting profit for the year is under. | | |
| Accounting Profit before income tax expenses | 3,822.57 | 3,840.60 |
| Enacted tax rate in India (%) | 34.608% | 34.608% |
| Expected income tax expense | 1,322.91 | 1,329.15 |
| Tax effect of : | | |
| Expenses not deductible | 45.94 | (17.22) |
| Tax exempt income | (14.29) | (10.98) |
| Allowances and concessions | (445.52) | (522.50) |
| Accelerated capital allowances | 47.16 | 57.74 |
| Tax expenses recognized in statement of profit and loss | 956.21 | 836.20 |
| Adjustments recognized in current year in relation to the current tax (Including MAT credit entitlement) of earlier years | (125.78) | 26.78 |
| Income Tax Expenses | 830.43 | 862.98 |
| Effective tax rate (%) | 25.01% | 21.77% |

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| 29. REVENUE FROM OPERATIONS | | |
| Sale of products | | |
| Jewellery | 93,323.06 | 105,351.20 |
| Gems and Diamonds | 8,886.40 | 4,633.50 |
| Service Income | | |
| Jewellery making charges | 10.92 | - |
| Other Operating revenues | | |
| Sale of Dust | 0.49 | 2.00 |
| Inventory lost / Loss Due to Robbery - Insurance Claimed | - | 56.45 |
| Total | 102,220.87 | 110,043.15 |
| 30. OTHER INCOME | | |
| Interest income on | | |
| Bank deposits | 52.71 | 66.89 |
| Deposits to Associate | - | 0.26 |
| Deposits to Subsidiary | 89.26 | 22.79 |
| Others | 13.73 | 2.49 |
| Dividend income on current investment at FV through OCI | 41.28 | 31.72 |
| Financial Instruments measured at FV through profit and loss account | 12.65 | 30.34 |
| Unwinding of discount on Security deposits | 0.63 | 0.65 |
| Rent Income | 12.17 | 6.25 |
| Reversal of expected credit loss | - | 55.62 |
| Profit on sale of assets | 7.17 | 6.00 |
| Miscellaneous income | 15.02 | 12.22 |
| Gain on foreign currency transactions and translations (net) | 2,798.82 | 1,366.54 |
| Total | 3,043.44 | 1,601.77 |
| 31. COST OF MATERIALS CONSUMED | | |
| Opening Stock | 6,020.17 | 6,496.79 |
| Add : Purchases made during the year | 93,029.88 | 89,082.55 |
| Add : Other direct cost | 266.58 | 300.63 |
| Less : Sale of raw materials | 1,693.86 | 1,823.09 |
| | 97,622.77 | 94,056.88 |
| Less : Inventory at the end of the year | 10,105.39 | 6,020.17 |
| Total | 87,517.38 | 88,036.71 |
| Details of materials consumed | | |
| Colour Stone | 1,864.46 | 2,484.99 |
| Diamond | 67,978.60 | 66,216.09 |
| Gold | 11,578.00 | 13,247.79 |
| Silver | 2,157.40 | 2,181.31 |
| Others | 3,938.92 | 3,906.53 |
| Total | 87,517.38 | 88,036.71 |

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| 31. COST OF MATERIALS CONSUMED | | |
| Details of inventory | | |
| Colour Stone | 731.73 | 667.50 |
| Diamond | 9,187.90 | 5,099.75 |
| Gold | 56.80 | 79.62 |
| Silver | 4.73 | 9.50 |
| Others | 124.23 | 163.80 |
| Total | 10,105.39 | 6,020.17 |
| 32. (INCREASE)/DECREASE IN STOCK | | |
| Inventories at the end of the year - Jewellery | | |
| Work-In-progress | 15,369.34 | 11,124.43 |
| Finished goods | 650.42 | 603.33 |
| Total | 16,019.76 | 11,727.76 |
| Inventories at the beginning of the year - Jewellery | | |
| Work-In-progress | 11,124.43 | 14,527.16 |
| Finished goods | 603.33 | 473.74 |
| Total | 11,727.76 | 15,000.90 |
| Total (Increase)/Decrease in Stock | (4,292.00) | 3,273.14 |
| 33. EMPLOYEE BENEFIT EXPENSES | | |
| Salaries, wages and bonus | 2,778.11 | 2,872.46 |
| Contribution to provident and other funds | 172.82 | 187.52 |
| Gratuity expense (Refer Note No. 37) | 62.78 | 45.47 |
| Leave salary | 35.21 | 24.73 |
| Staff welfare expenses | 312.73 | 314.04 |
| Employee compensation cost (Refer Note No.50) | 604.01 | - |
| Total | 3,965.66 | 3,444.22 |
| 34. FINANCE COST | | |
| Interest expense | 917.35 | 810.82 |
| Total | 917.35 | 810.82 |
| 35. DEPRECIATION AND AMORTISATION | | |
| Depreciation of tangible assets | 752.53 | 787.05 |
| Amortization of intangible assets | 24.65 | 21.39 |
| Amortization of leasehold land | 3.63 | 5.48 |
| Total | 780.81 | 813.92 |
| 36. OTHER EXPENSES | | |
| Consumption of stores and spare parts | 1,269.23 | 1,113.70 |
| Power and fuel | 682.76 | 671.99 |
| Water charges | 66.61 | 58.40 |
| Jewellery making charges | 7,113.01 | 6,446.47 |
| Freight and forwarding charges | 226.93 | 268.42 |

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| 36. OTHER EXPENSES | | |
| Rent | 195.81 | 197.70 |
| Rates and Taxes | 24.76 | 43.38 |
| Director Sitting fees | 13.05 | 10.70 |
| Insurance | 178.47 | 173.64 |
| Repairs and maintenance | | |
| Buildings | 18.84 | 17.58 |
| Machinery | 46.59 | 52.42 |
| Others | 196.62 | 210.55 |
| Payment to auditor (Refer below details) | 24.00 | 34.59 |
| CSR Contribution / Expenditure (Refer Note No.53) | 75.00 | 82.90 |
| Donation | 5.40 | 2.42 |
| Share of loss in LLP | 5.38 | 0.49 |
| Bank Charges | 394.16 | 420.96 |
| Expected credit loss | 3.28 | - |
| Miscellaneous expenses | 1,484.31 | 1,619.20 |
| Total | 12,024.21 | 11,425.51 |
| Payment to auditor | | |
| As auditor: | | |
| Audit fee | 24.00 | 22.00 |
| Tax audit fee | - | 5.00 |
| In other capacity: | | |
| Taxation | - | 1.50 |
| Other services | - | 6.09 |
| Total | 24.00 | 34.59 |
| 37. EMPLOYEE BENEFITS | | |
| a. Defined Contribution Plan | | |
| Contribution to defined contribution plan, recognized as expense for the year are as under: | | |
| Employer's Contribution to Provident Fund and Family Pension Fund | 124.84 | 141.21 |
| Employer's Contribution to Employees' State Insurance Scheme | 47.98 | 46.31 |
| b. 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 recognized in the statement of profit and loss and the funded status and amounts recognized in the standalone balance sheet for the respective plans.

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| 37. EMPLOYEE BENEFITS | | |
| i) Changes in Present Value of Defined Benefit Obligation during the year | | |
| Opening Defined Benefit Obligation | 443.70 | 389.86 |
| Interest cost | 32.27 | 30.11 |
| Current service cost | 47.58 | 45.47 |
| Past service cost | 15.20 | - |
| Benefits paid from the fund | (58.01) | (39.85) |
| Actuarial (Gains)/Losses on Obligations | | |
| Due to Change in Financial Assumptions | (8.96) | 13.43 |
| Due to Experience | 8.70 | 4.68 |
| Closing defined benefit obligation | 480.48 | 443.70 |
| ii) Changes in Fair Value of Plan Assets during the year | | |
| Opening fair value of planned assets | 214.25 | 155.02 |
| Interest Income | 15.61 | 11.97 |
| Contributions by employer | 76.00 | 81.00 |
| Benefits paid | (58.01) | (39.85) |
| Return on Plan Assets, Excluding Interest Income | (0.69) | 6.11 |
| Closing fair value of plan assets | 247.16 | 214.25 |
| The company expects to contribute ₹ 124.82 Lakhs to gratuity in the next year (March 31, 2017 : ₹ 143.07 Lakhs) | | |
| iii) Net (asset)/liability recognized in the standalone balance sheet | | |
| Present Value of Benefit Obligation at the end of the year | (480.48) | (443.70) |
| Fair Value of Plan Assets at the end of the year | 247.16 | 214.25 |
| Net (asset)/liability recognized in the standalone balance sheet | (233.32) | (229.45) |
| Net liability – current (Refer Note No.27) | 124.82 | 143.07 |
| Net liability – non current (Refer Note No.22) | 108.50 | 86.38 |
| iv) Expenses recognized in the statement of profit and loss for the year | | |
| Current Service Cost | 47.58 | 45.47 |
| Net Interest Cost | 16.66 | 18.14 |
| Past service cost | 15.20 | - |
| Expenses recognized | 79.44 | 63.61 |
| v) Recognized in other comprehensive income for the year | | |
| Actuarial (Gains)/Losses on Obligations | | |
| Due to Change in Financial Assumptions | (8.96) | 13.43 |
| Due to Experience | 8.70 | 4.68 |
| Return on Plan Assets, Excluding Interest Income | 0.67 | (6.11) |
| Net (Income)/Expense For the Period Recognized in OCI | 0.41 | 12.00 |

Standalone Notes to the Financial Statements for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| 37. EMPLOYEE BENEFITS | | |
| vi) Actuarial assumptions | | |
| Expected Return on Plan Assets | 7.28% | 7.72% |
| Rate of Discounting | 7.28% | 7.72% |
| Rate of Salary Increase | 5.00% | 5.00% |
| Rate of Employee Turnover | 8.00% | 8.00% |
| vii) Maturity profile of defined benefit obligation | | |
| Within 1 year | 67.43 | 56.56 |
| 1-2 Year | 45.06 | 39.86 |
| 2-3 Year | 47.76 | 39.22 |
| 3-4 Year | 42.30 | 38.27 |
| 4-5 Year | 53.59 | 37.36 |
| Above 5 Years | 672.98 | 667.99 |
| viii) Sensitivity analysis for significant assumptions is as below | | |
| Projected Benefit Obligation on Current Assumptions | 480.48 | 443.70 |
| Delta Effect of +1% Change in Rate of Discounting | (29.43) | (29.38) |
| Delta Effect of -1% Change in Rate of Discounting | 33.66 | 33.84 |
| Delta Effect of +1% Change in Rate of Salary Increase | 31.07 | 34.28 |
| Delta Effect of -1% Change in Rate of Salary Increase | (27.87) | (30.24) |
| Delta Effect of +1% Change in Rate of Employee Turnover | 7.68 | 0.59 |
| Delta Effect of -1% Change in Rate of Employee Turnover | (8.63) | (6.78) |
| ix) Investment details | | |

The company made annual contribution to the PNB Metlife India Insurance Co. Ltd. (PNB) of an amount advised by the PNB. The company was not informed by PNB of the investments made or the break-down of the plan assets by investment type.

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | Carrying value of the financial assets/ liabilities | | | Fair value of the financial assets/ liabilities | | |
|--|--|------------------------------|------------------------------|--|------------------------------|------------------------------|
| | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs |
| 38. FAIR VALUE MEASUREMENT | | | | | | |
| A) The carrying value and Fair value of Financial assets and liabilities by categories are as follows : | | | | | | |
| Financial Assets at amortized cost (non-current) | | | | | | |
| Deposits with original maturity for more than 12 months | 26.21 | 22.85 | 25.56 | 26.21 | 22.85 | 25.56 |
| Security Deposits | 126.39 | 114.97 | 117.06 | 126.39 | 114.97 | 117.06 |
| Others | 11.90 | 9.32 | 7.23 | 11.90 | 9.32 | 7.23 |
| Financial Assets at Fair value through Profit and Loss (non-current) | | | | | | |
| Financial Guarantee | 77.46 | 64.82 | 34.48 | 77.46 | 64.82 | 34.48 |
| Financial Assets at Fair value through OCI (non-current) | | | | | | |
| Investments in Mutual fund | 674.22 | 169.85 | 59.11 | 674.22 | 169.85 | 59.11 |
| Financial Assets at amortized cost (current) | | | | | | |
| Trade receivables | 31,464.48 | 32,694.90 | 33,050.74 | 31,464.48 | 32,694.90 | 33,050.74 |
| Cash and cash equivalents | 2,466.68 | 5,006.04 | 4,482.95 | 2,466.68 | 5,006.04 | 4,482.95 |
| Bank Balances other than Cash and cash equivalents | 405.06 | 379.36 | 447.92 | 405.06 | 379.36 | 447.92 |
| Loan to employees | 36.04 | 66.97 | 21.29 | 36.04 | 66.97 | 21.29 |
| Inter Corporate Deposit | 1,228.50 | - | 40.00 | 1,228.50 | - | 40.00 |
| Others | 91.58 | 14.42 | 13.89 | 91.58 | 14.42 | 13.89 |
| Financial Assets at Fair value through OCI (current) | | | | | | |
| Investments in equity shares | 1,960.90 | 3,623.40 | 2,636.67 | 1,960.90 | 3,623.40 | 2,636.67 |
| Investments in mutual fund | 150.40 | 760.82 | 12.15 | 150.40 | 760.82 | 12.15 |
| Forward contract | 450.91 | 2,220.41 | 823.17 | 450.91 | 2,220.41 | 823.17 |
| Financial liabilities at amortized cost (non-current) | | | | | | |
| Borrowings | 126.75 | 187.16 | 242.12 | 126.75 | 187.16 | 242.12 |
| Financial liabilities at amortized cost (current) | | | | | | |
| Borrowings | 18,700.39 | 19,697.57 | 15,249.57 | 18,700.39 | 19,697.57 | 15,249.57 |
| Trade Payables | 17,699.86 | 15,443.47 | 25,137.29 | 17,699.86 | 15,443.47 | 25,137.29 |
| Other financial liabilities | 361.12 | 380.53 | 287.79 | 361.12 | 380.53 | 287.79 |

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs | Level | Valuation techniques and key inputs |
|-------------|------------------------------|------------------------------|------------------------------|-------|-------------------------------------|
|-------------|------------------------------|------------------------------|------------------------------|-------|-------------------------------------|

38. FAIR VALUE MEASUREMENT

B) Level wise disclosures of financial assets and liabilities by categories are as follows :

| Financial Assets at Fair value through profit and loss (non-current) | | | | | |
|--|----------|----------|----------|---|---|
| Financial guarantee | 77.46 | 64.82 | 34.48 | 3 | Differential interest rate of borrowings had there been no financial guarantee availed by subsidiary company. |
| Financial Assets at Fair value through OCI (non-current) | | | | | |
| Investments in Mutual fund | 674.22 | 169.85 | 59.11 | 1 | Quoted NAV in active markets. |
| Financial Assets at Fair value through OCI (current) | | | | | |
| Investments in equity shares | 1,960.90 | 3,623.40 | 2,636.67 | 1 | Quoted closing price in active markets. |
| Investments in mutual fund | 150.40 | 760.82 | 12.15 | 1 | Quoted NAV in active markets. |
| Forward contract | 450.91 | 2,220.41 | 823.17 | 2 | Forward contracts are valued using readily available information from the banks. |

Fair value of cash and cash equivalents, short term loans, trade receivables, trade payables, other financial assets/liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2017.

During the reporting period ended March 31, 2018 and March 31, 2017, there were no transfers between level 1, level 2 and level 3 fair value measurements.

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation of the opening and closing balances for the Level 3 fair values.

| Particulars | Financial Guarantee ₹ in Lakhs |
|--|--------------------------------|
| Opening Balance (April 01, 2016) | 34.48 |
| Financial Instruments measured at FV through profit and loss account | 30.34 |
| Closing Balance (March 31, 2017) | 64.82 |
| Financial Instruments measured at FV through profit and loss account | 12.64 |
| Closing Balance (March 31, 2018) | 77.46 |

A one percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant input in its value.

39. FIRST-TIME ADOPTION OF IND AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the standalone financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Standalone Balance Sheet at April 01, 2016 (the Company's date of transition). In preparing its opening Ind AS standalone Balance Sheet, the Company has adjusted the amounts reported previously in standalone financial statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Ind AS 101 deals with First time adoption of Indian Accounting Standards which allows exemptions from the retrospective application and exemption from application of certain requirements of other Ind AS. On transition, the Company has availed / adopted the following exemptions / exception as per Ind AS 101:

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

a) Property, Plant and Equipment and Intangible Assets

The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment and intangible assets as recognised in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (April 01, 2016).

b) Lease

Appendix C of Ind AS 17 requires an entity to assess whether a contract of arrangement contains a lease. This assessment should be carried out at the inception of the contract or arrangement. The company has used Ind AS 101 exemption and assessed all the arrangements for embedded leases based on the conditions in place as at the date of transition.

c) Investment in equity shares other than Subsidiaries and Mutual Fund

The Company has designated its investment in equity shares other than subsidiaries and mutual fund held as at April 01, 2016 as Fair Value through Other Comprehensive Income based on facts and circumstances at the date of transition to Ind AS.

d) Investment in Subsidiaries

The Company has elected to use the exemption to measure all investments in Subsidiaries as recognised in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (April 01, 2016).

e) Business combination

The Company has elected not to apply Ind AS 103- Business Combinations, retrospectively to past business combinations that occurred before April 01, 2016. Consequent to use of this exemption from retrospective application:

The carrying amounts of assets and liabilities acquired pursuant to past business combinations and recognized in the standalone financial statements prepared under Previous GAAP, are considered to be the deemed cost under Ind AS, on the date of acquisition. On the date of transition, measurement of such assets and liabilities is in accordance with respective Ind AS. Also, there is no change in classification of such assets and liabilities;

The company has not recognized assets and liabilities that neither were recognized in the standalone financial statements prepared under Previous GAAP nor qualify for recognition under Ind AS in the Balance Sheet of the acquiree;

The company excluded from its opening Ind AS standalone Balance sheet as at April 01, 2016, those assets and liabilities which were recognized in accordance with Previous GAAP but do not qualify for recognition as an asset or liability under Ind AS.

f) Derecognition of financial assets and financial liabilities

The Company has elected to use the exemption for derecognition of financial assets and liabilities prospectively i.e. after April 01, 2016.

g) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess the classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

h) Hedge accounting

Hedge accounting can only be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria in Ind AS 109, at that date. Hedging relationships cannot be designated retrospectively, and the supporting documentation cannot be created retrospectively. As a result, only hedging relationships that satisfied the hedge accounting criteria as of April 01, 2016 are reflected as hedges in the Company's results under Ind AS.

The Company had designated various hedging relationships as cash flow hedges under the previous GAAP. On date of transition to Ind AS, the Company had assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the Company continues to apply hedge accounting on and after the date of transition to Ind AS.

Reconciliations of standalone balance sheet.

| Particulars | Notes | Balance Sheet as at April 01, 2016 | | | Balance Sheet as at March 31, 2017 | | |
|--------------------------------|-------|------------------------------------|---------------------------------|----------------------|------------------------------------|---------------------------------|----------------------|
| | | ₹ in Lakhs | | | ₹ in Lakhs | | |
| | | Amount as per IGAAP | Effects of Transition to Ind AS | Amount as per Ind AS | Amount as per IGAAP | Effects of Transition to Ind AS | Amount as per Ind AS |
| ASSETS | | | | | | | |
| Non-current assets | | | | | | | |
| Property, Plant and Equipment | G | 3,031.07 | (52.71) | 2,978.36 | 3,343.29 | (47.23) | 3,296.06 |
| Capital work-in-progress | | 538.49 | - | 538.49 | 23.45 | - | 23.45 |
| Intangible assets | | 43.43 | - | 43.43 | 41.83 | - | 41.83 |
| Financial assets | | | | | | | |
| Investments | A&D | 10,624.58 | 33.59 | 10,658.17 | 10,726.21 | 72.54 | 10,798.75 |
| Loans | H | - | - | - | 58.05 | (58.05) | - |
| Other financial assets | G&H | - | 149.85 | 149.85 | 117.91 | 29.23 | 147.14 |
| Deferred Tax Assets | E | 186.29 | 1,161.05 | 1,347.34 | 236.78 | 611.98 | 848.76 |
| Other non-current assets | G&H | 1,907.01 | (1,799.69) | 107.32 | 1,707.41 | (1,593.48) | 113.93 |
| Current assets | | | | | | | |
| Inventories | | 22,020.66 | - | 22,020.66 | 18,252.42 | - | 18,252.42 |
| Financial assets | | | | | | | |
| Investments | A | 2,488.94 | 159.88 | 2,648.82 | 4,195.80 | 188.42 | 4,384.22 |
| Trade receivables | C | 33,111.48 | (60.74) | 33,050.74 | 32,700.03 | (5.13) | 32,694.90 |
| Cash and cash equivalents | H | 4,930.87 | (447.92) | 4,482.95 | 5,385.40 | (379.36) | 5,006.04 |
| Bank balances other than above | H | - | 447.92 | 447.92 | - | 379.36 | 379.36 |
| Loans | H | - | 61.29 | 61.29 | - | 66.97 | 66.97 |
| Other financial assets | G&H | - | 837.06 | 837.06 | - | 2,234.83 | 2,234.83 |
| Current tax assets (Net) | H | - | 178.87 | 178.87 | - | 149.87 | 149.87 |
| Other current assets | G&H | 2,117.22 | (1,017.15) | 1,100.07 | 3,523.99 | (2,433.24) | 1,090.75 |
| Total Assets | | 81,000.04 | (348.70) | 80,651.34 | 80,312.57 | (783.28) | 79,529.28 |

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | Notes | Balance Sheet as at April 01, 2016 ₹ in Lakhs | | | Balance Sheet as at March 31, 2017 ₹ in Lakhs | | |
|-------------------------------------|--------|--|---------------------------------|----------------------|--|---------------------------------|----------------------|
| | | Amount as per IGAAP | Effects of Transition to Ind AS | Amount as per Ind AS | Amount as per IGAAP | Effects of Transition to Ind AS | Amount as per Ind AS |
| EQUITY AND LIABILITIES | | | | | | | |
| Equity | | | | | | | |
| Equity share capital | F | 1,907.94 | (64.64) | 1,843.30 | 1,907.94 | (64.64) | 1,843.30 |
| Other equity | A to I | 37,817.76 | (287.46) | 37,530.30 | 42,321.14 | (737.01) | 41,584.13 |
| Liabilities | | | | | | | |
| Non-current liabilities | | | | | | | |
| Financial liabilities | | | | | | | |
| Borrowings | | 242.12 | - | 242.12 | 187.16 | - | 187.16 |
| Provisions | H | 148.51 | - | 148.51 | 133.09 | 2.60 | 135.69 |
| Current liabilities | | | | | | | |
| Financial liabilities | | | | | | | |
| Borrowings | | 15,249.57 | - | 15,249.57 | 19,697.57 | - | 19,697.57 |
| Trade payables | H | 25,140.60 | (3.31) | 25,137.29 | 15,447.53 | (4.06) | 15,443.47 |
| Other financial liabilities | H | 352.03 | (64.24) | 287.79 | 462.38 | (81.85) | 380.53 |
| Other current liabilities | H | - | 67.54 | 67.54 | - | 85.91 | 85.91 |
| Provisions | H | 141.51 | - | 141.51 | 155.76 | (2.60) | 153.16 |
| Current Tax liabilities (Net) | H | - | 3.41 | 3.41 | - | 18.36 | 18.36 |
| Total Equity and Liabilities | | 81,000.04 | (348.70) | 80,651.34 | 80,312.57 | (783.28) | 79,529.28 |

| Particulars | Notes | Year ended March 31, 2017 ₹ in Lakhs | | |
|---|-------|--------------------------------------|---------------------------------|----------------------|
| | | Amount as per IGAAP | Effects of Transition to Ind AS | Amount as per Ind AS |
| Reconciliation of total comprehensive income: | | | | |
| Income: | | | | |
| Revenue from Operations | | 110,043.15 | - | 110,043.15 |
| Other Income | A,C,D | 1,682.73 | (80.96) | 1,601.77 |
| Total Income | | 111,725.88 | (80.96) | 111,644.92 |
| Expenses: | | | | |
| Cost of materials consumed | | 88,036.71 | - | 88,036.71 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | | 3,273.14 | - | 3,273.14 |
| Employee benefits expense | B | 3,474.35 | (30.13) | 3,444.22 |
| Other expenses | G | 11,424.86 | 0.65 | 11,425.51 |
| Total expenses | | 106,209.06 | (29.48) | 106,179.58 |

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | Notes | Year ended March 31, 2017 ₹ in Lakhs | | |
|---|-------|--------------------------------------|---------------------------------|----------------------|
| | | Amount as per IGAAP | Effects of Transition to Ind AS | Amount as per Ind AS |
| Earning Before Interest, Tax, Depreciation and Amortization (EBITDA) | | 5,516.82 | (51.48) | 5,465.34 |
| Finance costs | B | 792.69 | 18.13 | 810.82 |
| Depreciation and amortization | | 813.92 | - | 813.92 |
| Tax expenses: | | | | |
| Current tax | H | 886.00 | (29.00) | 857.00 |
| Deferred tax | E | (50.50) | 29.70 | (20.80) |
| Earlier Year Tax | | 26.78 | - | 26.78 |
| Total Tax Expense | | 862.28 | 0.70 | 862.98 |
| Profit/(loss) for the year | | 3,047.93 | (70.31) | 2,977.62 |
| Other Comprehensive Income | | | | |
| Items that will not be reclassified to profit and loss | | | | |
| Re-measurement on defined benefit plans | B | - | (12.00) | (12.00) |
| Equity instruments through other comprehensive income | A | - | 194.01 | 194.01 |
| Mutual Fund instruments through other comprehensive income | A | - | 9.40 | 9.40 |
| Income tax effect on above | E | - | (31.05) | (31.05) |
| Items that will be reclassified to profit and loss | | | | |
| Fair valuation of Cash Flow Reserves | | 1,455.45 | (56.59) | 1,398.86 |
| Mutual Fund instruments through other comprehensive income | A | | 1.35 | 1.35 |
| Income tax effect on above | E | | (484.34) | (484.34) |
| Total Other comprehensive income | | 1,455.45 | (379.22) | 1,076.23 |
| Total Comprehensive Income for the year | | 4,503.38 | (449.53) | 4,053.85 |

| Particulars | Notes | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs |
|---|-------|------------------------------|------------------------------|
| Equity as per previous Indian GAAP | | 44,229.08 | 39,725.70 |
| Adjustments: | | | |
| Fair value measurement of investment in equity shares and mutual fund instruments | A | 196.17 | 158.97 |
| Expected credit loss on trade receivables | C | (5.13) | (60.74) |
| Fair value of financial guarantee | D | 64.82 | 34.48 |
| RJL-Employee welfare trust shares netting off | F | (243.39) | (243.40) |
| Others | | - | 56.59 |
| Tax adjustment on the above items | E | (814.11) | (297.98) |
| Total adjustment to equity | | (801.64) | (352.07) |
| Total equity under Ind-AS | | 43,427.43 | 39,373.62 |

A. Investment in Mutual Fund and Equity Shares:

Under the previous GAAP, investments in mutual funds and equity shares were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value and hence the Company has opted to designate these investments at Fair Value through Other Comprehensive Income.

Standalone Notes to the Financial Statements for the year ended March 31, 2018

B. Defined Benefit Liabilities:

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the Statement of Profit and Loss for the year. There is no impact on the total equity.

C. Trade receivables:

Under Indian GAAP, the Company had recognized provision on trade receivables based on the expectation of the Company. Under Ind AS, the Company provides loss allowance on receivables based on the Expected Credit Loss (ECL) model which is measured following the "simplified approach" at an amount equal to the lifetime ECL at each reporting date.

D. Financial Guarantee Commission:

Under Indian GAAP, the company issued financial guarantee in respect of loan taken by its subsidiary company without charging any fees or commission. Under Ind AS, Financial guarantees given or issued on behalf of group companies without charging any fees is recognized at differential interest rate of borrowing had there been no financial guarantee availed by subsidiary company. The derived financial guarantee charges, being in the nature of equity component, the same has been considered as part of investment in Subsidiary.

E. Deferred tax:

Under previous GAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Under Ind AS, accounting of deferred taxes is done using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

F. RJL-Employee Welfare Trust For Investment In Shares:

The Company through employee welfare trust ("Trust"), offered Employee Stock Purchase Scheme (ESPS) and 720,000 numbers of equity shares were issued to the Trust in F.Y. 2008-2009 at fair value then for onward offering to the recommended employees. During the F.Y. from 2011-12 to 2015-16 the trust issued 73,624 equity shares to its employees under ESPS and in the F.Y. 2017-18, the trust further issued 4,50,000 shares to its employees. Presently the Trust holds 1,96,376 equity shares as on March 31, 2018. To the extent of the face value of the shares held by Trust, the same has been reduced from the Paid up Share capital of the Company and the balance has been reduced from Other Equity under a separate reserve. Accordingly, the income received from the Trust has been recognized directly under Other Equity of the company.

G. Others:

Other adjustments on account of transition to Ind AS include reclassification of Land lease classified as Operating Leases from Property, Plant and Equipment to Prepaid rentals, fair valuation of deposits and corresponding adjustments in revenue and expenses.

H. Reclassification:

Other adjustments on account of transition to Ind AS include reclassification of items of assets, liabilities and taxes to appropriate line items of Ind-AS balance sheet prescribed under Schedule III to the Companies Act, 2013.

I. Other comprehensive income:

Under Ind AS, all items of income and expense recognized in a period should be included in the Statement of Profit and Loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes fair valuation of investment in equity shares and mutual fund, remeasurements of defined benefit plans, effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under previous GAAP.

J. Statement of cash flows:

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

Standalone Notes to the Financial Statements for the year ended March 31, 2018

40. DEFERRED TAX

The major components of deferred tax liabilities and assets arising on account of timing differences are as follows:

| Particulars | As at March 31, 2018 ₹ in Lakhs | | | | As at March 31, 2018 |
|---|---------------------------------|---|--|--------------------------------|----------------------|
| | As at March 31, 2017 | Recognized/reversed through profit and loss | Recognized in other comprehensive income | MAT (Utilized) / availed (net) | |
| Tax effect of item constituting deferred tax liabilities | | | | | |
| Fair valuation of financial instruments | 33.94 | - | 47.42 | - | 81.36 |
| Fair Valuation of Forward Contracts | 768.44 | - | (609.92) | - | 158.52 |
| Fair Valuation of Financial Guarantee | 13.46 | - | - | - | 13.46 |
| Total | 815.84 | - | (562.50) | - | 253.34 |
| Tax effect of item constituting deferred tax assets | | | | | |
| Property plant and equipment | 160.89 | 41.42 | - | - | 202.31 |
| Employee benefits | 75.89 | 2.12 | 0.14 | - | 78.15 |
| Provision for Expected Credit Loss | 1.77 | 1.17 | - | - | 2.94 |
| Provision for dimunition in value of investment | - | 123.08 | - | - | 123.08 |
| MAT credit entitlement | 1,426.05 | - | - | (39.70) | 1,386.35 |
| Total | 1,664.60 | 167.79 | 0.14 | (39.70) | 1,792.83 |
| Net deferred tax liability/ (asset) | (848.76) | (167.79) | (562.64) | 39.70 | (1,539.49) |
| Particulars | As at March 31, 2017 ₹ in Lakhs | | | | As at March 31, 2017 |
| | As at April 01, 2016 | Recognized/reversed through profit and loss | Recognized in other comprehensive income | MAT (Utilized) / availed (net) | |
| Tax effect of item constituting deferred tax liabilities | | | | | |
| Fair valuation of financial instruments | 27.51 | - | 6.43 | - | 33.94 |
| Fair Valuation of Forward Contracts | 284.33 | - | 484.11 | - | 768.44 |
| Fair Valuation of Financial Guarantee | 7.16 | 6.30 | - | - | 13.46 |
| Total | 319.00 | 6.30 | 490.54 | - | 815.84 |
| Tax effect of item constituting deferred tax assets | | | | | |
| Property plant and equipment | 115.14 | 45.75 | - | - | 160.89 |
| Employee benefits | 71.15 | 0.58 | 4.16 | - | 75.89 |
| Provision for Expected Credit Loss | 21.00 | (19.23) | - | - | 1.77 |
| Provision for dimunition in value of investment | - | - | - | - | - |
| MAT credit entitlement | 1,459.05 | - | - | (33.00) | 1,426.05 |
| Total | 1,666.34 | 27.10 | 4.16 | (33.00) | 1,664.60 |
| Net deferred tax liability/ (asset) | (1,347.34) | (20.80) | 486.38 | 33.00 | (848.76) |

Standalone Notes to the Financial Statements for the year ended March 31, 2018

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management framework

Company's board of directors has overall responsibility for establishment of Company's risk management framework. Management is responsible for developing and monitoring Company's risk management policies, under the guidance of Audit Committee. Management identifies, evaluates and analyses the risks to which is company is exposed to and set appropriate risk limits and controls to monitor risks and adherence to limits.

Management periodically reviews its risk policy and systems to assess need for changes in the policies to adapt to the changes in market conditions and align the same to the business of the Company. Management through its interaction and training to concerned employees aims to maintain a disciplined and constructive control environment in which concerned employees understand their roles and obligations. The Audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks to which Company is exposed. The Audit committee is assisted in its role by the internal auditor wherever required. Internal auditor undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee.

The Company has exposure to following risks arising from financial instruments:

- a) Credit risk
- b) Liquidity risk
- c) Market risk

a) Credit risk:

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions, foreign exchange transactions and other financial instruments.

The Company has adopted a policy of only dealing with counterparties that have sufficiently high credit standards and financial strength. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the several counterparties.

Credit risk arising from derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognized financial institutions with high credit ratings assigned by the reputed credit rating agencies.

As regards, credit risk for investment in equity shares, the Company limits its exposure to credit risk by investing mainly in scrips which are of high credibility. Company monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, Company adjusts its exposure to various counterparties from time to time.

As regards, credit risk for investment in mutual funds, the Company limits its exposure to credit risk by investing mainly in debt securities issued by mutual funds which are of high credit ranking from rating agency like CRISIL or the equivalent rating agency. Company monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, Company adjusts its exposure to various counterparties from time to time.

Credit risk from Trade receivables is managed by the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are mainly from reputed debtors and are non-interest bearing. Trade receivables generally ranges from 30 - days to 180- days credit term. Credit limits are established for all customers based on internal criteria and any deviation in credit limit requires approval of Head of the department and / or Directors depending upon the quantum and overall business risk. Majority of the customers have been doing business with the company for more than 3 years and they are being monitored by individual business managers who deals with those customers. Management monitors trade receivables on regular basis and takes suitable action where needed to control the receivables crossing set criteria / limits.

Standalone Notes to the Financial Statements for the year ended March 31, 2018

Management does an impairment analysis at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Further, the Company's customers base is widely distributed both economically as well as geographically and in view of the same, the quantum risk also gets spread across wide base and hence management considers risk with respect to trade receivable as low.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Expected credit loss for trade receivables under simplified approach as at the end of each reporting period is as follows:

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|------------------------------|
| Gross carrying amount | 31,472.89 | 32,700.02 | 33,111.48 |
| Less : Expected credit loss at simplified approach | 8.41 | 5.12 | 60.74 |
| Carrying amount of trade receivables (net of ECL) | 31,464.48 | 32,694.90 | 33,050.74 |

b) Liquidity risk:

Liquidity risk is the risk that Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. Company closely monitors its liquidity position and deploys a robust cash management system.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash or cash equivalent available to meet all its normal operating commitments in a timely and cost-effective manner. Working capital requirements are adequately addressed by internally generated funds and through working capital loans available from various banks. Trade receivables are kept within manageable levels. Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next three to six months.

c) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks;

- i) Interest rate risk
- ii) Currency risk and;
- iii) Equity price risk

Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i) Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company has not used any interest rate derivatives.

Standalone Notes to the Financial Statements for the year ended March 31, 2018

Based on the composition of debt as at March 31, 2018 and March 31, 2017 a 100 basis points increase in interest rates would increase the Company's finance costs and thereby consequently reduce net profit before tax by approximately ₹ 192.27 Lakhs for the year ended March 31, 2018 (March 31, 2017: ₹171.14 Lakhs).

ii) Foreign Currency risk

The Company's foreign exchange risk arises from its foreign operations, foreign currency revenues, foreign currency expenses and foreign currency borrowings. Primarily, the exposure in foreign currencies are denominated in USD. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and USD have changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses foreign exchange forward contracts and foreign currency financial liabilities, to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

Details of Hedged exposure in foreign currency denominated monetary items :

The Company enters into forward exchange contracts to hedge against its foreign currency exposure relating to the underlying transactions and based on past performance. The Company does not enter into any derivative instruments for trading or speculative purpose.

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

| Currency | March 31, 2018 | | March 31, 2017 | | April 01, 2016 | |
|----------------|----------------|------------|----------------|------------|----------------|------------|
| | FC In Lakhs | ₹ In Lakhs | FC In Lakhs | ₹ In Lakhs | FC In Lakhs | ₹ In Lakhs |
| Payable | | | | | | |
| USD | 32.00 | 2,085.76 | - | - | 15.00 | 994.65 |

Details of Hedged exposure in foreign currency denominated monetary items

| Currency | March 31, 2018 | | March 31, 2017 | | April 01, 2016 | |
|--------------------------------------|----------------|------------|----------------|------------|----------------|------------|
| | FC In Lakhs | ₹ In Lakhs | FC In Lakhs | ₹ In Lakhs | FC In Lakhs | ₹ In Lakhs |
| Receivable | | | | | | |
| USD | 468.04 | 30,506.82 | 486.12 | 31,505.18 | 494.64 | 32,799.54 |
| Secured Loans | | | | | | |
| USD | 270.39 | 17,624.08 | 300.13 | 19,451.22 | 223.21 | 14,801.28 |
| Payable | | | | | | |
| USD | 199.43 | 12,999.14 | 113.31 | 7,343.44 | 226.14 | 14,995.23 |
| EURO | 0.77 | 61.87 | 0.50 | 34.80 | 0.20 | 15.32 |
| GBP | 0.04 | 3.35 | - | - | - | - |
| CHF | - | - | - | - | 0.12 | 8.32 |
| HKD | 0.01 | 0.06 | - | - | - | 0.01 |
| Balance with Banks | | | | | | |
| USD | 0.44 | 28.72 | 25.08 | 1,625.63 | 7.76 | 514.79 |
| Cash in Hand (Pre-paid Cards) | | | | | | |
| USD | - | - | 0.18 | 11.37 | - | - |

The company is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 1% increase or decrease in the USD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the company as at the reporting date. 1% represents management's assessment of reasonably possible change in foreign exchange rate.

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | Currency | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs |
|------------------------|----------|------------------------------|------------------------------|------------------------------|
| 1% Depreciation in INR | USD | (0.53) | 63.45 | 35.48 |
| 1% Appreciation in INR | USD | 0.53 | (63.45) | (35.48) |

Cash Flow Hedged Accounting:

The Company designates its derivative contracts that hedge foreign exchange risk associated with its highly probable forecasted transactions as cash flow hedges and measures them at fair value. The effective portion of such cash flow hedges is recorded as in other comprehensive income, and re-classified in the income statement as revenue in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such cash flow hedges is immediately recorded in the statement of profit and loss.

Sensitivity

The following table gives details in respect of the notional amount of outstanding foreign exchange derivative contracts:

| Currency | March 31, 2018 | | March 31, 2017 | | April 01, 2016 | |
|------------------------------|----------------|------------|----------------|------------|----------------|------------|
| | FC In Lakhs | ₹ In Lakhs | FC In Lakhs | ₹ In Lakhs | FC In Lakhs | ₹ In Lakhs |
| Forward contract to sell USD | 592.11 | 38,593.73 | 555.84 | 36,023.99 | 567.19 | 37,610.37 |

iii. Equity Price risk

Equity price risk is related to change in market reference price of investments in equity securities and equity linked mutual funds held by the Company. The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes.

Sensitivity

The sensitivity to profit or loss in case of an increase in price of the instrument by 5% keeping all other variables constant would have resulted in an impact on profits by ₹ 139.28 lakhs (March 31, 2017 ₹ 227.70 lakhs).

42. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to safeguard the company's ability to remain as a going concern and to maintain an optimal capital structure so as to maximize shareholder's value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plan. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or buy back of shares. The current capital structure of the company is equity based with low financing through borrowings. The company is not subject to any externally imposed capital requirement.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

43. SEGMENT INFORMATION

In accordance with Ind AS 108 "Operating Segments", the Company has presented segment information on the basis of consolidated financial statements which form part of this report.

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

44. RELATED PARTY DISCLOSURES AS REQUIRED UNDER IND-AS 24, "RELATED PARTY DISCLOSURES", ARE GIVEN BELOW:

a. Name of entities where control exists

Subsidiary companies / LLP / Trust

1. Renaissance Jewelry N.Y Inc.
2. Verigold Jewellery (UK) Limited
3. Renaissance Jewellery Bangladesh Private Limited
4. N. Kumar Diamond Exports Limited
5. Verigold Jewellery DMCC
6. Aurelle Jewellery LLP
7. RJL - Employee Welfare Trust

Indirect subsidiary companies

1. Housefull International Limited - Subsidiary of N. Kumar Diamond Exports Limited
2. Housefull Supply Chain Management Limited - Subsidiary of Housefull International Limited
3. The Seabean Dialysis Partners India Trust - 100% beneficial interest by Housefull International Limited
4. Renaissance Jewellery DMCC - Subsidiary of Verigold Jewellery DMCC

b. Associate concerns / companies / trust under control of key management personnel and relatives with whom transactions have taken place during the year

1. Anived Portfolio Managers Private Limited
2. Renaissance Jewellery Limited - Employee Group Gratuity Trust
3. Renaissance Foundation

c. Key Management Personnel (KMP) and relative

1. Mr. Niranjan A. Shah
2. Mr. Sumit N. Shah
3. Mr. Hitesh M. Shah
4. Mr. Neville R. Tata
5. Mrs. Leshna S. Shah

d. 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:

| Name of Related Party | Nature of Transaction/ Balances | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|---|---------------------------------|------------------------------|------------------------------|
| Subsidiary companies / LLP / Trust | | | |
| 1. Renaissance Jewelry N.Y Inc., | Sales of goods | 44,486.68 | 51,890.28 |
| | Purchase of goods | 7,439.00 | 6,775.67 |
| | Purchase of capital goods | 0.92 | - |
| | Trade receivable | 9,929.20 | 16,672.46 |
| | Trade Payable | 692.91 | 291.52 |
| 2. Verigold Jewellery (UK) Limited | Investment | 5,082.74 | 5,082.74 |
| | Sales of goods | 8,675.27 | 8,825.09 |
| | Purchase of goods | 333.27 | 451.65 |
| | Purchase of capital goods | 0.42 | - |

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Name of Related Party | Nature of Transaction/ Balances | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|---|--|------------------------------|------------------------------|
| 44. RELATED PARTY DISCLOSURES AS REQUIRED UNDER IND-AS 24, "RELATED PARTY DISCLOSURES", ARE GIVEN BELOW: | | | |
| | Trade receivable | 2,867.01 | 3,132.07 |
| | Trade Payable | 0.65 | 9.54 |
| | Investment | 309.72 | 309.72 |
| 3. Renaissance Jewellery Bangladesh Pvt.Ltd | Sales of goods | 312.92 | 873.82 |
| | Trade receivable | - | 223.43 |
| | Purchase of capital goods | 35.23 | - |
| | Investment (net of provision for diminution) | 843.54 | 1,371.87 |
| 4. Verigold Jewellery DMCC | Sales of goods | 2,412.53 | 7,663.14 |
| | Exp. Reimbursement | 147.87 | - |
| | Purchase of goods | 207.55 | 45.53 |
| | Trade receivable | 1,210.24 | 1,411.20 |
| | Trade Payable | - | 43.98 |
| | Investment | 51.04 | 51.04 |
| 5. N Kumar Diamond Exports Limited | ICD Given | 712.50 | 1,450.00 |
| | ICD Re-payment | - | (1,450.00) |
| | Interest income | 60.14 | 22.76 |
| | ICD Receivable | 766.63 | - |
| | Investment | 1,235.00 | 1,235.00 |
| 6. Housefull International Limited | ICD Given | 516.00 | - |
| | ICD Re-payment | - | (41.62) |
| | Interest income | 29.12 | 0.29 |
| | ICD Receivable | 542.21 | - |
| | Investment | 2,500.00 | 2,500.00 |
| | Corporate Guarantee | - | 1,700.00 |
| | Exp. Reimbursement | 1.99 | - |
| | Expense Receivable | 10.15 | 6.77 |
| | Trade receivable | 13.95 | 22.15 |
| 7. RJL - Employee Welfare Trust | Dividend Received | 34.79 | - |
| | Loan Received | 180.00 | - |
| | Loan Receivable | 78.56 | 243.39 |
| Associate Concern/Trusts : | | | |
| 1. Renaissance Foundation | CSR Contribution | 20.00 | 20.00 |
| 2. Anived Portfolio Manager Pvt Ltd | ICD Repaid | - | (220.00) |
| | ICD Received | 75.00 | 110.00 |
| | Interest expenses | 14.46 | 15.99 |
| | ICD Payable | 217.29 | 127.82 |
| | Exp. Reimbursement | 13.14 | 4.60 |
| | Receivable | 1.13 | 0.97 |

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Name of Related Party | Nature of Transaction/ Balances | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|---|---------------------------------|------------------------------|------------------------------|
| 44. RELATED PARTY DISCLOSURES AS REQUIRED UNDER IND-AS 24, "RELATED PARTY DISCLOSURES", ARE GIVEN BELOW: | | | |
| 3. RJL - Employee Group Gratuity Trust | Contribution Paid | (3.89) | (5.40) |
| | Contribution Payable | 233.32 | 229.44 |
| Key Management Personnel and relatives : | | | |
| 1. Mr. Niranjan A. Shah | Loan Received | 3,101.00 | 71.00 |
| | Loan Re-payment | 2,338.17 | (147.00) |
| | Loan Payable | 791.22 | 28.39 |
| | Remuneration * | 24.50 | 18.50 |
| | Remuneration payable | 2.13 | 1.08 |
| 2. Mr. Sumit N. Shah | Loan Received | - | 832.69 |
| | Loan Re-payment | - | (939.04) |
| | Loan Payable | 2.45 | 2.45 |
| | Remuneration * | - | 167.75 |
| Key Management Personnel : | | | |
| 3. Mr. Hitesh M. Shah | Loan Received | 440.00 | 20.00 |
| | Loan Re-payment | 400.03 | (15.00) |
| | Loan Payable | 65.36 | 25.38 |
| | Remuneration * | 36.79 | 36.79 |
| | Remuneration payable | 2.02 | 2.13 |
| 4. Mr. Neville R. Tata | Remuneration * | 98.32 | 72.55 |
| | Remuneration payable | 1.14 | 5.24 |
| 5. Ms. Leshna S. Shah | Sales of goods | 1.65 | 4.88 |
| | Receivable | 0.19 | 0.08 |

* Excludes provision for gratuity liabilities for KMP and relative of KMP, as these liabilities are provided on overall company basis and as not identified separately in actuarial valuation.

45. 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 :

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| Charged to statement of profit and loss | 169.31 | 93.54 |
| Future minimum rentals payable under non-cancellable operating leases are as follows: | | |
| Within one year | 165.87 | 93.54 |
| after one year but not more than five years | 215.60 | 252.49 |
| More than five years | 105.23 | 119.18 |

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|--|--------------------------------------|--------------------------------------|
| 46. EARNINGS PER SHARE (EPS) | | |
| The following reflects the profit and share data used in the basic and diluted EPS computations: | | |
| Profit after tax | 2,992.14 | 2,977.62 |
| Net profit for calculation of basic and diluted EPS | 2,992.14 | 2,977.62 |
| | No. of Shares | No. of Shares |
| Weighted average number of equity shares in calculating basic EPS | 18,480,324 | 18,433,000 |
| Basic and diluted Earnings per share | 16.19 | 16.15 |
| | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
| 47. CAPITAL AND OTHER COMMITMENTS | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 34.12 | 231.86 |
| 48. CONTINGENT LIABILITIES | | |
| Claims against the Company not acknowledged as debts: | | |
| a. Guarantees given to banks against credit facilities extended to indirect subsidiary company i.e Housefull International Limited | - | 1,700.00 |
| b. Penalty levied by the Custom Authorities | 3.11 | 3.11 |
| c. Income Tax demand disputed in appeal : | | |
| Disputed by the Company | - | 18.99 |
| Disputed by the Department | 81.71 | 62.72 |
| d. Disputed demand by Custom Authorities | 21,322.24 | 21,322.24 |
| e. Excise demand disputed in appeal | 20.26 | - |
| (The contingent liabilities, if materialized, shall entirely be borne by the company, as there is no likely reimbursement from any other party.) | | |
| The company has received a demand of Customs Duty along with the penalty amounting to ₹16,754.90 Lakhs 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 Lakhs along with penalty amounting of ₹ 2,283.67 Lakhs on the said Customs Duty. Considering the issue is currently sub judice under litigation in the Bombay High Court, management has disclosed the demand of ₹ 21,322.24 Lakhs as a contingent liabilities. | | |
| 49. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT 2006* | | |
| 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 | 0.53 | 0.14 |
| 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. | - | - |

Standalone Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| 49. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT 2006* | | |
| 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 standalone balance sheet date. | | |

50. EMPLOYEE STOCK PURCHASE SCHEME ("ESPS 2008")

As directed by the Compensation Committee and in terms of the Employee Stock Purchase Scheme, 2017 (ESPS 2017), the ESPS Trust has allotted 450,000 Equity Shares (Nominal Value ₹ 10) at ₹ 40/- per share, which was allotted to the ESPS Trust at ₹ 50/-. The difference between the fair value on allotment date / exercise date amounting to ₹ 604.01 Lakhs is recognized as Employee Compensation Cost under the head "Employee Benefits Expense" and corresponding effect has been given in Other Equity net off the allotment price and the price at which the same was allotted to the ESPS Trust.

51. 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 ₹ Nil (March 31, 2017 : ₹ 443.03 Lakhs) taken on loan from Banks under the EXIM-Gold Loan Scheme.

52. INVESTMENT IN INDIRECT SUBSIDIARY COMPANY

In the meeting of shareholders of Renaissance Jewellery Limited (the Transferee Company) and Housefull International Limited and N. Kumar Diamond Exports Limited (both the Transferor Company) held on February 27, 2018 as directed by the National Company Law Tribunal (NCLT) vide Order dated January 19, 2018, the shareholders of the respective companies have approved the Scheme of Amalgamation (the Scheme). The necessary proceeding documents have been filed with NCLT as required by the Companies Act, 2013 on March 21, 2018. However, the final approval of NCLT is awaited. The effect of the Scheme on the financial statements will be reflected in the period in which the requisite approval is received and the Scheme is effective. In view of the Scheme, no provision for diminution in the value of

investment in and Inter Corporate Deposit given to/ trade and other receivable from wholly owned subsidiary Company "House Full International Limited" aggregating to ₹ 3,066.31 Lakhs is considered necessary.

Standalone Notes to the Financial Statements for the year ended March 31, 2018

53. CSR EXPENDITURE

Gross amount required to be spent during the year ₹ 77.00 Lakhs (March 31, 2017 : ₹ 72.79 Lakhs) as detailed hereunder.

| Nature of Activity | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| Medical, health care and social welfare | 31.50 | 21.80 |
| Education | 18.00 | 23.40 |
| Humanitarian | 17.50 | 27.70 |
| Environmental/Animal Welfare/Cultural/Religious | 8.00 | 10.00 |
| Total | 75.00 | 82.90 |

The unspent CSR amount of ₹ 2 Lakhs had received approval of CSR Committee and the Board during the FY 2017-18 but was actually spent in the month of April 2018.

54. AS REQUIRED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013, THE PARTICULARS OF LOANS AND GUARANTEES AND INVESTMENTS MADE DURING THE YEAR AND WHICH ARE OUTSTANDING AS AT YEAR-END ARE AS FOLLOWS:

| Name of the Entity and relationship with the Company | Nature of transaction and Material terms | Purpose for which loan/guarantee proposed to be utilized by the recipient | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|---|--|---|------------------------------|------------------------------|
| Housefull International Limited Wholly Owned Indirect subsidiary of RJL | Corporate Guarantee | Guarantees given to banks against credit facilities | - | 1,700.00 |
| | Inter Corporate Deposit @ 9% p.a. | for meeting temporary working capital needs | 516.00 | - |
| N Kumar Diamond Exports Limited Wholly Owned direct subsidiary of RJL | Inter Corporate Deposit @ 9% p.a. | for meeting temporary working capital needs | 712.50 | - |

55. PROVISION FOR DIMINUTION IN THE VALUE OF INVESTMENT

The Company has invested ₹ 1,371.81 Lakhs in Renaissance Jewellery Bangladesh Private Limited (RJBPL) – wholly owned subsidiary company. The net worth of RJBPL as on March 31, 2018 is ₹ 843.48 Lakhs. The Company, in principle, had decided to exit out of its operation in Bangladesh and is pursuing appropriate steps in this direction either through divestment of its stake in RJBPL or sale of the entire operation as slump sale. The company has taken the write down of ₹ 528.33 Lakhs to the extent of the Net worth of RJBPL, being the expected realizable value.

Standalone Notes to the Financial Statements for the year ended March 31, 2018

56. RJL-EMPLOYEE WELFARE TRUST FOR INVESTMENT IN SHARES

The Company through employee welfare trust ("Trust"), offered Employee Stock Purchase Scheme (ESPS) and 720,000 numbers of equity shares were issued to the Trust in F.Y. 2008-2009 at fair value then for onward offering to the recommended employees. During the F.Y. from 2011-12 to 2015-16 the trust issued 73,624 equity shares to its employees under ESPS and in the F.Y. 2017-18, the trust further issued 4,50,000 shares to its employees. Presently the Trust holds 1,96,376 equity shares as on March 31, 2018. To the extent of the face value of the shares held by Trust, the same has been reduced from the Paid up Share capital of the Company and the balance has been reduced from Other Equity under a separate reserve. Accordingly, the income received from the Trust has been recognized directly under Other Equity of the company.

57. PREVIOUS YEAR FIGURES

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

As per our report of even date
For Damania & Variya
Firm Registration No. 102079W
Chartered Accountants

CA. Bharat Jain
Partner
Membership No : 100583

Place: Mumbai
Date : May 28, 2018

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

Niranjan A. Shah
Executive Chairman

Dilip B. Joshi
Chief Financial Officer

Place: Mumbai
Date : May 28, 2018

Hitesh M. Shah
Managing Director

Ghanashyam M. Walavalkar
Company Secretary

Form AOC - 1

(Pursuant to first Proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

| Sr. No. | Name of the Subsidiary | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Reporting currency and Exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries | Share Capital | Reserves and Surplus | Total assets | Total liabilities | Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend | % of shareholding |
|---------|--|---|---|---------------|----------------------|--------------|-------------------|-------------|-----------|------------------------|------------------------|-----------------------|-------------------|-------------------|
| | | | | | | | | | | | | | | |
| 1 | N. Kumar Diamond Exports Limited * | N.A | | 3,150.00 | (2,127.00) | 2,762.97 | 1,739.97 | 759.22 | 1,044.74 | (257.88) | (50.39) | (207.49) | - | 100% |
| 2 | Renaissance Jewellery N.Y Inc # | N.A | USD 1 = INR 65.18 | 7,821.60 | 3,770.56 | 38,396.01 | 26,803.85 | - | 63,083.42 | 519.28 | 214.58 | 304.70 | - | 100% |
| 3 | Verigold Jewellery (UK) Limited # | N.A | GBP 1 = INR 91.80 | 413.10 | 512.05 | 3,836.19 | 2,911.04 | - | 10,728.02 | 477.54 | 88.67 | 388.87 | - | 100% |
| 4 | Renaissance Jewellery Bangladesh Private Limited # | N.A | BDT 1 = INR 0.7728 | 1,639.93 | (796.45) | 881.14 | 37.66 | - | 1,537.47 | (419.35) | 21.77 | (441.12) | - | 100% |
| 5 | Verigold Jewellery DMCC ** # | N.A | USD 1 = INR 65.18 | 53.32 | 6,096.16 | 20,648.08 | 14,498.60 | 2,956.61 | 68,412.70 | 3,110.78 | - | 3,110.78 | - | 100% |
| 6 | Aurelle Jewellery LLP | N.A | | 145.00 | (137.25) | 7.75 | - | - | - | (5.44) | - | (5.44) | - | 100% |

Notes:-

* Figures for N. Kumar Diamond Exports Limited are figures after consolidation with its subsidiaries Housefull International Limited and Housefull Supply Chain Management Limited.

** Figures for Verigold Jewellery DMCC are figures after consolidation with its subsidiaries Renaissance Jewellery DMCC.

Share capital, Reserves and surplus, Total assets, Total liabilities and investments are translated at exchange rate as on March 31, 2018 as US Dollars = ₹ 65.18, Pound Sterling = ₹ 91.80, Taka = ₹ 0.7728 and Turnover, Provision for taxation and Profit after taxation are translated at annual average exchange rate of US Dollars = ₹ 64.4632, Pound Sterling = ₹ 85.3803, Taka = ₹ 0.7763

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Sr.No. | Name of the Associates / Joint Ventures | Latest audited Balance Sheet Date | Shares of Associate / Joint Ventures held by the Company on the year end | | Description of how there is significant influence | Reason why the associate / joint venture is not consolidated | Network attributable to shareholding as per latest audited Balance sheet | Profit/Loss for the year (₹ in Lakhs) | |
|--------|---|-----------------------------------|--|---------------------|---|--|--|---------------------------------------|---------------------------------|
| | | | No. | Extent of Holding % | | | | Considered in consolidation | Not Considered in consolidation |
| | | | | | | | | | |
| NIL | | | | | | | | | |

Independent Auditor's Report

To the Members of
Renaissance Jewellery Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Renaissance Jewellery Limited (hereinafter referred "the Parent Company") and its subsidiaries (collectively referred to as the "Company" or "the RJL Group"), comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated statement of Cash Flows and the consolidated statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the RJL Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified in the Companies (Indian Accounting Standards) Rules, 2015(as amended) under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the RJL Group are responsible for accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements and ensuring maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the RJL Group and for preventing and detecting frauds and other irregularities; the selection and application of

appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Parent Company, as aforesaid.

Auditor's Responsibility

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

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issue 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls and checks relevant to the Parent Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating

the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the RJL Group as at March 31, 2018, and its consolidated profit (including other comprehensive income), its consolidated cash flows and consolidated statement of changes in equity and for the year ended on that date.

Emphasis of Matters

Further, without qualifying our report, we draw attention to note no 54 of the Consolidated Ind AS financial statements, explaining reason for non provision for impairment, if any, with respect to carrying value of net assets of ₹697.14 Lakhs (excluding cash and bank balance) as on March 31, 2018, of Renaissance Jewellery Bangladesh Private Limited (RJBPL), as RJL Group is in the process of exit out of RJBPL operation either through divestment of its stake or sale of entire operation as slump sale.

Other Matters

a) We did not audit the financial statements / financial information of 7 subsidiaries/entities and 3 indirect subsidiary companies/entities, whose financial statements/financial information reflect total assets of ₹67,377.90 Lakhs as at March 31,

2018, total revenues of ₹1,43,883.56 Lakhs and net cash inflows amounting to ₹677.12 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

b) The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening Balance Sheet as at April 1, 2016 included in these consolidated Ind AS financial statements, are based on the consolidated financial statements for the year ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by previous Auditor, whose audit report for the year ended March 31, 2017 and March 31, 2016 dated May 30, 2017 and dated May 26, 2016 respectively expressed an unmodified opinion on those financial statements. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary

- for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept by the Parent Company, its Subsidiary Companies included in the RJL Group including relevant records relating to, preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and records of the Parent Company and reports of the other auditors;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of changes in equity dealt with by this Report are in agreement with the books of account relevant for the purpose of preparation of the consolidated Ind AS financial statements;
 - d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder to the extent applicable;
 - e. On the basis of written representations received from the directors of the Parent Company and the subsidiary companies incorporated in India as on March 31, 2018 and taken on record by the respective Board of Directors of the Parent Company and subsidiary companies incorporated in India, none of the directors thereof is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the RJL group and operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and;
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the RJL Group; refer Note No. 48 to the consolidated Ind AS financial statements;
 - ii. the RJL Group did not have any material foreseeable losses on long-term contracts including derivative contracts;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiaries Companies incorporated in India.

For Damania & Varaiya
Chartered Accountants
Firm's registration No.: 102079W

CA. Bharat Jain
Partner
Membership No.: 100583

Place : Mumbai
Date : May 28, 2018

Annexure A to the Auditors' Report

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Renaissance Jewellery Limited on the Consolidated Ind AS financial statements for the year ended March 31, 2018]

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

In conjunction with our audit of the Consolidated Ind AS Financial Statement of the RJL Group as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Renaissance Jewellery Limited (hereinafter referred to as "the Parent Company") and its subsidiaries, which are the companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the RJL Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be

prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Corporation's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Parent Company and its subsidiaries, which are companies incorporated in India, have, in

all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 3 subsidiaries/entities and 2 indirect subsidiary companies/entities, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not qualified in respect of this matter

For Damania & Varaiya
Chartered Accountants
Firm's registration No.: 102079W

CA. Bharat Jain
Partner
Membership No.: 100583

Place : Mumbai
Date : May 28, 2018

Consolidated Balance Sheet

as at March 31, 2018

| Particulars | Notes | March 31, 2018 ₹ In Lakhs | March 31, 2017 ₹ In Lakhs | April 01, 2016 ₹ In Lakhs |
|--|-------|------------------------------|------------------------------|------------------------------|
| ASSETS | | | | |
| NON-CURRENT ASSETS | | | | |
| Property, Plant and Equipment | 5 | 4,321.34 | 5,497.75 | 5,333.83 |
| Capital work-in-progress | | 294.52 | 23.45 | 541.33 |
| Goodwill on consolidation | | 943.05 | 943.05 | 943.05 |
| Intangible assets | 5 | 578.67 | 738.40 | 735.83 |
| Intangible assets under development | | - | - | 142.31 |
| Financial assets | | | | |
| Investments | 6 | 1,433.42 | 689.85 | 59.11 |
| Other financial assets | 7 | 402.31 | 485.48 | 713.43 |
| Deferred Tax assets | 8 | 2,271.18 | 1,616.81 | 1,979.82 |
| Other non-current assets | 9 | 218.61 | 114.35 | 207.65 |
| TOTAL NON-CURRENT ASSETS | | 10,463.10 | 10,109.14 | 10,656.36 |
| CURRENT ASSETS | | | | |
| Inventories | 10 | 59,150.34 | 55,872.38 | 53,024.43 |
| Financial assets | | | | |
| Investments | 11 | 5,067.89 | 8,015.88 | 3,711.76 |
| Trade receivables | 12 | 35,376.92 | 21,348.80 | 26,194.05 |
| Cash and cash equivalents | 13 | 5,785.89 | 7,643.83 | 5,775.79 |
| Bank balances other than Cash and cash equivalents | 14 | 405.06 | 457.85 | 556.76 |
| Loans | 15 | 37.83 | 67.52 | 24.05 |
| Other financial assets | 16 | 3,659.20 | 4,949.44 | 1,076.02 |
| Current tax assets (Net) | 17 | 195.58 | 182.35 | 318.11 |
| Other current assets | 18 | 2,196.04 | 1,700.57 | 1,358.98 |
| TOTAL CURRENT ASSETS | | 111,874.74 | 100,238.62 | 92,039.95 |
| ASSETS CLASSIFIED AS HELD FOR SALE (REFER NOTE NO 54) | | 697.14 | - | - |
| TOTAL ASSETS | | 123,034.98 | 110,347.76 | 102,696.31 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity share capital | 19 | 1,868.30 | 1,843.30 | 1,843.30 |
| Other equity | 20 | 53,987.13 | 49,385.97 | 44,305.53 |
| Equity attributable to owners | | 55,855.43 | 51,229.27 | 46,148.83 |
| Non Controlling interest | | (77.79) | (134.65) | - |
| TOTAL EQUITY | | 55,777.64 | 51,094.62 | 46,148.83 |

Consolidated Balance Sheet as at March 31, 2018

| Particulars | Notes | March 31, 2018 ₹ In Lakhs | March 31, 2017 ₹ In Lakhs | April 01, 2016 ₹ In Lakhs |
|---|---------|------------------------------|------------------------------|------------------------------|
| LIABILITIES | | | | |
| NON-CURRENT LIABILITIES | | | | |
| Financial liabilities | | | | |
| Borrowings | 21 | 126.75 | 187.16 | 242.12 |
| Provisions | 22 | 185.14 | 153.15 | 189.40 |
| TOTAL NON-CURRENT LIABILITIES | | 311.89 | 340.31 | 431.52 |
| CURRENT LIABILITIES | | | | |
| Financial liabilities | | | | |
| Borrowings | 23 | 34,575.08 | 34,151.18 | 24,858.64 |
| Trade payables | 24 | 30,727.59 | 23,383.94 | 29,185.99 |
| Other financial liabilities | 25 | 1,234.54 | 816.49 | 1,843.44 |
| Other current liabilities | 26 | 259.21 | 318.16 | 24.11 |
| Provisions | 27 | 146.65 | 186.63 | 199.48 |
| Current Tax liabilities (Net) | 28 | 2.37 | 56.43 | 4.30 |
| TOTAL CURRENT LIABILITIES | | 66,945.44 | 58,912.83 | 56,115.96 |
| TOTAL EQUITY AND LIABILITIES | | 123,034.98 | 110,347.76 | 102,696.31 |
| Significant accounting policies | 2 | | | |
| Notes forming part of the consolidated financial statements | 3 to 57 | | | |

As per our report of even date
For Damania & Varaiya
Firm Registration No. 102079W
Chartered Accountants

CA. Bharat Jain
Partner
Membership No : 100583

Place: Mumbai
Date : May 28, 2018

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

Niranjan A. Shah
Executive Chairman
Dilip B. Joshi
Chief Financial Officer

Place: Mumbai
Date : May 28, 2018

Hitesh M. Shah
Managing Director
Ghanashyam M. Walavalkar
Company Secretary

Consolidated Statement of profit and loss for the year ended March 31, 2018

| Particulars | Notes | March 31, 2018 ₹ In Lakhs | March 31, 2017 ₹ In Lakhs |
|---|-------|------------------------------|------------------------------|
| REVENUE FROM OPERATIONS | | | |
| Revenue | 29 | 182,510.17 | 147,344.88 |
| Other income | 30 | 3,391.18 | 1,796.79 |
| TOTAL INCOME | | 185,901.35 | 149,141.67 |
| EXPENSES | | | |
| Cost of materials consumed | 31 | 141,757.22 | 104,305.73 |
| (Increase)/decrease in inventories | 32 | 1,011.19 | (2,323.70) |
| Cost of traded goods | | 8,838.58 | 13,791.48 |
| Employee benefits expense | 33 | 8,386.20 | 8,031.79 |
| Other expenses | 36 | 15,747.02 | 17,210.48 |
| TOTAL EXPENSES | | 175,740.21 | 141,015.78 |
| EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTIZATION (EBITDA) | | 10,161.14 | 8,125.89 |
| Finance costs | 34 | 1,448.73 | 1,321.30 |
| Depreciation and Amortization | 35 | 1,244.80 | 1,403.36 |
| PROFIT BEFORE TAX | | 7,467.61 | 5,401.23 |
| TAX EXPENSES | | | |
| Current tax | | 1,393.96 | 1,285.65 |
| Deferred tax | | (181.97) | (163.40) |
| Short/(Excess) Provision of tax relating to earlier years | | 6.83 | 26.78 |
| MAT credit respect of earlier years | | (130.30) | - |
| TOTAL TAX EXPENSE | | 1,088.52 | 1,149.04 |
| PROFIT AFTER TAX FOR THE YEAR | | 6,379.09 | 4,252.19 |
| OTHER COMPREHENSIVE INCOME (OCI) | | | |
| Items that will not be reclassified to profit and loss | | | |
| Remeasurement of defined benefit plans | | 1.63 | 4.66 |
| Equity instruments through OCI | | 707.32 | 538.70 |
| Mutual fund equity instruments through OCI | | 3.04 | 9.40 |
| Income tax effect on above | | (99.37) | (42.52) |

Consolidated Statement of profit and loss for the year ended March 31, 2018

| Particulars | Notes | March 31, 2018 ₹ In Lakhs | March 31, 2017 ₹ In Lakhs |
|--|---------|------------------------------|------------------------------|
| Items that will be reclassified to profit and loss | | | |
| Fair value changes on derivatives designated as cash flow hedges | | (1,766.76) | 1,398.87 |
| Exchange differences on translation of foreign operations | | (1,419.27) | (550.59) |
| Mutual fund debt instruments through OCI | | - | 1.34 |
| Income tax effect on above | | 609.92 | (484.34) |
| Total Other comprehensive income | | (1,963.51) | 875.52 |
| Total Comprehensive Income for the year | | 4,415.58 | 5,127.71 |
| Profit or Loss for the year attributable to: | | | |
| Non - controlling Interest, and Owners of the Parent | | 73.44 | 47.24 |
| | | 6,305.65 | 4,204.94 |
| Comprehensive Income for the year attributable to: | | | |
| Non - controlling Interest, and Owners of the Parent | | - | - |
| | | (1,963.51) | 875.52 |
| Total Comprehensive Income for the year attributable to: | | | |
| Non - controlling Interest, and Owners of the Parent | | 73.44 | 47.24 |
| | | 4,342.15 | 5,080.47 |
| Earnings per equity share [nominal value of share ₹ 10] | 46 | | |
| Basic (₹) | | 34.12 | 22.81 |
| Diluted (₹) | | 34.12 | 22.81 |
| Significant accounting policies | 2 | | |
| Notes forming part of the consolidated financial statements | 3 to 57 | | |

As per our report of even date
For Damania & Varaiya
Firm Registration No. 102079W
Chartered Accountants

CA. Bharat Jain
Partner
Membership No : 100583

Place: Mumbai
Date : May 28, 2018

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

Niranjan A. Shah
Executive Chairman
Dilip B. Joshi
Chief Financial Officer

Place: Mumbai
Date : May 28, 2018

Hitesh M. Shah
Managing Director
Ghanashyam M. Walavalkar
Company Secretary

Consolidated Cash Flow Statement

for the year ended March 31, 2018

| CASH FLOW FROM OPERATING ACTIVITIES | March 31, 2018 ₹ In Lakhs | March 31, 2017 ₹ In Lakhs |
|---|------------------------------|------------------------------|
| Profit before tax | 7,467.61 | 5,401.23 |
| Non-cash adjustment to reconcile profit before tax to net cash flows | | |
| Depreciation/amortization | 1,244.80 | 1,403.36 |
| Impairment / Discard of assets | 92.50 | 701.72 |
| Sundry balance written off (Net) | 61.79 | 72.12 |
| Unrealized foreign exchange loss/(gain) | (1,398.53) | (524.11) |
| Loss/(profit) on sale of fixed assets | (71.64) | (6.00) |
| Expected Credit Loss / Bad Debts | 40.60 | 0.19 |
| Interest expense | 1,448.73 | 1,321.30 |
| Interest income | (73.08) | (85.71) |
| Dividend Income | (79.44) | (79.10) |
| Employee Compensation | 604.01 | - |
| Remeasurement of Defined Benefit Plan | (1.63) | (4.66) |
| Operating profit before working capital changes | 9,335.72 | 8,200.34 |
| (Increase)/decrease in Working Capital | (11,403.11) | (6,553.03) |
| Cash generated from/(used in) operations | (2,067.39) | 1,647.31 |
| Direct taxes paid (Net of refunds) | (1,299.77) | (1,127.33) |
| Net cash flow from/(used in) operating activity (A) | (3,367.16) | 519.98 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets, including intangible assets, CWIP and capital advances | (1,192.23) | (1,699.19) |
| Proceeds from sale of fixed assets | 180.67 | 22.37 |
| Sale of Equity Shares and Mutual Fund | 10,094.29 | 4,460.28 |
| Purchase of Equity Shares and Mutual Fund | (7,159.11) | (8,851.97) |
| Movement in Other Bank Balances | 88.23 | 82.70 |
| Interest received | 79.67 | 119.35 |
| Dividend received | 79.44 | 79.10 |
| Net cash flow from/(used in) investing activities (B) | 2,170.97 | (5,787.36) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds/ (Repayment) from/of short-term borrowing (net) | 1,186.56 | 8,612.33 |
| Interest paid | (1,434.26) | (1,476.64) |
| Receipt from ESPS Trust | 180.00 | - |
| Buy back of Equity Shares | (500.00) | - |
| Dividend paid | (94.05) | (0.27) |
| Net cash flow from/(used in) financing activities (C) | (661.75) | 7,135.42 |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | (1,857.94) | 1,868.04 |
| Cash and cash equivalents at the beginning of the year | 7,643.83 | 5,775.79 |
| Cash and cash equivalents at the end of the year | 5,785.89 | 7,643.83 |
| COMPONENTS OF CASH AND CASH EQUIVALENTS | | |
| Cash on hand | 47.59 | 50.83 |
| With banks | | |
| - on current account | 4,391.73 | 5,634.19 |
| - on deposit account | 1,346.57 | 1,958.81 |
| Cash and Cash Equivalents (note 13) | 5,785.89 | 7,643.83 |
| Note: The consolidated cash flow statement is prepared using the "indirect method" set out in IND AS 7 - "Statement of Cash Flows". | | |
| Summary of significant accounting policies | 2 | |

As per our report of even date
For Damania & Varaiya
 Firm Registration No. 102079W
 Chartered Accountants

CA. Bharat Jain
 Partner
 Membership No : 100583

Place: Mumbai
 Date : May 28, 2018

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

Niranjan A. Shah
 Executive Chairman
Dilip B. Joshi
 Chief Financial Officer

Place: Mumbai
 Date : May 28, 2018

Hitesh M. Shah
 Managing Director
Ghanashyam M. Walavalkar
 Company Secretary

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

1. CORPORATE INFORMATION

1.1 Nature of Operations

Renaissance Jewellery Limited (the Parent company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The RJL Group is engaged in the manufacturing and selling of diamond studded jewellery. The Parent company's shares are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE). The consolidated financial statement comprises financials of the parent company and its subsidiaries (referred to collectively as "the RJL Group").

1.2 General information and statement of compliance with Ind AS

The consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules there under. For periods up to and including the year ended March 31, 2017, the RJL Group prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Act read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Refer note no. 39 for the explanation of transition from previous GAAP to Ind AS.

The Ministry of "Corporate Affairs" (MCA) has notified a road map to implement Ind AS. As per the said road map, the RJL Group is required to apply Ind AS starting from the financial year beginning April 1, 2017. Accordingly, the first Ind AS financial statements shall be for the financial year 2017-18 with comparables for the financial year 2016-17. The RJL Group has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, "First time adoption of Indian Accounting Standards". The date of transition to Ind AS is April 1, 2016. The transition was carried out from Accounting Principles generally accepted in India (previous GAAP). Reconciliation and descriptions of the effect of the transition have been summarized in note no. 39.

The consolidated Ind AS financial statements for the year ended 31st March, 2018 were authorised and approved for issue by the Board of Directors on May 28, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Principles of consolidation:

2.1.1 Subsidiaries are entities controlled by the Parent Company. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The financial statements of the subsidiaries are included in the consolidated Ind AS financial statements from the date on which control commences until the date on which the control ceases.

2.1.2 The consolidated Ind AS financial statements comprise of the financial statement of the Parent Company and its subsidiaries referred herein in Para 2.1.8 below. The financial statements of the Parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra group transactions and unrealized profits resulting there from and are presented to the extent possible, in the same manner as the RJL Group's independent financial statements.

Consolidated Notes to the Financial Statements for the year ended March 31, 2018

- 2.1.3 In case of foreign subsidiaries, revenue items are converted at the average rates prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the "Foreign Currency Translation Reserve".
- 2.1.4 The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the RJL Group's accounting policies. The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Parent Company i.e., year ended March 31, 2018.
- 2.1.5 Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.
- 2.1.6 Non-controlling interests in the net assets of consolidated subsidiaries consists of:
- The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
 - The non-controlling interests' share of movements in equity since the date parent subsidiary relationship came into existence.
 - The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Statement of Profit and Loss and Statement of Changes in Equity.

2.1.7 Business Combinations

In accordance with Ind AS 101 First time adoption of Indian Accounting Standards, the RJL Group has elected to apply the requirements of Ind AS 103, "Business Combinations" prospectively to business combinations on or after the date of transition (April 1, 2016). Pursuant to this exemption, goodwill / capital reserve arising from business combination has been stated at the carrying amount under previous GAAP. In accordance with Ind AS 103, the RJL Group accounts for these business combinations using the acquisition method when the control is transferred to the RJL Group. The consideration transferred for the business combinations is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI as appropriate.

Common Control

Business combinations involving entities that are ultimately controlled by the same part(ies) before and after the business combination are considered as Common control entities and are accounted using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect the fair values, or recognise new assets or liabilities. Adjustments are made to harmonise accounting policies.

Consolidated Notes to the Financial Statements for the year ended March 31, 2018

- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference if any, between the amounts recorded as share capital plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

2.1.8 The subsidiary companies/entities considered in the consolidated financial statements are:

| Name of the Subsidiary | Relationship | Country of Incorporation | Proportion of ownership interest | Accounting year ending on |
|--|---------------------|--------------------------|----------------------------------|---------------------------|
| N Kumar Diamond Exports Limited* | Subsidiary | India | 100% | March 31 st |
| Housefull International Limited (Subsidiary of N Kumar Diamond Exports Limited) | Subsidiary | India | 100% | March 31 st |
| Housefull Supply Chain Management Limited (Subsidiary of Housefull International Limited)* | Subsidiary | India | 100% | March 31 st |
| The Seabean Dialysis Partners India Trust (100% beneficiary interest owned by Housefull International Limited, a step down)* | Beneficial Interest | India | 100% | March 31 st |
| Aurette Jewellery LLP* | Subsidiary | India | 99% | March 31 st |
| RJL Employee Welfare Trust* | Beneficial Interest | India | 100% | March 31 st |
| Renaissance Jewellery, New York Inc.* | Subsidiary | U.S.A. | 100% | March 31 st |
| Verigold Jewellery (UK) Limited* | Subsidiary | United Kingdom | 100% | March 31 st |
| Renaissance Jewellery Bangladesh Private Limited* | Subsidiary | Bangladesh | 100% | March 31 st |
| Verigold Jewellery DMCC* | Subsidiary | Dubai | 100% | March 31 st |
| Renaissance Jewellery DMCC (Subsidiary of Verigold Jewellery DMCC)* | Subsidiary | Dubai | 65% | March 31 st |

* Audited by other auditors

Consolidated Notes to the Financial Statements for the year ended March 31, 2018

2.2 Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities (including financial instruments) which have been measured at fair value at the end of each reporting period as explained in the accounting policies stated below.

2.3 Functional and presentation currency and Rounding off of the amounts

The Functional and presentation currency of the RJL Group is Indian rupees. Accordingly, all amounts disclosed in the consolidated Ind AS financial statements and notes have been shown in Indian rupees and all values are shown in lakhs and rounded to two decimals except when otherwise indicated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

2.4 Current/non-current classification

2.4.1 The RJL Group has classified all its assets and liabilities under current and non-current as required by Ind AS 1- Presentation of Financial Statements. The asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

2.4.2 All other assets are classified as non-current.

2.4.3 A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting Period

2.4.4 All other liabilities are classified as non-current.

2.4.5 The operating cycle is the time between the acquisitions of assets for processing and their realisation in cash and cash equivalents. Deferred tax assets (including Minimum Alternate Tax Credit) and liabilities are always classified as non-current assets and liabilities.

2.5 Property, Plant and Equipment (PPE)

2.5.1 Freehold Land are stated at historical cost.

2.5.2 All other items of PPE including capital work in progress are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. PPE is recognized when the cost of an asset can be reliably measured and it is probable that the entity will obtain future economic benefits from the asset.

Consolidated Notes to the Financial Statements for the year ended March 31, 2018

- 2.5.3 PPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and non-refundable purchase taxes).
- 2.5.4 The RJL Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its PPE as recognised in the Consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (01 April, 2016).
- 2.5.5 Capital work in progress (CWIP) comprises of cost of acquisition of assets, duties, levies and any cost directly attributable to bringing the asset to its working condition for the intended use. Expenditure incurred on project under implementation is treated as incidental expenditure incurred during construction and is pending allocation to the assets which will be allocated / apportioned on completion of the project.

2.6 Depreciation/Amortization

- 2.6.1 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 II to the Companies Act, 2013 by applying written down value rates except in case of Indirect Subsidiary – Housefull International Limited where rates as per Straight line method is followed.
- 2.6.2 Depreciation on property, plant and equipment of the RJL Group's foreign subsidiaries has been provided on straight line method as per the estimated useful life of such assets except in case of Renaissance Jewellery Bangladesh Private Limited where written down method is followed. Details of estimated useful life of property, plant and equipment of these foreign subsidiaries are as follows:

| Sr. No. | Class of Assets | Years |
|---------|------------------------|------------------|
| 1. | Leasehold Improvements | 5 Years 4 months |
| 2. | Factory Building | 12 to 25 years |
| 3. | Plant and Machinery | 10 to 12 Years |
| 4. | Furniture and Fittings | 4 to 25 Years |
| 5. | Office Equipment's | 4 to 25 years |
| 6. | Computers | 3 to 8 Years |
| 7. | Vehicle | 4 to 12 Years |

- 2.6.3 Leasehold Land is amortized on a straight line basis over the period of lease.
- 2.6.4 The management believes that the estimated useful lives are realistic and reflects fair approximation of the period over which the assets are likely to be used. At each financial year end, management reviews the residual values, useful lives and method of depreciation of property, plant and equipment and values of the same are adjusted prospectively where needed.

2.7 Intangible assets

- 2.7.1 Intangible assets acquired separately are measured on initial recognition at cost. Cost comprises the acquisition price, development cost and any attributable / allocable incidental cost of bringing

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the asset to its working condition for its intended use. The useful life of intangible assets is assessed as either finite or indefinite. All finite-lived intangible assets are accounted for using the cost model whereby intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised on a straight line basis over the estimated useful economic life. Residual values and useful lives are reviewed at each reporting date.

- 2.7.2 Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.
- 2.7.3 When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in the statement of profit and loss within 'other income' or 'other expenses' respectively.

2.8 Impairment of non-financial Assets

- 2.8.1 The RJL Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or RJL Group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the RJL Group estimates the recoverable amount of the CGU to which the asset belongs.
- 2.8.2 An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.
- 2.8.3 The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.9 Leases

- 2.9.1 Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
- 2.9.2 The determination of whether an arrangement is a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is considered as a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.
- 2.9.3 Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

2.10 Financial instruments

The RJL Group recognizes financial assets and financial liabilities when it becomes party to the contractual provision of the instrument.

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2.10.1 Financial assets

a. Initial recognition and measurement

Financial assets are initially measured at its fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the concerned financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognized immediately in profit or loss. However, trade receivable that do not contain a significant financing component are measured at transaction price.

b. Subsequent measurement

For subsequent measurement, the RJL Group classifies financial asset in following broad categories:

- Financial asset carried at amortized cost.
- Financial asset carried at fair value through other comprehensive income (FVTOCI)
- Financial asset carried at fair value through profit or loss (FVTPL)

c. Financial asset carried at amortized cost (net of any write down for impairment, if any)

Financial assets are measured at amortized cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortized costs using Effective Interest Rate (EIR) method less impairment, if any. The losses arising from impairment are recognized in the statement of profit or loss. Cash and bank balances, trade receivables, loans and other financial asset of the RJL Group are covered under this category.

Under the EIR method, the future cash receipts are exactly discounted to the initial recognition value using EIR. The cumulative amortization using the EIR method of the difference between the initial recognition amount and maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at amortized cost at each reporting date. The corresponding effect of the amortization under EIR method is recognized as interest income over the relevant period of the financial asset. The same is included under "other income" in the statement of profit or loss. The amortized cost of the financial asset is also adjusted for loss allowance, if any.

d. Financial asset carried at FVTOCI

Financial asset under this category are measured initially as well as at each reporting date at fair value, when asset is held with a business model whose objective is to hold asset for both collecting contractual cash flows and selling financial assets. Fair value movements are recognized in the other comprehensive income.

e. Financial asset carried at FVTPL

Financial asset under this category are measured initially as well as at each reporting date at fair value. Changes in fair value are recognized in the statement of profit or loss.

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f. **Derecognition of Financial Asset**

A financial asset is primarily derecognized when rights to receive cash flows from the asset have expired or the RJJ Group has transferred its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risk and reward of the ownership of the financial asset.

g. **Impairment of financial assets**

In accordance with Ind AS 109, the RJJ Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

ECL is the difference between all contractual cash flows that are due to the RJJ Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

For trade receivables RJJ Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The RJJ Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the RJJ Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the Statement of Profit and Loss under the head 'Other expenses'.

2.10.2 **Financial liabilities**

a. **Initial recognition and measurement**

The RJJ Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. The RJJ Group classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

b. **Subsequent measurement**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Interest-bearing loans and borrowings are subsequently measured at amortized cost

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using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortization is included as finance costs in the statement of profit and loss.

c. **Derecognition of financial liabilities:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

2.10.3 Offsetting of Financial Instruments

Financial assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.10.4 Derivative financial instrument:

- a. RJL Group uses derivative financial instruments such as forward contracts to mitigate its foreign currency fluctuation risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.
- b. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.
- c. For the purpose of hedge accounting, hedges are classified as:
 - Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
 - Cash flow hedges when hedging the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment;
 - Hedges of a net investment in a foreign operation.
- d. At the inception of a hedge relationship, the RJL Group formally designates and documents the hedge relationship to which the RJL Group wishes to apply hedge accounting and the

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risk management objective and strategy for undertaking the hedge. The documentation includes the RJL Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how will the entity assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective if achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

- e. Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

- **Fair value hedges**

The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the Statement of Profit and Loss as finance costs.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss. When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in the Statement of profit and loss.

- **Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognized in the OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the Statement of profit and loss. The RJL Group uses forward contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognized in finance costs.

Amounts recognized in OCI are transferred to Statement of profit and loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. When the hedged item is a cost of a non-financial asset or non-financial liability, the amounts recognized in OCI are transferred to the initial carrying amount of the non-financial asset or liability. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked,

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or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

The RJL Group does not use hedges of net investment.

f. Derecognition:

On derecognition of hedged item, the unamortized fair value, of the hedging instrument adjusted to the hedged items is recognized in the Statement of Profit or Loss.

2.11 Fair value measurement

The RJL Group measures certain financial instruments at fair value at each balance sheet date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the RJL Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 — inputs that are unobservable for the asset or liability

For the purpose of fair value disclosures, the RJL Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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2.12 Inventories

Inventories are valued as under:

| | |
|--|---|
| Cut & Polished Diamonds | Polished diamonds are valued at lower of cost or net realizable value. Cost is ascertained on lot-wise weighted average basis. |
| Finished Goods of Jewellery | Finished goods are valued at lower of cost or net realizable value. Cost includes direct materials, labour and all other cost related to converting them into finished goods. Cost is determined on specific identification 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. |
| Traded Goods – Jewellery | Lower of cost (average cost method) or market (net realizable value). |
| Traded Goods – Furniture's and accessories | Lower of cost and net realizable value. Cost of traded goods is determined on a weighted average basis. |
| Stores and spares | Lower of cost and 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.

2.13 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the RJL Group and the revenue can be reliably measured, regardless of when the payment is being received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment which flows to the RJL Group on its own account but excluding taxes or duties collected on behalf of the government.

The RJL Group follows specific recognition criteria as described below before the revenue is recognized.

2.13.1 Sale of goods

- a. Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.
- b. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

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2.13.2 Sale of services

- a. Sale of services comprises of jewellery making charges.
- b. Revenue from Jewellery making charges is recognized when it is probable that the economic benefit will flow to the RJL Group and the amount of income can be measured reliably.

2.13.3 Other operating revenue

- a. Other operating revenue comprises of sale of dust.
- b. Revenue from sale of dust is recognized when it is probable that the economic benefit will flow to the RJL Group and the amount of income can be measured reliably.

2.14 Other Income

- a. Other income comprises of interest income and dividend from investment and profits on redemption of investments.
- b. Interest income from financial assets is recognized when it is probable that the economic benefit will flow to the RJL Group and the amount of income can be measured reliably. Interest income is accrued on time basis by reference to the principal outstanding and at the effective rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- c. Dividend income from investment is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefit will flow to the RJL Group and the amount of income can be measured reliably).
- d. Profit on redemption of investment is recognized by upon exercise of power by the RJL Group to redeem the investment held in any particular security / instrument (non-current as well as current investment).
- e. Income other than mentioned above is recognized only when it is reasonably certain that the ultimate collection will be made.

2.15 Borrowing costs

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 qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

2.16 Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities at the Balance Sheet date are translated at the exchange rate prevailing on the date of Balance Sheet.

Exchange rate differences resulting from foreign currency transactions settled during the period including year-end translation of assets and liabilities are recognized in the Statement of Profit and Loss.

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Non-monetary assets, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or Statement of Profit and Loss are also recognized in OCI or Statement of Profit and Loss, respectively).

2.17 Employee benefits

2.17.1 Parent Company / Indian Subsidiaries

a. Short Term Employee Benefits

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

b. Long Term Employee Benefits

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

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

The Company's contributions to these schemes are recognized as expense in Statement of Profit and Loss account during the period in which the employee renders the related service. The Company has no further obligation under these plans beyond its monthly contributions.

- **Leave Encashment**

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

- **Gratuity**

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

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Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding the amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding the amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to Statement of Profit or Loss in subsequent periods.

2.17.2 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, 2018, the company did not make any contribution to this Plan.

2.17.3 Renaissance Jewellery Bangladesh Pvt. Ltd.

- **Provident Fund**

The Company operates a recognized provident fund scheme with equal contribution @ 8.33% of basic salary by the employees and also by the Company. The fund is administered by the Board of Trustees.

- **Compensation/Gratuity scheme**

The Company introduced an unfunded gratuity scheme for its all eligible permanent staffs from April 01, 2015. Provision for gratuity has been made in the financial statement according to company's gratuity policy in the year from April 2017 to March 2018 for the staff completing one year of service from the date of joining. Gratuity is payable to the staff after completion of minimum five years continued service in the company.

2.17.4 Verigold DMCC

Staff end-of-service gratuity

The company computes the provision for the liability to staff end-of-service gratuity assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

2.18 Tax

2.18.1 Parent Company / Indian Subsidiaries

The tax expense for the period comprises current and deferred tax. Taxes are recognised in the statement of profit and loss, except to the extent that it relates to the items recognised in the comprehensive income or in Equity in which case, the tax is also recognised in the comprehensive income or in Equity.

a. **Current tax**

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity).

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b. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary timing difference. Deferred tax assets are recognized for deductible temporary differences to the extent that they are probable that taxable profit will be available against which the deductible temporary difference can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted on the reporting date.

Current and deferred tax for the year are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current or deferred tax arises from initial accounting for a business combination, the tax affect is included in the accounting for the business combination.

In the situations where the Parent 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 RJJ Group'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 RJJ Group 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.

c. Minimum Alternate Tax (MAT) Credit

Deferred Tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

2.18.2 Foreign Subsidiaries

Tax expenses have been accounted for on the basis of tax laws prevailing in respective countries of incorporation.

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2.19 Segment reporting

The RJL Group has two operating/reportable segment based on geographical area, i.e., domestic sales and export sales. The operating segments is managed separately as each involves different regulations, marketing approaches and other resources. These operating segments are monitored by the RJL Group's chief operating decision maker and strategic decisions are made on the basis of segment operating results. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the RJL Group uses the same measurement policies as those used in its financial statements. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss. No asymmetrical allocations have been applied between segments.

2.20 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.

Basic and diluted EPS are presented in the consolidated statement of profit and loss for each class of ordinary shares in accordance with Ind AS 33.

2.21 Provisions, Contingent Liabilities and Contingent Assets

2.21.1 Provisions

- a. Provisions are recognized when the RJL Group has present obligation (legal or constructive) as a result of past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense related to a provision is presented in the statement of profit and loss net of any reimbursement/contribution towards provision made.
- b. If the effect of the time value of money is material, estimate for the provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.
- c. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.21.2 Contingent liability

- a. Contingent liability is disclosed in the case;
 - When there is a possible obligation which could arise from past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the RJL Group or;

Consolidated Notes to the Financial Statements for the year ended March 31, 2018

- A present obligation that arises from past events but is not recognized as expense because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or;
 - The amount of the obligation cannot be measured with sufficient reliability.
- b. Commitments
- Commitments include the value of the contracts for the acquisition of the assets net of advances.

2.21.3 Contingent assets

Contingent assets are disclosed in case a possible asset arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the RJL Group.

Contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.22 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.23 Cash flow statements

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of RJL Group is segregated.

2.24 Measurement of EBITDA

As permitted by the Guidance Note on Division II – Ind AS Schedule III to the Companies Act, 2013, the RJL Group 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 RJL Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the RJL Group does not include depreciation and amortization expense, finance costs and tax expense.

3. STANDARDS ISSUED BUT NOT YET EFFECTIVE

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the RJL Group from April 01, 2018.

3.1 Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

3.2 Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

- i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- ii. Ind AS 40 - Investment Property
- iii. Ind AS 12 - Income Taxes
- iv. Ind AS 28 - Investments in Associates and Joint Ventures and
- v. Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the RJL Group's Consolidated Financial Statements.

4. KEY ACCOUNTING JUDGMENTS', ESTIMATES AND ASSUMPTIONS

The preparation of the RJL Group's consolidated financial statements requires the management to make judgments', estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The RJL Group continually evaluates these estimates and assumption based on the most recently available information.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- a. Assessment of functional currency;
 - b. Financial instruments;
 - c. Estimates of useful lives and residual value of PPE and intangible assets;
 - d. Impairment of financial and non-financial assets;
 - e. Valuation of inventories;
 - f. Measurement of recoverable amounts of cash-generating units;
 - g. Measurement of Defined Benefit Obligations and actuarial assumptions;
 - h. Allowances for uncollected trade receivable and advances;
 - i. Provisions;
 - j. Evaluation of recoverability of deferred tax assets; and
 - k. Contingencies.

Revisions to accounting estimates are recognized prospectively in the consolidated Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

Consolidated Notes to the Financial Statements for the year ended March 31, 2018

| 5. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT | | | | | | | | | | | | | | |
|---|----------------------|---------------|--------------------------------------|---------------|-----------------------------------|--------------------------|----------------------|---------------------------|--------------------------------------|---------------|-----------------------------------|----------------------|----------------------|----------------------|
| Particulars | Gross Block | | | | | Accumulated Depreciation | | | | | Net Block | | | |
| | As at April 01, 2017 | Additions | Foreign Currency Translation reserve | Disposals | Classified as Asset held for sale | As at March 31, 2018 | As at April 01, 2017 | Depreciation for the year | Foreign Currency Translation reserve | On Disposals | Classified as Asset held for sale | As at March 31, 2018 | As at March 31, 2018 | As at March 31, 2017 |
| Land | 117.07 | - | 0.13 | - | - | 117.20 | 0.37 | 0.87 | 0.01 | - | - | 1.26 | 115.94 | 116.70 |
| Factory Building | 2,060.18 | 25.94 | (13.44) | - | 529.75 | 1,542.94 | 1,191.98 | 118.17 | (5.78) | - | 279.21 | 1,025.16 | 517.79 | 868.20 |
| Office Building | 954.63 | - | 3.13 | - | - | 957.76 | 156.43 | 40.35 | 0.29 | - | - | 197.08 | 760.68 | 798.20 |
| Plant and Machinery | 4,332.40 | 452.47 | (12.66) | 227.51 | 452.63 | 4,092.06 | 2,626.66 | 311.48 | (5.99) | 222.39 | 2,587.97 | 1,504.09 | 1,504.09 | 1,705.74 |
| Electrical Installations | 720.90 | 1.29 | (3.21) | 23.95 | 126.61 | 568.42 | 497.95 | 46.62 | (1.55) | 2.47 | 72.19 | 468.37 | 100.05 | 222.96 |
| Office Equipment's | 1,063.96 | 31.73 | 2.08 | 26.58 | 89.10 | 982.10 | 846.90 | 71.19 | 2.20 | 8.37 | 45.53 | 866.39 | 115.71 | 217.06 |
| Computers | 653.42 | 9.77 | (0.15) | 9.21 | 14.48 | 639.34 | 557.50 | 41.52 | (0.07) | 9.21 | 10.67 | 579.07 | 60.27 | 95.92 |
| Furniture and Fixtures | 1,446.34 | 21.64 | (2.14) | 75.64 | 175.46 | 1,214.73 | 1,026.77 | 76.46 | 0.65 | 22.78 | 69.74 | 1,011.36 | 203.37 | 419.57 |
| Vehicles | 1,298.85 | 253.52 | (0.54) | 12.80 | 21.45 | 1,517.57 | 564.25 | 284.02 | (0.26) | 9.55 | 14.11 | 824.34 | 693.23 | 734.60 |
| Leasehold Improvements | 1,233.96 | 8.21 | 1.07 | - | - | 1,243.24 | 915.14 | 77.25 | 0.64 | - | - | 993.02 | 250.22 | 318.82 |
| Total | 13,881.73 | 804.57 | (25.74) | 375.71 | 1,409.48 | 12,875.36 | 8,383.97 | 1,067.92 | (9.84) | 174.17 | 713.84 | 8,554.03 | 4,321.34 | 5,497.75 |
| 5. NON-CURRENT ASSETS - INTANGIBLE ASSETS | | | | | | | | | | | | | | |
| Particulars | Gross Block | | | | | Accumulated Depreciation | | | | | Net Block | | | |
| | As at April 01, 2017 | Additions | Foreign Currency Translation reserve | Disposals | Classified as Asset held for sale | As at March 31, 2018 | As at April 01, 2017 | Depreciation for the year | Foreign Currency Translation reserve | On Disposals | Classified as Asset held for sale | As at March 31, 2018 | As at March 31, 2018 | As at March 31, 2017 |
| Computer Software | 2,021.59 | 11.64 | 7.40 | - | - | 2,040.63 | 1,283.19 | 173.25 | 5.52 | - | - | 1,461.96 | 578.67 | 738.40 |
| Total | 2,021.59 | 11.64 | 7.40 | - | - | 2,040.63 | 1,283.19 | 173.25 | 5.52 | - | - | 1,461.96 | 578.67 | 738.40 |

Consolidated Notes to the Financial Statements for the year ended March 31, 2018

| 5. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT | | | | | | | | | | | | | | |
|---|----------------------|-----------------|--------------------------------------|-----------------|--------------------------------|----------------------|--------------------------|---------------------------|--------------------------------------|-----------------|--------------------------------|----------------------|----------------------|----------------------|
| Particulars | Gross Block | | | | | | Accumulated Depreciation | | | | | | Net Block | |
| | As at April 01, 2016 | Additions | Foreign Currency Translation reserve | Disposals | Less - Ind AS Reclassification | As at March 31, 2017 | As at April 01, 2016 | Depreciation for the year | Foreign Currency Translation reserve | On Disposals | Less - Ind AS Reclassification | As at March 31, 2017 | As at March 31, 2017 | As at April 01, 2016 |
| Land | 95.17 | 21.90 | | - | - | 117.07 | - | 0.38 | (0.01) | - | - | 0.37 | 116.70 | 95.17 |
| Factory Building | 2,043.42 | 65.02 | (48.26) | - | - | 2,060.18 | 1,078.54 | 131.30 | (17.86) | - | - | 1,191.98 | 868.20 | 964.88 |
| Office Building | 407.19 | 547.44 | | - | - | 954.63 | 129.18 | 27.57 | (0.32) | - | - | 156.43 | 798.20 | 278.01 |
| Plant and Machinery | 3,926.94 | 473.34 | (47.95) | 19.93 | - | 4,332.40 | 2,314.26 | 349.00 | (20.75) | 15.84 | - | 2,626.66 | 1,705.74 | 1,612.68 |
| Electrical Installations | 1,213.94 | 83.81 | (11.41) | 565.43 | - | 720.90 | 729.39 | 82.26 | (4.93) | 308.78 | - | 497.95 | 222.96 | 484.55 |
| Office Equipment's | 1,323.12 | 81.76 | (13.73) | 327.19 | - | 1,063.96 | 1,033.54 | 92.71 | (7.58) | 271.77 | - | 846.90 | 217.06 | 289.58 |
| Computers | 830.64 | 41.21 | (1.80) | 216.63 | - | 653.42 | 717.21 | 44.99 | (1.16) | 203.54 | - | 557.50 | 95.92 | 113.43 |
| Furniture and Fixtures | 2,542.14 | 120.72 | (19.37) | 1,197.15 | - | 1,446.34 | 1,684.79 | 164.82 | (7.71) | 815.13 | - | 1,026.77 | 419.57 | 857.35 |
| Vehicles | 612.85 | 745.17 | (1.95) | 57.21 | - | 1,298.85 | 380.34 | 235.37 | (1.06) | 50.39 | - | 564.25 | 734.60 | 232.51 |
| Leasehold Improvements | 1,223.77 | 14.55 | (4.35) | - | - | 1,233.96 | 818.10 | 98.98 | (1.94) | - | - | 915.14 | 318.82 | 405.67 |
| Total | 14,219.19 | 2,194.92 | (148.84) | 2,383.54 | - | 13,881.73 | 8,885.35 | 1,227.39 | (63.32) | 1,665.45 | - | 8,383.97 | 5,497.75 | 5,333.83 |

| 5. NON-CURRENT ASSETS - INTANGIBLE ASSETS | | | | | | | | | | | | | | |
|---|----------------------|---------------|--------------------------------------|-----------|--------------------------------|----------------------|--------------------------|---------------------------|--------------------------------------|--------------|--------------------------------|----------------------|----------------------|----------------------|
| Particulars | Gross Block | | | | | | Accumulated Depreciation | | | | | | Net Block | |
| | As at April 01, 2016 | Additions | Foreign Currency Translation reserve | Disposals | Less - Ind AS Reclassification | As at March 31, 2017 | As at April 01, 2016 | Depreciation for the year | Foreign Currency Translation reserve | On Disposals | Less - Ind AS Reclassification | As at March 31, 2017 | As at March 31, 2017 | As at April 01, 2016 |
| Computer Software | 1,868.06 | 183.53 | (30.00) | - | - | 2,021.59 | 1,132.23 | 170.49 | (19.52) | - | - | 1,283.19 | 738.40 | 735.83 |
| Total | 1,868.06 | 183.53 | (30.00) | - | - | 2,021.59 | 1,132.23 | 170.49 | (19.52) | - | - | 1,283.19 | 738.40 | 735.83 |

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|------------------------------|
| 6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS | | | |
| Investment in Equity Instruments Unquoted (At Fair Value through OCI) | | | |
| Nephrocare Health Services Private Limited | 759.20 | 520.00 | - |
| No. of shares Mar 31, 2018 : 54,133 | | | |
| No. of shares Mar 31, 2017 : 54,133 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| | 759.20 | 520.00 | - |
| In Mutual Funds (Unquoted-Non Trade) (At Fair value through OCI) | | | |
| SBI PSU Fund (Growth Plan) of ₹ 10/- each | 11.08 | 11.64 | 8.32 |
| No. of units Mar 31, 2018 : 100,000 | | | |
| No. of units Mar 31, 2017 : 100,000 | | | |
| No. of units Apr 01, 2016 : 100,000 | | | |
| Principal Smart Equity Fund (Growth Plan) of ₹ 10/- each | - | 58.01 | - |
| No. of units Mar 31, 2018 : Nil | | | |
| No. of units Mar 31, 2017 : 301,823.972 | | | |
| No. of units Apr 01, 2016 : Nil | | | |
| Principal Low Duration Fund (Growth Plan) of ₹ 10/- each | - | 100.20 | - |
| No. of units Mar 31, 2018 : Nil | | | |
| No. of units Mar 31, 2017 : 3,881.388 | | | |
| No. of units Apr 01, 2016 : Nil | | | |
| Principal Asset Allocation Fund (Growth Plan) of ₹ 10/- each | - | - | 50.79 |
| No. of units Mar 31, 2018 : Nil | | | |
| No. of units Mar 31, 2017 : Nil | | | |
| No. of units Apr 01, 2016 : 500,000 | | | |
| Reliance Pharma Fund (Growth Plan) of ₹ 10/- each | 663.14 | - | - |
| No. of units Mar 31, 2018 : 475,270.69 | | | |
| No. of units Mar 31, 2017 : Nil | | | |
| No. of units Apr 01, 2016 : Nil | | | |
| | 674.22 | 169.85 | 59.11 |
| TOTAL NON-CURRENT FINANCIAL ASSETS | 1,433.42 | 689.85 | 59.11 |
| Aggregate amount of unquoted investments | 1,433.42 | 689.85 | 59.11 |
| Category-wise Non current investment | | | |
| Financial assets carried at fair value through OCI | 1,433.42 | 689.85 | 59.11 |

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|------------------------------|
| 7. NON-CURRENT FINANCIAL ASSETS - OTHERS | | | |
| (Unsecured considered good) | | | |
| Security Deposits | 364.20 | 411.07 | 657.72 |
| Deposits with original maturity for more than 12 months | 26.21 | 61.65 | 45.44 |
| Interest accrued on fixed deposits | 11.90 | 12.76 | 10.27 |
| Total | 402.31 | 485.48 | 713.43 |
| 8. DEFERRED TAX ASSETS | | | |
| Deferred tax liability: | | | |
| Fair valuation of financial instruments | 131.11 | 33.94 | 27.51 |
| Fair Valuation of Forward Contracts | 158.52 | 768.44 | 284.33 |
| | 289.63 | 802.38 | 311.84 |
| Deferred tax assets: | | | |
| Property plant and equipment | 187.50 | 126.51 | 32.25 |
| Employee benefits | 77.51 | 75.89 | 71.15 |
| Provision for Expected Credit Loss | 34.01 | 35.32 | 58.10 |
| MAT credit entitlement | 1,386.35 | 1,426.05 | 1,459.05 |
| Others | 875.45 | 755.42 | 671.11 |
| | 2,560.81 | 2,419.19 | 2,291.66 |
| Deferred tax assets (net) | 2,271.18 | 1,616.81 | 1,979.82 |
| (For movements during the year Refer Note No.40) | | | |
| 9. OTHER NON CURRENT ASSETS | | | |
| (Unsecured considered good) | | | |
| Capital Advances | 163.00 | 58.05 | 77.12 |
| Security Deposits | 4.02 | 3.27 | 3.18 |
| Prepaid expenses and deferment | 51.59 | 53.03 | 127.35 |
| Total | 218.61 | 114.35 | 207.65 |
| 10. CURRENT ASSETS - INVENTORIES | | | |
| Raw Materials | | | |
| Gems and diamonds | 9,919.63 | 5,767.26 | 6,195.74 |
| Gold, Silver and others | 1,604.51 | 1,329.74 | 301.05 |
| Manufactured Jewellery (Finished Goods) | 30,514.51 | 34,759.87 | 28,064.88 |
| Traded goods (Furniture and accessories) | 1,238.38 | 1,851.38 | 2,169.64 |
| Traded goods (Gems and diamond) | 3.18 | 3.18 | 189.40 |
| Work-In-progress | 15,369.34 | 11,522.18 | 15,388.99 |
| Consumable, tools and spares | 472.80 | 610.78 | 676.92 |
| Promotional items | 27.99 | 27.99 | 37.81 |
| Total | 59,150.34 | 55,872.38 | 53,024.43 |

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|------------------------------|
| 11. CURRENT FINANCIAL ASSETS - INVESTMENTS | | | |
| In Equity Shares (Quoted - Non Trade) (At fair value through OCI) | | | |
| Aditya Birla Fashion & Retail Limited of ₹ 10 each | - | 274.51 | - |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 178,429 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Alembic Pharmaceuticals Limited of ₹ 2 each | - | - | 323.50 |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : 54,060 | | | |
| Alphabet Inc of \$ 0.001 each | 419.05 | 344.89 | - |
| No. of shares Mar 31, 2018 : 640 | | | |
| No. of shares Mar 31, 2017 : 640 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| American Express of \$ 0.20 each | 270.46 | 231.01 | - |
| No. of shares Mar 31, 2018 : 4,500 | | | |
| No. of shares Mar 31, 2017 : 4,500 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Avenue Supermarts Limited of ₹ 10 each | 22.46 | - | - |
| No. of shares Mar 31, 2018 : 1,525 | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Bajaj Corp Limited of ₹ 1 each | - | 138.17 | - |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 34,981 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Bajaj Finance Limited of ₹ 2 each | 126.08 | - | - |
| No. of shares Mar 31, 2018 : 6,550 | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Bata India Limited of ₹ 10 each | - | - | 158.18 |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : 31,100 | | | |

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|------------------------------|
| 11. CURRENT FINANCIAL ASSETS - INVESTMENTS | | | |
| Cera Sanitaryware Limited of ₹ 5 each | 38.50 | - | - |
| No. of shares Mar 31, 2018 : 1,135 | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Chipotle Mexcian of \$ 0.01 each | - | 222.97 | - |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 775 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Cipla Limited of ₹ 2 each | - | - | 465.87 |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : 91,000 | | | |
| CVS Health Corp of \$ 0.01 each | - | 281.06 | - |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 5,500 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Development Bank Limited of ₹ 10 each | - | 317.85 | 90.16 |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 186,695 | | | |
| No. of shares Apr 01, 2016 : 113,771 | | | |
| Dr. Lal Path Labs Limited of ₹ 10 each | 317.07 | - | - |
| No. of shares Mar 31, 2018 : 36,183 | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Facebook INC of \$ 0.01 each | 299.23 | - | - |
| No. of shares Mar 31, 2018 : 3,000 | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| Global X MSCI Greece ETF of \$ 0.01 each | 316.45 | - | - |
| No. of shares Mar 31, 2018 : 50,000 | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| GNA Axles Limited of ₹ 10 each | - | 89.19 | - |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 40,744 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|------------------------------|
| 11. CURRENT FINANCIAL ASSETS - INVESTMENTS | | | |
| Housing Development Finance Corp Limited of ₹ 2 each | 182.56 | 150.21 | - |
| No. of shares Mar 31, 2018 : 10,000 | | | |
| No. of shares Mar 31, 2017 : 10,000 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| HDFC Bank - ADR | 146.75 | 168.67 | - |
| No. of shares Mar 31, 2018 : 2,325 | | | |
| No. of shares Mar 31, 2017 : 3,500 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Indian Terrian Fashions Limited of ₹ 2 each | 336.45 | 195.31 | - |
| No. of shares Mar 31, 2018 : 192,588 | | | |
| No. of shares Mar 31, 2017 : 115,502 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Infosys Ltd - ADR | 236.37 | 901.54 | - |
| No. of shares Mar 31, 2018 : 20,500 | | | |
| No. of shares Mar 31, 2017 : 88,041 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Maruti Suzuki India Limited of ₹ 5 each | 93.44 | - | - |
| No. of shares Mar 31, 2018 : 1,005 | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Mindtree Limited of ₹ 10 each | - | 215.95 | 79.16 |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 47,676 | | | |
| No. of shares Apr 01, 2016 : 12,117 | | | |
| Nestle India Limited of ₹ 10 each | - | 207.23 | 236.17 |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 3,102 | | | |
| No. of shares Apr 01, 2016 : 4,102 | | | |
| Nike Inc of \$ 0.01 each | - | 254.24 | - |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 7,000 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Persistent Systems Limited of ₹ 10 each | 259.33 | 458.02 | 534.92 |
| No. of shares Mar 31, 2018 : 37,365 | | | |
| No. of shares Mar 31, 2017 : 76,888 | | | |
| No. of shares Apr 01, 2016 : 71,086 | | | |

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|------------------------------|
| 11. CURRENT FINANCIAL ASSETS - INVESTMENTS | | | |
| Prabhat Dairy Limited of ₹ 10 each | - | 99.73 | - |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 81,982 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Pricelince Group of \$ 0.01 each | 187.49 | - | - |
| No. of shares Mar 31, 2018 : 140 | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Repc Home Finance Limited of ₹ 10 each | - | 367.22 | - |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 52,329 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Shemaroo Entertainment Limited of ₹ 10 each | 126.40 | 151.66 | - |
| No. of shares Mar 31, 2018 : 24,690 | | | |
| No. of shares Mar 31, 2017 : 40,160 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| SPDR S N P Bank of \$ 0.01 each | 680.13 | - | - |
| No. of shares Mar 31, 2018 : 22,000 | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| SRG Housing Finance Limited of ₹ 10 each | 165.54 | - | - |
| No. of shares Mar 31, 2018 : 55,822 | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Sun Pharmaceuticals Industries Limited of ₹ 1 each | - | 563.86 | 546.12 |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 81,938 | | | |
| No. of shares Apr 01, 2016 : 66,600 | | | |
| Tata Consultancy Services Limited of ₹ 1 each | - | - | 462.47 |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : 18,350 | | | |
| Themis Medicare Limited of ₹ 10 each | - | 166.87 | - |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 27,238 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|------------------------------|
| 11. CURRENT FINANCIAL ASSETS - INVESTMENTS | | | |
| Torrent Pharmaceuticals Limited of ₹ 5 each | - | - | 203.39 |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : 15,175 | | | |
| V-Mart Retail Limited of ₹ 10 each | 291.99 | 227.65 | 536.44 |
| No. of shares Mar 31, 2018 : 15,370 | | | |
| No. of shares Mar 31, 2017 : 27,607 | | | |
| No. of shares Apr 01, 2016 : 114,100 | | | |
| Visa Inc & Co. of \$ 0.0001 each | 400.66 | 432.66 | - |
| No. of shares Mar 31, 2018 : 5000 | | | |
| No. of shares Mar 31, 2017 : 7500 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Well Fargo & Co. of \$ 1.67 each | - | 794.59 | - |
| No. of shares Mar 31, 2018 : Nil | | | |
| No. of shares Mar 31, 2017 : 21,800 | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| Whirlpool of India Limited of ₹ 10 each | 1.08 | - | - |
| No. of shares Mar 31, 2018 : 70 | | | |
| No. of shares Mar 31, 2017 : Nil | | | |
| No. of shares Apr 01, 2016 : Nil | | | |
| In Mutual Funds (Unquoted-Non Trade) (At fair value through OCI) | | | |
| HDFC Liquid Fund - Direct Plan - Daily Dividend | 150.40 | 760.82 | 75.38 |
| No. of units Mar 31, 2018 : 14,748.148 | | | |
| No. of units Mar 31, 2017 : 74,603.172 | | | |
| No. of units Apr 01, 2016 : 1,190.981 | | | |
| Total | 5,067.89 | 8,015.88 | 3,711.76 |
| Aggregate amount of unquoted investments | 150.40 | 760.82 | 75.38 |
| Aggregate amount of quoted investments - At Cost | 4,059.51 | 6,687.53 | 3,473.34 |
| Aggregate amount of quoted investments - At Market Value | 4,917.49 | 7,255.06 | 3,636.38 |
| 12. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLE | | | |
| (Unsecured, considered good unless otherwise stated) | | | |
| Considered Good | 35,435.46 | 21,410.60 | 26,288.47 |
| Less: Allowance as per expected credit loss model | 58.54 | 61.80 | 94.42 |
| | 35,376.92 | 21,348.80 | 26,194.05 |
| Doubtful | 65.18 | 95.93 | 66.31 |
| Less: Provision for doubtful receivable | 65.18 | 95.93 | 66.31 |
| | - | - | - |
| Total | 35,376.92 | 21,348.80 | 26,194.05 |
| Due from relative of directors | 0.19 | 0.08 | - |

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|------------------------------|
| 13. CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS | | | |
| Balances with Banks | 4,391.73 | 5,634.19 | 2,687.83 |
| Cash on hand | 47.59 | 50.83 | 49.31 |
| Deposits with original maturity of less than 3 months | 1,346.57 | 1,958.81 | 3,038.65 |
| Total | 5,785.89 | 7,643.83 | 5,775.79 |
| 14. CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS | | | |
| Unclaimed dividend account | 4.01 | 4.82 | 5.09 |
| Margin Money Deposit with banks against gold loan | 176.60 | 35.10 | 5.10 |
| Deposits with original maturity of more than 3 months but less than 12 months | 224.45 | 417.93 | 546.57 |
| Total | 405.06 | 457.85 | 556.76 |
| 15. CURRENT FINANCIAL ASSETS - LOANS | | | |
| Loan to Employees | 37.83 | 67.52 | 24.05 |
| Total | 37.83 | 67.52 | 24.05 |
| 16. CURRENT FINANCIAL ASSETS - OTHERS | | | |
| (Unsecured, considered good) | | | |
| Forward contract receivable (net) | 450.91 | 2,220.41 | 823.17 |
| Interest accrued on fixed deposits | 15.98 | 21.71 | 57.84 |
| Security deposit with supplier | 2,901.60 | 2,512.31 | - |
| Others | 290.71 | 195.01 | 195.01 |
| Total | 3,659.20 | 4,949.44 | 1,076.02 |
| 17. CURRENT TAX ASSETS (NET) | | | |
| Taxes Paid | 2,722.99 | 3,213.92 | 4,128.08 |
| Less: Provision for Tax | 2,527.41 | 3,031.57 | 3,809.97 |
| Total | 195.58 | 182.35 | 318.11 |
| 18. OTHERS CURRENT ASSETS | | | |
| (Unsecured considered good) | | | |
| Prepaid expenses and deferment | 389.36 | 454.97 | 324.44 |
| Advance recoverable in cash or in Kind | 308.25 | 319.00 | 362.59 |
| Balance with statutory/government authorities | 1,496.94 | 924.73 | 669.07 |
| Others | 1.49 | 1.87 | 2.88 |
| Total | 2,196.04 | 1,700.57 | 1,358.98 |

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|------------------------------|
| 19. EQUITY SHARES CAPITAL | | | |
| Authorized | | | |
| 27,000,000 (March 31, 2017 : 27,000,000, April 01, 2016 : 27,000,000) equity shares of ₹ 10/- each | 2,700.00 | 2,700.00 | 2,700.00 |
| Issued, subscribed and fully paid-up | | | |
| 18,879,440 (March 31, 2017 : 19,079,440, April 01, 2016 : 19,079,440) equity shares of ₹ 10/- each | 1,887.94 | 1,907.94 | 1,907.94 |
| RJL-Employee welfare Trust for Investment in Shares (Refer Note No. 51) | (19.64) | (64.64) | (64.64) |
| Total | 1,868.30 | 1,843.30 | 1,843.30 |

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

₹ in Lakhs

| Particulars | March 31, 2018 | | March 31, 2017 | | April 01, 2016 | |
|------------------------------|-------------------|-----------------|----------------------|-----------------|-------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| At the beginning of the year | 19,079,440 | 1,907.94 | 19,079,440 | 1,907.94 | 19,079,440 | 1,907.94 |
| Buyback during the year | (200,000) | (20.00) | - | - | - | - |
| Total | 18,879,440 | 1,887.94 | 19,079,440.00 | 1,907.94 | 19,079,440 | 1,907.94 |

b. Terms/rights attached to equity shares

The company has only one class of issued shares having par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share and carries identical right as to dividend. These shares are not subject to any restrictions.

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.

| Particulars | March 31, 2018 | | March 31, 2017 | | April 01, 2016 | |
|---|----------------|--------------|----------------|--------------|----------------|--------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Equity Shares of ₹ 10/- each fully paid up | | | | | | |
| Mr. Sumit N. Shah | 4,128,037 | 21.87 | 4,171,120 | 21.86 | 4,171,120 | 21.86 |
| Mr. Niranjana A. Shah | 2,910,677 | 15.42 | 2,861,900 | 15.00 | 2,861,900 | 15.00 |
| Mr. Hitesh M. Shah | 1,335,958 | 7.08 | 1,430,950 | 7.50 | 1,430,950 | 7.50 |
| Ms. Pinky D. Shah | 1,068,766 | 5.66 | 1,144,760 | 6.00 | 1,144,760 | 6.00 |
| Niranjana Family Private Trust | 2,580,112 | 13.67 | 2,607,040 | 13.66 | 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.

d. Buy back of equity shares

On May 30, 2017, the Board of Directors approved a buyback proposal for purchase by the Parent Company of up to 2 lakhs shares of ₹ 10 each from the shareholders of the Parent Company on a proportionate basis by way of a tender offer at a price of ₹ 250 per equity share for an aggregate amount not exceeding ₹ 500 lakhs in accordance with the provisions of the Companies Act, 2013 and the SEBI (Buy Back of Securities) Regulations, 1998. The Parent Company extinguished the equity shares bought on September 20, 2017. An amount of ₹ 500 Lakhs was utilised from General Reserve to off-set the buy-back offer including the Capital Redemption Reserve of ₹ 20 Lakhs created to the extent of Share Capital extinguished.

Consolidated Notes to the Financial Statements for the year ended March 31, 2018

| Particulars | Reserve and Surplus | | | | | | Items of Other Comprehensive Income (OCI) | | | | | | Other Component of Equity on shares issued under ESPS | Own Shares held by ESPS Trusts | Total Other equity attributable to Equity holders of the company |
|--|---------------------|----------------------------|-----------------|-------------------|-----------------------------------|--|---|---|--------------------------------|--|---|--------|---|--------------------------------|--|
| | Capital Reserve | Securities Premium Reserve | General Reserve | Retained Earnings | Capital Re-demption Reserve (CRR) | Effective portion of Cash Flow Hedge Reserve | Foreign Currency Translation Reserves | Re-measurement of Defined Benefit Plans | Equity Instruments through OCI | Mutual Fund Equity Instruments through OCI | Mutual Fund Debts Instruments through OCI | | | | |
| As at April 1, 2016 (A) | 380.00 | 7,129.54 | 754.00 | 35,629.23 | - | 537.23 | - | - | 134.82 | (1.39) | 0.65 | - | (258.54) | 44,305.53 | |
| Add / (Less): | | | | | | | | | | | | | | | |
| Profit for the year | - | - | - | 4,204.94 | - | - | - | - | - | - | - | - | - | 4,204.94 | |
| Fair value change of financial instruments through OCI (net of tax) | - | - | - | - | - | - | - | - | 498.82 | 7.77 | 1.11 | - | - | 507.70 | |
| Exchange differences on translation of foreign operations | - | - | - | - | - | - | (550.59) | - | - | - | - | - | - | (550.59) | |
| Fair Value of changes on derivatives designated as Cash flow reserves (net of tax) | - | - | - | - | - | 914.76 | - | - | - | - | - | - | - | 914.76 | |
| Re-measurement gains (losses) on defined benefit plans (net of tax) | - | - | - | - | - | - | - | 3.65 | - | - | - | - | - | 3.65 | |
| De-recognition of financial instruments (net of tax) | - | - | - | 292.46 | - | - | - | - | (292.46) | - | - | - | - | - | |
| Total adjustments (B) | - | - | - | 4,497.40 | - | 914.76 | (550.59) | 3.65 | 206.36 | 7.77 | 1.11 | - | (258.54) | 5,080.47 | |
| As at March 31, 2017(C) = (A) + (B) | 380.00 | 7,129.54 | 754.00 | 40,126.63 | - | 1,451.99 | (550.59) | 3.65 | 341.18 | 6.38 | 1.76 | - | (258.54) | 49,385.97 | |
| Add / (Less): | | | | | | | | | | | | | | | |
| Profit for the year | - | - | - | 6,305.65 | - | - | - | - | - | - | - | - | - | 6,305.65 | |
| Fair value change of financial instruments through OCI (net of tax) | - | - | - | - | - | - | - | - | 608.98 | 2.51 | - | - | - | 611.48 | |
| Fair Value of changes on derivatives designated as Cash flow reserves (net of tax) | - | - | - | - | - | (1,156.85) | - | - | - | - | - | - | - | (1,156.85) | |
| Re-measurement defined benefit plans (net of tax) | - | - | - | - | - | - | - | 1.14 | - | - | - | - | - | 1.14 | |
| Exchange differences on translation of foreign operations | - | - | - | - | - | - | (1,419.27) | - | - | - | - | - | - | (1,419.27) | |
| Shares issued by RuJ-Employee welfare trust | - | - | - | - | - | - | - | - | - | - | - | 559.01 | - | 559.01 | |
| Receipt from RuJ-Employee welfare trust | - | - | - | - | - | - | - | - | - | - | - | - | 180.00 | 180.00 | |

Consolidated Notes to the Financial Statements for the year ended March 31, 2018

| 20. OTHER EQUITY (Contd...) | | | | | | | | | | | | | | | |
|--|---------------------|----------------------------|-----------------|-------------------|---|--|---------------------------------------|---|--------------------------------|---|--------------------------------|--|--|---|----------|
| Particulars | Reserve and Surplus | | | | Items of Other Comprehensive Income (OCI) | | | | | Other Component of Equity on shares issued under ESPS | Own Shares held by ESPS Trusts | Total Other equity attributable to Equity holders of the company | | | |
| | Capital Reserve | Securities Premium Reserve | General Reserve | Retained Earnings | Capital Re-demption Reserve (CRR) | Effective portion of Cash Flow Hedge Reserve | Foreign Currency Translation Reserves | Re-measurement of Defined Benefit Plans | Equity Instruments through OCI | | | | Mutual Fund Equity Instruments through OCI | Mutual Fund Debts Instruments through OCI | |
| Transfer from General Reserve to CRR on Buyback of shares | - | - | (20.00) | - | 20.00 | - | - | - | - | - | - | - | - | - | - |
| Utilization towards Buyback of shares | - | - | (480.00) | - | - | - | - | - | - | - | - | - | - | - | (480.00) |
| De-recognition of financial instruments (net of tax) | - | - | - | (5.16) | - | - | - | - | 12.33 | (5.41) | (1.76) | - | - | - | - |
| Total adjustments (D) | - | - | (500.00) | 6,300.49 | 20.00 | (1,156.85) | (1,419.27) | 1.14 | 621.30 | (2.90) | (1.76) | 559.01 | 180.00 | 4,601.16 | |
| As at March 31, 2018 (Ind AS) (E) = (C) + (D) | 380.00 | 7,129.54 | 254.00 | 46,427.13 | 20.00 | 295.14 | (1,969.86) | 4.79 | 962.48 | 3.48 | - | 559.01 | (78.54) | 53,987.13 | |
| Nature and purpose of Reserves | | | | | | | | | | | | | | | |
| Capital Reserve | | | | | | | | | | | | | | | |
| It represents forfeiture of money received against equity shares warrants as conversion option not being exercised by warrant holders. | | | | | | | | | | | | | | | |
| Securities Premium Reserve | | | | | | | | | | | | | | | |
| The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. | | | | | | | | | | | | | | | |
| General Reserve | | | | | | | | | | | | | | | |
| General Reserve represents appropriation of retained earnings and are available for distribution to shareholders. | | | | | | | | | | | | | | | |
| Retained Earnings | | | | | | | | | | | | | | | |
| Retained Earnings represents surplus/accumulated earnings of the R.J.L Group and are available for distribution to shareholders. | | | | | | | | | | | | | | | |
| Capital Redemption Reserve (CRR) | | | | | | | | | | | | | | | |
| CRR represents amount equivalent to the face value of the equity shares bought back by the R.J.L Group which was transferred from general reserves. | | | | | | | | | | | | | | | |
| Foreign Currency Translation Reserves (FCTR) | | | | | | | | | | | | | | | |
| Exchange differences relating to the translation of the results and net assets of the R.J.L Group's foreign operations from their functional currencies to the R.J.L Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. | | | | | | | | | | | | | | | |

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|------------------------------|
| 21. NON CURRENT FINANCIAL LIABILITIES - BORROWINGS | | | |
| Secured Loans | | | |
| Vehicle Loan | 126.75 | 187.16 | 242.12 |
| Total | 126.75 | 187.16 | 242.12 |
| Renaissance Jewellery Limited | | | |
| Vehicle loan is secured by hypothecation of vehicle and same is repayable in thirty four equated monthly instalments inclusive of interest on reducing balance. | | | |
| 22. NON CURRENT LIABILITIES - PROVISIONS | | | |
| Provision for employee benefits | | | |
| Gratuity | 111.90 | 95.89 | 128.76 |
| Leave encashment | 73.24 | 57.26 | 60.64 |
| Total | 185.14 | 153.15 | 189.40 |
| 23. CURRENT FINANCIAL LIABILITIES - BORROWINGS | | | |
| Secured | | | |
| Working Capital Finance from banks denominated in * | | | |
| Foreign Currency | 32,759.34 | 32,712.05 | 22,464.76 |
| Indian Currency | - | 959.03 | 1,149.60 |
| Buyers Credit | - | - | 161.10 |
| Unsecured | | | |
| Loan from related parties repayable on demand | | | |
| from Directors (Interest Free) | 1,636.34 | 375.70 | 868.78 |
| Inter Corporate Deposit ** | 179.40 | 104.40 | 214.40 |
| Total | 34,575.08 | 34,151.18 | 24,858.64 |

* **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 equipment's, 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% and Indian currency Loans carries interest rate @ 9% to 10%.

* **Renaissance Jewelry N.Y Inc.,**

The working capital facility is secured by substantially all assets of the company and various guarantees. The bank is also the loss payee on the company's jeweller'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.

* **Verigold Jewellery DMCC**

Bank Borrowings is secured against assignment of Investment.

* **House Full International Limited**

Cash credit and 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 Ultimate Parent Company, corporate guarantees of Parent Company and Ultimate Parent Company and personal guarantees of some of the Directors and a relative of a Director. Foreign currency loans carries interest rate @ LIBOR plus 125 bps and Indian currency Loans carries interest rate @ lending bank's base rate plus 5.25%.

** Inter Corporate Deposit carries Interest Rate of 9% and repayable within six months or earlier at the option borrower company.

Consolidated Notes to the Financial Statements for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|------------------------------|
| 24. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE | | | |
| Payable to Micro, Small and Medium Enterprises | 0.53 | 25.26 | 0.55 |
| Payable to Others | 30,727.06 | 23,358.68 | 29,185.44 |
| Total | 30,727.59 | 23,383.94 | 29,185.99 |
| 25. CURRENT FINANCIAL LIABILITIES - OTHERS | | | |
| Current maturities of Long term debt | | | |
| Vehicle loan from bank (secured) * | 60.41 | 54.96 | 50.00 |
| Interest accrued but not due on gold loan | - | 2.12 | 2.18 |
| Salaries, wages and other payables | 1,100.46 | 720.11 | 1,594.23 |
| Unclaimed dividend | 4.01 | 4.82 | 5.09 |
| Payable for capital expenditure | - | 7.00 | 9.87 |
| Interest accrued on ICD (Related party) | 37.89 | 23.42 | 178.76 |
| Other Payables | 31.77 | 4.06 | 3.31 |
| Total | 1,234.54 | 816.49 | 1,843.44 |
| * Renaissance Jewellery Limited | | | |
| Vehicle loan is secured by hypothecation of vehicle and same is repayable in thirty four equated monthly instalments inclusive of interest on reducing balance. | | | |
| 26. OTHER CURRENT LIABILITIES | | | |
| Advance from customer | - | 155.13 | 20.34 |
| Statutory dues payable | 259.21 | 163.03 | 3.77 |
| Total | 259.21 | 318.16 | 24.11 |
| 27. CURRENT LIABILITIES - PROVISIONS | | | |
| Provision for employee benefits | | | |
| Gratuity | 132.34 | 170.56 | 172.51 |
| Leave encashment | 14.31 | 16.07 | 26.97 |
| Total | 146.65 | 186.63 | 199.48 |
| 28. CURRENT TAX LIABILITIES (NET) | | | |
| Provision for taxes | 865.24 | 2,642.31 | 927.32 |
| Less: Taxes paid | 862.86 | 2,585.88 | 923.02 |
| Total | 2.37 | 56.43 | 4.30 |

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| 28. CURRENT TAX LIABILITIES (NET) | | |
| A. The major components of income tax expense for the year are as under : | | |
| i. Tax expense recognized in the statement of profit and loss | | |
| Current Tax expense: | | |
| Current tax on profit for the year | 1,393.96 | 1,285.65 |
| Short/(Excess) Provision of tax relating to earlier years | 6.83 | 26.78 |
| MAT credit in respect of earlier years | (130.30) | - |
| Deferred tax expense: | | |
| Deferred Tax expenses | (181.97) | (163.40) |
| Total tax expense recognized in the statement of profit and loss | 1,088.52 | 1,149.04 |
| ii. Tax expense recognized in other comprehensive income | | |
| Items that will not be reclassified to profit and loss | | |
| Re-measurement of defined benefit plan | (0.49) | (1.01) |
| Fair valuation of equity instruments | (98.34) | (39.88) |
| Fair valuation of mutual fund | (0.54) | (1.63) |
| Items that will be reclassified to profit and loss | | |
| Fair valuation of cash flow hedge | 609.92 | (484.11) |
| Mutual fund debts instruments through OCI | - | (0.23) |
| Total Income tax recognized in other comprehensive income | 510.55 | (526.86) |
| B. Reconciliation of tax expense and the accounting profit for the year is under: | | |
| Accounting Profit before income tax expenses | 7,467.61 | 5,401.23 |
| Enacted tax rate in India (%) | 34.608% | 34.608% |
| Expected income tax expense | 2,584.39 | 1,869.26 |
| Tax effect of : | | |
| Expenses not deductible | 138.57 | 297.80 |
| Tax exempt income | (97.07) | (10.98) |
| Allowances and concessions | (453.01) | (516.74) |
| Accelerated capital allowances | 89.96 | 106.56 |
| Non Taxable Subsidiaries | (1,076.58) | (722.16) |
| Effect of differential tax rate under various jurisdiction | (107.97) | (59.27) |
| Loss in respect of which deferred tax assets not recognised | 226.39 | 0.17 |
| Others | (92.70) | 157.62 |
| Tax expenses recognised in statement of profit and loss | 1,211.99 | 1,122.26 |
| Adjustments recognised in current year in relation to the current tax (Including MAT credit entitlement) of earlier years | (123.47) | 26.78 |
| Income Tax Expenses | 1,088.52 | 1,149.04 |
| Effective tax rate (%) | 16.23% | 20.78% |

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| 29. REVENUE FROM OPERATIONS | | |
| Sale of products | | |
| Jewellery | 172,998.57 | 140,030.48 |
| Gems and Diamonds | 8,322.71 | 3,736.65 |
| Furniture and accessories | 1,044.27 | 3,513.26 |
| Service Income | | |
| Jewellery making charges | 10.92 | - |
| Other Operating revenues | | |
| Sale of Dust | 133.23 | 2.00 |
| Sale of Scrap | 0.38 | 1.35 |
| Sale of Services | 0.09 | 4.69 |
| Inventory lost / Loss Due to Robbery - Insurance Claimed | - | 56.45 |
| Total | 182,510.17 | 147,344.88 |
| 30. OTHER INCOME | | |
| Interest income on | | |
| Bank deposits | 56.32 | 83.22 |
| Others | 16.76 | 2.49 |
| Dividend income on current investment at FVTOCI | 79.44 | 79.10 |
| Unwinding of discount on Security Deposits | 0.63 | 75.90 |
| Rent Income | 22.52 | 16.24 |
| Reversal of expected credit loss | 3.25 | 32.63 |
| Profit on sale of assets | 71.64 | 6.00 |
| Miscellaneous income | 124.34 | 160.39 |
| Gain on foreign currency transactions and translations (net) | 3,016.28 | 1,340.82 |
| Total | 3,391.18 | 1,796.77 |
| 31. COST OF MATERIALS CONSUMED | | |
| Opening Stock | 7,097.00 | 6,496.79 |
| Add : Purchases made during the year | 147,594.58 | 106,236.14 |
| Add : Other direct cost | 280.01 | 492.89 |
| Less : Sale of raw materials | 1,690.23 | 1,823.09 |
| | 153,281.36 | 111,402.73 |
| Less : Inventory at the end of the year | 11,524.14 | 7,097.00 |
| Total cost of materials consumed | 141,757.22 | 104,305.73 |
| Details of materials consumed | | |
| Colour Stone | 1,415.61 | 1,874.45 |
| Diamond | 75,711.56 | 64,552.53 |
| Gold | 60,044.60 | 32,977.70 |
| Silver | 1,969.57 | 1,919.52 |
| Others | 2,615.88 | 2,981.53 |
| Total | 141,757.22 | 104,305.73 |

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| 31. COST OF MATERIALS CONSUMED | | |
| Details of inventory | | |
| Colour Stone | 731.73 | 667.50 |
| Diamond | 9,187.90 | 5,099.76 |
| Gold | 1,475.55 | 1,192.09 |
| Silver | 4.73 | 9.50 |
| Others | 124.23 | 128.15 |
| Total | 11,524.14 | 7,097.00 |
| 32. (INCREASE)/DECREASE IN STOCK | | |
| Inventories at the end of the year | | |
| Work-In-progress | 15,369.34 | 11,522.18 |
| Finished goods | 31,756.08 | 36,614.43 |
| Total | 47,125.42 | 48,136.61 |
| Inventories at the beginning of the year | | |
| Work-In-progress | 11,522.18 | 15,388.99 |
| Finished goods | 36,614.43 | 30,423.92 |
| Total | 48,136.61 | 45,812.91 |
| Total (Increase)/Decrease in Stock | 1,011.19 | (2,323.70) |
| 33. EMPLOYEE BENEFIT EXPENSES | | |
| Salaries, wages and bonus | 6,985.01 | 7,252.82 |
| Contribution to provident and other funds | 228.37 | 289.12 |
| Gratuity expense (Refer Note No. 37) | 102.85 | 77.32 |
| Leave salary | 74.08 | 28.41 |
| Staff welfare expenses | 391.88 | 384.12 |
| Employee compensation cost (Refer Note No. 50) | 604.01 | - |
| Total | 8,386.20 | 8,031.79 |
| 34. FINANCE COST | | |
| Interest expense | 1,448.73 | 1,321.30 |
| Total | 1,448.73 | 1,321.30 |
| 35. DEPRECIATION AND AMORTISATION | | |
| Depreciation of tangible assets | 1,067.92 | 1,227.39 |
| Amortization of intangible assets | 173.25 | 170.49 |
| Amortization of leasehold land | 3.63 | 5.48 |
| Total | 1,244.80 | 1,403.34 |

Consolidated Notes to the Financial Statements for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| 36. OTHER EXPENSES | | |
| Consumption of stores and spare parts | 1,479.96 | 1,219.34 |
| Power and fuel | 760.00 | 777.79 |
| Water charges | 67.39 | 61.82 |
| Advertisement/Sales promotion expenses | 39.07 | 491.66 |
| Jewellery making charges | 7,141.06 | 6,446.47 |
| Freight and forwarding charges | 428.49 | 503.40 |
| Rent | 758.68 | 1,145.37 |
| Rates and Taxes | 36.74 | 53.69 |
| Director Sitting fees | 13.74 | 11.83 |
| Insurance | 493.14 | 489.97 |
| Repairs and maintenance | | |
| Buildings | 20.09 | 18.60 |
| Machinery | 46.59 | 52.42 |
| Others | 238.66 | 236.19 |
| Payment to auditor | 107.40 | 128.64 |
| Impairment / Discard of assets on closure of retail segment of Home Retail Business (Refer Note No.53 (c)) | 92.50 | 701.72 |
| CSR Contribution / Expenditure (Refer Note No.52) | 75.00 | 82.90 |
| Donation | 26.07 | 8.94 |
| Miscellaneous expenses | 3,922.44 | 4,779.73 |
| Total | 15,747.02 | 17,210.48 |

37. EMPLOYEE BENEFITS

a. Defined Contribution Plan

Contribution to defined contribution plan, recognized as expense for the year are as under:

| | | |
|---|--------|--------|
| Employer's Contribution to Provident Fund and Family Pension Fund | 180.40 | 242.81 |
| Employer's Contribution to Employees' State Insurance Scheme | 47.97 | 46.31 |

b. Defined Benefit plan - Gratuity

The Parent Company and its Indian subsidiary House Full International Limited (HFIL) 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 and the funded status and amounts recognised in the balance sheet for the respective plans.

Consolidated Notes to the Financial Statements for the year ended March 31, 2018

| Particulars | Gratuity (Unfunded) HFIL | | Gratuity (Funded) Parent Company | |
|--|------------------------------|------------------------------|-------------------------------------|------------------------------|
| | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
| 37. EMPLOYEE BENEFITS | | | | |
| i) Changes in Present Value of Defined Benefit Obligation during the year | | | | |
| Opening Defined Benefit Obligation | 15.92 | 38.22 | 443.70 | 389.86 |
| Interest cost | 0.65 | 2.15 | 32.28 | 30.11 |
| Current service cost | 3.97 | 10.93 | 47.58 | 45.47 |
| Past service cost | - | - | 15.20 | - |
| Benefits paid from the fund | (12.34) | (18.72) | (58.01) | (39.85) |
| Actuarial (Gains)/Losses on Obligations | | | | |
| Due to Change in Financial Assumptions | (0.02) | 0.27 | (8.96) | 13.43 |
| Due to Experience | (2.02) | (16.93) | 8.70 | 4.68 |
| Closing defined benefit obligation | 6.16 | 15.92 | 480.49 | 443.70 |

| Particulars | Gratuity (Funded) | |
|---|------------------------------|------------------------------|
| | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
| ii) Changes in Fair Value of Plan Assets during the year | | |
| Opening fair value of planned assets | 214.25 | 155.02 |
| Interest Income | 15.60 | 11.97 |
| Contributions by employer | 76.00 | 81.00 |
| Benefits paid | (58.01) | (39.85) |
| Return on Plan Assets, Excluding Interest Income | (0.67) | 6.11 |
| Closing fair value of plan assets | 247.17 | 214.25 |

The Parent company and HFIL expects to contribute ₹ 127.58 Lakhs to gratuity in the next year (March 31, 2017 : ₹ 149.48 Lakhs).

| Particulars | Gratuity (Unfunded) | | Gratuity (Funded) | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
| iii) Net (asset)/liability recognized in the balance sheet | | | | |
| Present Value of Benefit Obligation at the end of the year | (6.16) | (15.92) | (480.49) | (443.70) |
| Fair Value of Plan Assets at the end of the year | - | - | 247.17 | 214.25 |
| Net (asset)/liability recognized in the Balance Sheet | (6.16) | (15.92) | (233.32) | (229.45) |
| Net liability – Current (Refer Note No. 27) | 2.76 | 6.41 | 124.82 | 143.07 |
| Net liability – Non Current (Refer Note No. 22) | 3.40 | 9.51 | 108.50 | 86.38 |

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | Gratuity (Unfunded) | | Gratuity (Funded) | |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
| 37. EMPLOYEE BENEFITS | | | | |
| iv) Expenses recognized in the statement of profit and loss for the year | | | | |
| Current service cost | 3.97 | 10.93 | 47.58 | 45.47 |
| Net Interest Cost | 0.65 | 2.15 | 16.68 | 18.14 |
| Past service cost | - | - | 15.20 | - |
| Expenses recognized | 4.62 | 13.09 | 79.46 | 63.61 |
| v) Recognized in other comprehensive income for the year | | | | |
| Actuarial (Gains)/Losses on Obligations | | | | |
| Due to Change in Financial Assumptions | (0.02) | 0.27 | (8.96) | 13.43 |
| Due to Experience | (2.02) | (16.93) | 8.70 | 4.68 |
| Return on Plan Assets, Excluding Interest Income | - | - | 0.67 | (6.11) |
| Net (Income)/Expense For the Period Recognized in OCI | (2.04) | (16.66) | 0.41 | 12.00 |
| | | | Gratuity (Funded) | |
| Particulars | | | March 31, 2018 | March 31, 2017 |
| vi) Actuarial assumptions | | | | |
| Expected Return on Plan Assets | | | 7.28% | 7.72% |
| Rate of Discounting | | | 7.28% | 7.72% |
| Rate of Salary Increase | | | 5.00% | 5.00% |
| Rate of Employee Turnover | | | 8.00% | 8.00% |
| | | | Gratuity (Unfunded) | |
| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
| vii) Maturity profile of defined benefit obligation | | | | |
| Within 1 year | 2.76 | - | 67.43 | 56.56 |
| 1-2 Year | 2.76 | - | 45.06 | 39.86 |
| 2-3 Year | 2.77 | - | 47.76 | 39.22 |
| 3-4 Year | 2.77 | - | 42.30 | 38.27 |
| 4-5 Year | 2.77 | - | 53.59 | 37.36 |
| Above 5 Years | 13.89 | - | 672.98 | 667.99 |
| viii) Sensitivity analysis for significant assumptions is as below | | | | |
| Projected Benefit Obligation on Current Assumptions | 6.16 | - | 480.49 | 443.70 |
| Delta Effect of +1% Change in Rate of Discounting | (6.03) | - | (29.43) | (29.38) |
| Delta Effect of -1% Change in Rate of Discounting | 6.29 | - | 33.66 | 33.84 |

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | Gratuity (Unfunded) | | Gratuity (Funded) | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
| 37. EMPLOYEE BENEFITS | | | | |
| Delta Effect of +1% Change in Rate of Salary Increase | 6.27 | - | 31.07 | 34.28 |
| Delta Effect of -1% Change in Rate of Salary Increase | (6.06) | - | (27.87) | (30.24) |
| Delta Effect of +1% Change in Rate of Employee Turnover | - | - | 7.68 | 0.59 |
| Delta Effect of -1% Change in Rate of Employee Turnover | - | - | (8.63) | (6.78) |

ix) Investment details

The Parent company made annual contribution to the PNB MetLife India Insurance Co. Ltd. of an amount advised by the PNB. The Parent company was not informed by PNB of the investments made or the break-down of the plan assets by investment type.

c. Renaissance Jewellery Bangladesh Pvt Ltd

Provision for gratuity has been made in the financial statement according to company's gratuity policy in the year from April 2016 to March 2017 for the staff completing one year of service from the date of joining. Gratuity is payable to the staff after completion of minimum five years continued service in the company. During the year Company has provided the unfunded gratuity liability of ₹ 31.40 Lakhs (PY ₹ 0.63 Lakhs) and outstanding balance as on March 31, 2018 Nil (PY ₹ 21.07 Lakhs)

d. Verigold Jewellery - DMCC

Provision is made for end-of-service gratuity payable to the staff amounting to ₹ 4.71 Lakhs as on March 31, 2018 (PY ₹ Nil), subject to the completion of a minimum service period, at the reporting date in accordance with the local labour laws and outstanding balance as on March 31, 2018 ₹ 4.76 Lakhs (PY ₹ Nil).

38. FAIR VALUE MEASUREMENT

A) The carrying value and Fair value of Financial assets and liabilities by categories are as follows :

| Particulars | Carrying value of the financial assets/liabilities | | | Fair value of the financial assets/liabilities | | |
|---|--|------------------------------|------------------------------|--|------------------------------|------------------------------|
| | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs |
| Financial Assets at amortized cost (non-current) | | | | | | |
| Deposits with original maturity for more than 12 months | 26.21 | 61.65 | 45.44 | 26.21 | 61.65 | 45.44 |
| Security Deposits | 364.20 | 411.07 | 657.72 | 364.20 | 411.07 | 657.72 |
| Others | 11.90 | 12.76 | 10.27 | 11.90 | 12.76 | 10.27 |
| Financial Assets at Fair value through OCI (non-current) | | | | | | |
| Investments in Mutual fund | 674.22 | 169.85 | 59.11 | 674.22 | 169.85 | 59.11 |
| Investments in equity shares | 759.20 | 520.00 | - | 759.20 | 520.00 | - |

Consolidated Notes to the Financial Statements for the year ended March 31, 2018

| Particulars | Carrying value of the financial assets/liabilities | | | Fair value of the financial assets/liabilities | | |
|---|--|------------------------------|------------------------------|--|--|------------------------------|
| | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs |
| 38. FAIR VALUE MEASUREMENT | | | | | | |
| Financial Assets at amortized cost (current) | | | | | | |
| Trade receivables | 35,376.92 | 21,348.80 | 26,194.05 | 35,376.92 | 21,348.80 | 26,194.05 |
| Cash and cash equivalents | 5,785.89 | 7,643.83 | 5,775.79 | 5,785.89 | 7,643.83 | 5,775.79 |
| Bank Balances other than Cash and cash equivalents | 405.06 | 457.85 | 556.76 | 405.06 | 457.85 | 556.76 |
| Loan to employees | 37.83 | 67.52 | 24.05 | 37.83 | 67.52 | 24.05 |
| Security deposit with supplier | 2,901.60 | 2,512.31 | - | 2,901.60 | 2,512.31 | - |
| Others | 306.69 | 216.72 | 252.85 | 306.69 | 216.72 | 252.85 |
| Financial Assets at Fair value through OCI (current) | | | | | | |
| Investments in equity shares | 4,917.49 | 7,255.06 | 3,636.38 | 4,917.49 | 7,255.06 | 3,636.38 |
| Investments in mutual fund | 150.40 | 760.82 | 75.38 | 150.40 | 760.82 | 75.38 |
| Forward contract receivable | 450.91 | 2,220.41 | 823.17 | 450.91 | 2,220.41 | 823.17 |
| Financial liabilities at amortized cost (non-current) | | | | | | |
| Borrowings | 126.75 | 187.16 | 242.12 | 126.75 | 187.16 | 242.12 |
| Financial liabilities at amortized cost (current) | | | | | | |
| Borrowings | 34,575.08 | 34,151.18 | 24,858.64 | 34,575.08 | 34,151.18 | 24,858.64 |
| Trade Payables | 30,727.59 | 23,383.94 | 29,185.99 | 30,727.59 | 23,383.94 | 29,185.99 |
| Other financial liabilities | 1,234.54 | 816.49 | 1,843.44 | 1,234.54 | 816.49 | 1,843.44 |
| B) Level wise disclosures of financial assets and liabilities by categories are as follows : | | | | | | |
| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs | Level | Valuation techniques and key inputs | |
| Financial Assets at Fair value through OCI (non-current) | | | | | | |
| Investments in Mutual fund | 674.22 | 169.85 | 59.11 | 1 | Quoted NAV in active markets. | |
| Investments in Equity Shares | 759.20 | 520.00 | - | 3 | Weighted average valuation method of discounted cash flow, precedent transaction and valuation multiple of public companies. | |
| Financial Assets at Fair value through OCI (current) | | | | | | |
| Investments in equity shares | 4,917.49 | 7,255.06 | 3,636.38 | 1 | Quoted closing price in active markets. | |
| Investments in mutual fund | 150.40 | 760.82 | 75.38 | 1 | Quoted NAV in active markets. | |

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs | Level | Valuation techniques and key inputs |
|-----------------------------------|------------------------------|------------------------------|------------------------------|-------|--|
| 38. FAIR VALUE MEASUREMENT | | | | | |
| Forward contract | 450.91 | 2,220.41 | 823.17 | 2 | Forward contracts are valued using readily available information from the banks. |

Fair value of cash and cash equivalents, short term loans, trade receivables, trade payables, other financial assets/liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2017.

During the reporting period ended March 31, 2018 and March 31, 2017, there were no transfers between level 1, level 2 and level 3 fair value measurements.

A one percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant input in its value.

Reconciliation of Level 3 fair values

The following table shows a reconciliation of the opening and closing balances for Level 3 fair values.

| Particulars | Investment in equity shares ₹ in Lakhs |
|---|---|
| Opening Balance (April 01, 2016) | - |
| Additions | 520.00 |
| Closing Balance (March 31, 2017) | 520.00 |
| Equity instruments through Other Comprehensive Income | 239.20 |
| Closing Balance (March 31, 2018) | 759.20 |

A one percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant input in its value.

39. FIRST-TIME ADOPTION OF IND AS

These are the RJL Group's first Consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the Consolidated Ind AS financial statements for the year ended March 31, 2018, the comparative information presented in these consolidated Ind AS financial statements for the year ended March 31, 2017 and in the preparation of an opening Consolidated Ind AS Balance Sheet at April 01, 2016 (the RJL Group's date of transition). In preparing its opening Ind AS Balance Sheet, the RJL Group has adjusted the amounts reported previously in financial statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the RJL Group's financial position, financial performance and cash flows is set out in the following tables and notes.

Ind AS 101 deals with First time adoption of Indian Accounting Standards which allows exemptions from the retrospective application and exemption from application of certain requirements of other Ind AS. On transition, the RJL Group has availed / adopted the following exemptions / exception as per Ind AS 101:

a) Property, Plant and Equipment and Intangible Assets

The RJL Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (April 01, 2016).

Consolidated Notes to the Financial Statements for the year ended March 31, 2018

b) Lease

Appendix C of Ind AS 17 requires an entity to assess whether a contract of arrangement contains a lease. This assessment should be carried out at the inception of the contract or arrangement. The RJL Group has used Ind AS 101 exemption and assessed all the arrangements based for embedded leases based on the conditions in place as at the date of transition.

c) Investment in equity shares and Mutual Fund

The RJL Group has designated its investment in equity shares and mutual fund held as at April 01, 2016 as Fair Value through Other Comprehensive Income based on facts and circumstances at the date of transition to Ind AS.

d) Business combination

The RJL group has elected not to apply Ind AS 103- Business Combinations, retrospectively to past business combinations that occurred before April 01, 2016. Consequent to use of this exemption from retrospective application:

The carrying amounts of assets and liabilities acquired pursuant to past business combinations and recognized in the financial statements prepared under Previous GAAP, are considered to be the deemed cost under Ind AS, on the date of acquisition. On the date of transition, measurement of such assets and liabilities is in accordance with respective Ind AS. Also, there is no change in classification of such assets and liabilities;

The RJL Group has not recognized assets and liabilities that neither were recognized in the financial statements prepared under Previous GAAP nor qualify for recognition under Ind AS in the Balance Sheet of the acquiree;

The RJL Group excluded from its opening Ind AS Balance sheet as at April 1, 2016, those assets and liabilities which were recognized in accordance with Previous GAAP but do not qualify for recognition as an asset or liability under Ind AS.

e) Derecognition of financial assets and financial liabilities

The RJL Group has elected to use the exemption for derecognition of financial assets and liabilities prospectively i.e. after April 01, 2016.

f) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess the classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the RJL Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

g) Hedge accounting

Hedge accounting can only be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria in Ind AS 109, at that date. Hedging relationships cannot be designated retrospectively, and the supporting documentation cannot be created retrospectively. As a result, only hedging relationships that satisfied the hedge accounting criteria as of April 01, 2016 are reflected as hedges in the RJL Group's results under Ind AS.

The RJL Group had designated various hedging relationships as cash flow hedges under the previous GAAP. On date of transition to Ind AS, the RJL Group had assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the RJL Group continues to apply hedge accounting on and after the date of transition to Ind AS.

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

Reconciliations of Consolidated Balance Sheet :

| Particulars | Notes | Balance Sheet as at April 01, 2016 ₹ in Lakhs | | | Balance Sheet as at March 31, 2017 ₹ in Lakhs | | |
|---|--------|--|---------------------------------|----------------------|--|---------------------------------|----------------------|
| | | Amount as per IGAAP | Effects of Transition to Ind AS | Amount as per Ind AS | Amount as per IGAAP | Effects of Transition to Ind AS | Amount as per Ind AS |
| ASSETS | | | | | | | |
| Non-current assets | | | | | | | |
| Property, Plant and Equipment | F | 5,386.54 | (52.71) | 5,333.83 | 5,544.99 | (47.24) | 5,497.75 |
| Capital work-in-progress | | 541.33 | - | 541.33 | 23.45 | - | 23.45 |
| Goodwill on consolidation | | 943.05 | - | 943.05 | 943.05 | - | 943.05 |
| Intangible assets | | 735.83 | - | 735.83 | 738.40 | - | 738.40 |
| Intangible assets under development | | 142.31 | - | 142.31 | - | - | - |
| Financial assets | | | | | | | |
| Investments | A | 60.00 | (0.89) | 59.11 | 682.13 | 7.72 | 689.85 |
| Loans | F | - | - | - | 243.39 | (243.39) | - |
| Other financial assets | F&G | 738.09 | (24.66) | 713.43 | 74.41 | 411.07 | 485.48 |
| Deferred Tax Assets | D | 385.22 | 1,594.60 | 1,979.82 | 376.53 | 1,240.28 | 1,616.81 |
| Other non-current assets | F&G | 1,839.92 | (1,632.27) | 207.65 | 4,417.83 | (4,303.48) | 114.35 |
| Current assets | | | | | | | |
| Inventories | | 53,024.43 | - | 53,024.43 | 55,872.38 | | 55,872.38 |
| Financial assets | | | | | | | |
| Investments | A | 3,548.72 | 163.04 | 3,711.76 | 7,648.35 | 367.53 | 8,015.88 |
| Trade receivables | C | 26,288.47 | (94.42) | 26,194.05 | 21,410.60 | (61.80) | 21,348.80 |
| Cash and cash equivalents | G | 6,331.64 | (555.85) | 5,775.79 | 8,100.72 | (456.89) | 7,643.83 |
| Bank balances other than above | G | - | 556.76 | 556.76 | - | 457.85 | 457.85 |
| Loans | G | - | 24.05 | 24.05 | - | 67.52 | 67.52 |
| Other financial assets | F&G | - | 1,076.02 | 1,076.02 | 2,243.99 | 2,705.45 | 4,949.44 |
| Current tax assets (Net) | G | - | 318.11 | 318.11 | - | 182.35 | 182.35 |
| Other current assets | G | 2,716.23 | (1,357.25) | 1,358.98 | 2,280.28 | (579.71) | 1,700.57 |
| Total Assets | | 102,681.80 | 14.51 | 102,696.31 | 110,600.50 | (252.74) | 110,347.76 |
| EQUITY AND LIABILITIES | | | | | | | |
| Equity | | | | | | | |
| Equity share capital | E | 1,907.94 | (64.64) | 1,843.30 | 1,907.94 | (64.64) | 1,843.30 |
| Other equity | A to H | 44,230.68 | 74.85 | 44,305.53 | 49,436.24 | (50.27) | 49,385.97 |
| Equity attributable to shareholders of the company | | | | | | | |
| Non Controlling Interest (net) | G | - | - | - | 59.61 | (194.26) | (134.65) |
| Total Equity | | | | | | | |
| Liabilities | | | | | | | |
| Non-current liabilities | | | | | | | |
| Financial liabilities | | | | | | | |

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

Reconciliations of Consolidated Balance Sheet :

| Particulars | Note | Balance Sheet as at April 01, 2016 ₹ in Lakhs | | | Balance Sheet as at March 31, 2017 ₹ in Lakhs | | |
|-------------------------------------|------|--|---------------------------------|----------------------|--|---------------------------------|----------------------|
| | | Amount as per IGAAP | Effects of Transition to Ind AS | Amount as per Ind AS | Amount as per IGAAP | Effects of Transition to Ind AS | Amount as per Ind AS |
| Borrowings | | 242.12 | - | 242.12 | 187.16 | - | 187.16 |
| Provisions | G | 189.40 | - | 189.40 | 150.55 | 2.60 | 153.15 |
| Current liabilities | | | | | | | |
| Financial liabilities | | | | | | | |
| Borrowings | | 24,858.64 | - | 24,858.64 | 34,151.18 | - | 34,151.18 |
| Trade payables | G | 29,189.30 | (3.31) | 29,185.99 | 23,390.29 | (6.35) | 23,383.94 |
| Other financial liabilities | G | 1,843.90 | (0.46) | 1,843.44 | 1,128.30 | (311.81) | 816.49 |
| Other current liabilities | G | 20.34 | 3.77 | 24.11 | - | 318.16 | 318.16 |
| Current Tax liabilities (Net) | G | 199.48 | - | 199.48 | 189.23 | (2.60) | 186.63 |
| Provisions | G | - | 4.30 | 4.30 | - | 56.43 | 56.43 |
| Total Equity and Liabilities | | 102,681.80 | 14.51 | 102,696.31 | 110,600.50 | (252.74) | 110,347.76 |

Reconciliation of total comprehensive income:

| Particulars | Note | Year ended March 31, 2017 ₹ in Lakhs | | |
|---|-------|--------------------------------------|---------------------------------|----------------------|
| | | Amount as per IGAAP | Effects of Transition to Ind AS | Amount as per Ind AS |
| Income: | | | | |
| Revenue from Operations | | 147,344.88 | | 147,344.88 |
| Other Income | A,C,F | 2,018.27 | (221.48) | 1,796.79 |
| Total Income | | 149,363.15 | (221.48) | 149,141.67 |
| Expenses: | | | | |
| Cost of materials consumed | | 104,305.73 | - | 104,305.73 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | | (2,323.70) | - | (2,323.70) |
| Cost of traded goods | | 13,791.48 | - | 13,791.48 |
| Employee benefits expense | B | 8,027.13 | 4.66 | 8,031.79 |
| Other expenses | F | 17,141.61 | 68.87 | 17,210.48 |
| Total expenses | | 140,942.25 | 73.53 | 141,015.78 |
| Earning Before Interest, Tax, Depreciation and Amortization (EBITDA) | | 8,420.90 | (295.01) | 8,125.89 |
| Finance costs | | 1,321.30 | - | 1,321.30 |
| Depreciation and amortisation | | 1,403.36 | - | 1,403.36 |
| Profit before tax | | 5,696.24 | (295.01) | 5,401.23 |

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

| Particulars | Note | Year ended March 31, 2017 ₹ in Lakhs | | |
|---|------|--------------------------------------|---------------------------------|----------------------|
| | | Amount as per IGAAP | Effects of Transition to Ind AS | Amount as per Ind AS |
| Reconciliation of total comprehensive income: | | | | |
| Tax expenses: | | | | |
| Current tax | G&H | 1,321.50 | (35.85) | 1,285.65 |
| Deferred tax | D | 6.33 | (169.73) | (163.40) |
| Earlier Year Tax | | 26.78 | - | 26.78 |
| Total Tax Expense | | 1,354.61 | (205.58) | 1,149.04 |
| Profit/(loss) after tax for the year | | 4,341.63 | (89.43) | 4,252.19 |
| Other Comprehensive Income | | | | |
| Items that will not be reclassified to profit and loss | | | | |
| Re-measurement on defined benefit plans | B | - | 4.66 | 4.66 |
| Equity instruments through other comprehensive income | A | - | 538.70 | 538.70 |
| Mutual Fund equity instruments through other comprehensive income | A | - | 9.40 | 9.40 |
| Income tax effect on above | D&G | - | (42.52) | (42.52) |
| Items that will be reclassified to profit and loss | | | | |
| Fair valuation of Cash Flow Reserves | | 1,455.45 | (56.58) | 1,398.87 |
| Mutual Fund debt instruments through other comprehensive income | A | | 1.34 | 1.34 |
| Exchange differences on translation of foreign operations | | (544.33) | (6.26) | (550.59) |
| Income tax effect on above | D&G | | (484.34) | (484.34) |
| Total Other comprehensive income | | 911.12 | (35.60) | 875.52 |
| Total Comprehensive Income for the year | | 5,252.75 | (125.03) | 5,127.71 |

Reconciliation of Total Equity:

| Particulars | Note | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs |
|---|------|------------------------------|------------------------------|
| Equity as per previous Indian GAAP | | 51,403.79 | 46,138.62 |
| Adjustments: | | | |
| Fair value changes of financial instruments - equity shares and mutual fund | A | 381.40 | 162.29 |
| Expected credit loss on trade receivables | C | (61.82) | (94.40) |
| Security Deposits (amortisation) | F | - | (7.20) |
| RJL-Employee welfare trust shares netting off | E | (242.48) | (242.48) |
| Re-classification - Non-controlling interest | G | (194.25) | - |
| Others | | (6.26) | 56.59 |
| Tax adjustment on the above items | D&G | (185.76) | 135.41 |
| Total adjustment to equity | | (309.17) | 10.21 |
| Total equity under Ind-AS | | 51,094.62 | 46,148.83 |

Consolidated Notes to the Financial Statements for the year ended March 31, 2018

A. Investment in Mutual Fund and Equity Shares:

Under the previous GAAP, investments in mutual funds and equity shares were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value and hence the RJL Group has opted to designate these investments at Fair Value through Other Comprehensive Income.

B. Defined Benefit Liabilities:

Under Ind AS, Remeasurement i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the Statement of Profit and Loss for the year. There is no impact on the total equity.

C. Trade receivables:

Under Indian GAAP, the RJL Group had recognised provision on trade receivables based on the expectation of the RJL Group. Under Ind AS, the RJL Group provides loss allowance on receivables based on the Expected Credit Loss (ECL) model which is measured following the "simplified approach" at an amount equal to the lifetime ECL at each reporting date.

D. Deferred tax:

Under previous GAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Under Ind AS, accounting of deferred taxes is done using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

E. RJL-Employee Welfare Trust For Investment In Shares:

The Parent company through employee welfare trust ("Trust"), offered Employee Stock Purchase Scheme (ESPS) and 720,000 numbers of equity shares were issued to the Trust in F.Y. 2008-2009 at fair value then for onward offering to the recommended employees. During the F.Y. from 2011-12 to 2015-16 the trust issued 73,624 equity shares to its employees under ESPS and in the F.Y. 2017-18, the trust further issued 4,50,000 shares to its employees. Presently the Trust holds 1,96,376 equity shares as on March 31, 2018. To the extent of the face value of the shares held by the Trust, the same has been reduced from the Paid up Share capital of the RJL Group and the balance has been reduced from Other Equity under a separate reserve. Accordingly, the income received from the Trust has been recognised directly under Other Equity of the RJL Group.

F. Others:

Other adjustments on account of transition to Ind AS include reclassification of Land lease classified as Operating Leases from Property, Plant and Equipment to Prepaid rentals, fair valuation of deposits and corresponding adjustments in revenue and expenses.

G. Reclassification:

Other adjustments on account of transition to Ind AS include reclassification of items of assets, liabilities and taxes to appropriate line items of Ind-AS balance sheet prescribed under Schedule III to the Companies Act, 2013.

H. Other comprehensive income:

Under Ind AS, all items of income and expense recognised in a period should be included in the Statement of Profit and Loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes fair valuation of investment in equity shares and mutual fund, remeasurements of defined benefit plans, effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under previous GAAP.

I. Statement of cash flows:

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

40. DEFERRED TAX

The major components of deferred tax liabilities and assets arising on account of timing differences are as follows:

| Particulars | As at March 31, 2018 | | | | |
|---|------------------------------------|--|--|--------------------------------------|------------------------------------|
| | As at March 31, 2017 ₹ in Lakhs | Recognized/ reversed through profit and loss | Recognized in other comprehensive income | MAT (Utilized) / availed (net) | As at March 31, 2018 ₹ in Lakhs |
| Tax effect of item constituting deferred tax liabilities | | | | | |
| Fair valuation of financial instruments | 33.94 | - | 97.17 | - | 131.11 |
| Fair Valuation of Forward Contracts | 768.44 | - | (609.92) | - | 158.52 |
| Total | 802.38 | - | (512.75) | - | 289.63 |
| Tax effect of item constituting deferred tax assets | | | | | |
| Property plant and equipment | 126.51 | 60.99 | - | - | 187.50 |
| Employee benefits | 75.89 | 2.27 | (0.65) | - | 77.51 |
| Provision for Expected Credit Loss | 35.32 | (1.32) | - | - | 34.00 |
| MAT credit entitlement | 1,426.05 | - | - | (39.70) | 1,386.35 |
| Others | 755.42 | 120.03 | - | - | 875.45 |
| Total | 2,419.19 | 181.97 | (0.65) | (39.70) | 2,560.81 |
| Net deferred tax liability/ (asset) | (1,616.81) | (181.97) | (512.08) | 39.70 | (2,271.18) |

| Particulars | As at March 31, 2017 | | | | |
|---|----------------------|--|--|--------------------------------------|----------------------|
| | As at April 01, 2016 | Recognized/ reversed through profit and loss | Recognized in other comprehensive income | MAT (Utilized) / availed (net) | As at March 31, 2017 |
| Tax effect of item constituting deferred tax liabilities | | | | | |
| Fair valuation of financial instruments | 27.51 | - | 6.43 | - | 33.94 |
| Fair Valuation of Forward Contracts | 284.33 | - | 484.11 | - | 768.44 |
| Total | 311.84 | - | 490.54 | - | 802.38 |
| Tax effect of item constituting deferred tax assets | | | | | |
| Property plant and equipment | 32.25 | 94.26 | - | - | 126.51 |
| Employee benefits | 71.15 | 3.73 | 1.01 | - | 75.89 |
| Provision for Expected Credit Loss | 58.10 | (22.77) | - | - | 35.32 |
| MAT credit entitlement | 1,459.05 | - | - | (33.00) | 1,426.05 |
| Others | 671.11 | 88.18 | (3.87) | - | 755.42 |
| Total | 2,291.66 | 163.40 | (2.86) | (33.00) | 2,419.19 |
| Net deferred tax liability/ (asset) | (1,979.82) | (163.40) | 493.40 | 33.00 | (1,616.81) |

Consolidated Notes to the Financial Statements for the year ended March 31, 2018

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management framework

Parent Company's board of directors has overall responsibility for establishment of RJL Group risk management framework. Management is responsible for developing and monitoring RJL Group's risk management policies, under the guidance of Audit Committee. Management identifies, evaluates and analyses the risks to which RJL Group is exposed to and set appropriate risk limits and controls to monitor risks and adherence to limits.

Management periodically reviews its risk policy and systems to assess need for changes in the policies to adapt to the changes in market conditions and align the same to the business of the RJL Group. Management through its interaction and training to concerned employees aims to maintain a disciplined and constructive control environment in which concerned employees understand their roles and obligations. The Audit committee oversees how management monitors compliance with RJL Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks to which RJL Group is exposed. The Audit committee is assisted in its role by the internal auditor wherever required. Internal auditor undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee.

The RJL Group has exposure to following risks arising from financial instruments:

- a) Credit risk
- b) Liquidity risk
- c) Market risk

a) Credit risk:

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. RJL Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions, foreign exchange transactions and other financial instruments.

The RJL Group has adopted a policy of only dealing with counterparties that have sufficiently high credit standards and financial strength. The RJL Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the several counterparties.

Credit risk arising from derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the reputed credit rating agencies.

As regards, credit risk for investment in equity shares, the RJL Group limits its exposure to credit risk by investing mainly in scrips which are of high credibility. RJL Group monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, RJL Group adjusts its exposure to various counterparties from time to time.

As regards, credit risk for investment in mutual funds, the RJL Group limits its exposure to credit risk by investing mainly in debt securities issued by mutual funds which are of high credit ranking from rating agency like CRISIL or the equivalent rating agency. RJL Group monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, RJL Group adjusts its exposure to various counterparties from time to time.

Credit risk from Trade receivables is managed by the RJL Group's established policy, procedures and control relating to customer credit risk management. Trade receivables are mainly from reputed debtors and are non-interest bearing. Trade receivables generally ranges from 30 - days to 180- days credit term. Credit limits are established for all customers based on internal criteria and any deviation in credit limit requires approval of Head of the department and / or Directors depending upon the quantum and overall business risk. Majority of the customers have been doing business with the RJL Group for more than 3 years and they are being monitored by individual business managers who deals with those customers. Management monitors trade receivables on regular basis and takes suitable action where needed to control the receivables crossing set criteria / limits.

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

Management does an impairment analysis at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Further, the RJL Group's customers base is widely distributed both economically as well as geographically and in view of the same, the quantum risk also gets spread across wide base and hence management considers risk with respect to trade receivable as low.

For trade receivables, as a practical expedient, the RJL Group computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Expected credit loss for trade receivables under simplified approach as at the end of each reporting period is as follows:

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|------------------------------|
| Gross carrying amount | 35,435.46 | 21,410.60 | 26,288.47 |
| Less : Expected credit loss at simplified approach | 58.54 | 61.80 | 94.42 |
| Carrying amount of trade receivables (net of ECL) | 35,376.92 | 21,348.80 | 26,194.05 |

b) Liquidity risk:

Liquidity risk is the risk that RJL Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. RJL Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. RJL Group closely monitors its liquidity position and deploys a robust cash management system.

The RJL Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The RJL Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The RJL Group also has adequate credit facilities agreed with banks to ensure that there is sufficient cash or cash equivalent available to meet all its normal operating commitments in a timely and cost-effective manner. Working capital requirements are adequately addressed by internally generated funds and through working capital loans available from various banks. Trade receivables are kept within manageable levels. RJL Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next three to six months.

c) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks;

- i) Interest rate risk
- ii) Currency risk and;
- iii) Equity price risk

Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i) Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the RJL Group's cash flows as well as costs. The RJL Group is subject to variable interest rates on some of its interest bearing liabilities. The RJL Group's interest rate exposure is mainly related to debt obligations. The RJL Group has not used any interest rate derivatives.

Consolidated Notes to the Financial Statements

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“Based on the composition of debt as at March 31, 2018 and March 31, 2017 a 100 basis points increase in interest rates would increase the RJL Group’s finance costs and thereby consequently reduce net profit before tax by approximately ₹ 343.48 Lakhs for the year ended March 31, 2018 (2016-17: ₹ 381.07 Lakhs).”

ii) Foreign Currency risk

The RJL Group’s foreign exchange risk arises from its foreign operations, foreign currency revenues, foreign currency expenses and foreign currency borrowings. Primarily, the exposure in foreign currencies are denominated in USD. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the RJL Group’s revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and USD have changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the RJL Group uses foreign exchange forward contracts and foreign currency financial liabilities, to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

Details of Hedged exposure in foreign currency denominated monetary items

The RJL Group enters into forward exchange contracts to hedge against its foreign currency exposure relating to the underlying transactions and based on past performance. The RJL Group does not enter into any derivative instruments for trading or speculative purpose.

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

| Currency | March 31, 2018 | | March 31, 2017 | | April 01, 2016 | |
|----------------|----------------|------------|----------------|------------|----------------|------------|
| | FC In Lakhs | ₹ In Lakhs | FC In Lakhs | ₹ In Lakhs | FC In Lakhs | ₹ In Lakhs |
| Payable | | | | | | |
| USD | 32.00 | 2,085.76 | - | - | 15.00 | 994.65 |

Details of Unhedged exposure in foreign currency denominated monetary items:

| Currency | March 31, 18 | | March 31, 17 | | April 01, 16 | |
|-------------------------------------|--------------|------------|--------------|------------|--------------|------------|
| | FC In Lakhs | ₹ In Lakhs | FC In Lakhs | ₹ In Lakhs | FC In Lakhs | ₹ In Lakhs |
| Receivable | | | | | | |
| USD | 468.04 | 30,506.82 | 486.12 | 31,505.18 | 494.64 | 32,799.54 |
| Secured Loans | | | | | | |
| USD | 270.39 | 17,624.08 | 300.13 | 19,451.22 | 225.64 | 14,962.37 |
| Payable | | | | | | |
| USD | 231.43 | 15,084.90 | 113.94 | 7,383.20 | 229.29 | 15,204.16 |
| EURO | 0.77 | 61.87 | 0.50 | 34.80 | 0.20 | 15.32 |
| GBP | 0.04 | 3.35 | - | - | - | - |
| CHF | - | - | - | - | 0.12 | 8.32 |
| HKD | 0.01 | 0.06 | - | - | - | 0.01 |
| Balance with Banks | | | | | | |
| USD | 0.44 | 28.72 | 25.08 | 1,625.63 | 7.76 | 514.79 |
| Cash in Hand (Prepaid Cards) | | | | | | |
| USD | - | - | 0.18 | 11.37 | - | - |
| Advance to Supplier | | | | | | |
| USD | - | - | - | - | 0.12 | 7.66 |

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

The RJL Group is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 1% increase or decrease in the USD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the RJL Group as at the reporting date. 1% represents management's assessment of reasonably possible change in foreign exchange rate.

| Particulars | Currency | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | April 01, 2016 ₹ in Lakhs |
|------------------------|----------|------------------------------|------------------------------|------------------------------|
| 1% Depreciation in INR | USD | (0.53) | 63.45 | 35.48 |
| 1% Appreciation in INR | USD | 0.53 | (63.45) | (35.48) |

Cash Flow Hedged Accounting:

The Parent Company designates its derivative contracts that hedge foreign exchange risk associated with its highly probable forecasted transactions as cash flow hedges and measures them at fair value. The effective portion of such cash flow hedges is recorded as in other comprehensive income, and re-classified in the income statement as revenue in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such cash flow hedges is immediately recorded in the statement of profit and loss.

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

| Currency | March 31, 2018 | | March 31, 2017 | | April 01, 2016 | |
|------------------------------|----------------|------------|----------------|------------|----------------|------------|
| | FC In Lakhs | ₹ In Lakhs | FC In Lakhs | ₹ In Lakhs | FC In Lakhs | ₹ In Lakhs |
| Forward contract to sell USD | 592.11 | 38,593.73 | 555.84 | 36,904.37 | 584.13 | 38,733.45 |

iii. Equity Price risk

Equity price risk is related to change in market reference price of investments in equity securities and equity linked mutual funds held by the RJL Group. The fair value of quoted investments held by the RJL Group exposes the RJL Group to equity price risks. In general, these investments are not held for trading purposes.

Sensitivity

The sensitivity to profit or loss in case of an increase in price of the instrument by 5% keeping all other variables constant would have resulted in an impact on profits by ₹ 325.07 Lakhs (March 31, 2017 ₹ 435.29 Lakhs).

42. CAPITAL MANAGEMENT

For the purpose of the RJL Group's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity holders of the RJL Group. The primary objective of the RJL Group's capital management is to safeguard the RJL Group's ability to remain as a going concern and to maintain and optimal capital structure so as to maximise shareholder's value.

The RJL Group manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plan. To maintain or adjust the capital structure, the RJL Group may adjust the dividend payment to shareholders, return capital to shareholders or buy back of shares. The current capital structure of the RJL Group is equity based with low financing through borrowings. The RJL Group is not subject to any externally imposed capital requirement.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

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43. SEGMENT INFORMATION

Business Segments:

In accordance with the principles given in Ind-AS 108 notified by Companies (Indian Accounting Standards) Rules 2015, the RJL Group has determined its primary business segment as “Manufacturing and sale of Jewellery” and “Furniture and accessories”.

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| Segment Revenue | | |
| Jewellery | 181,465.43 | 143,825.58 |
| Furniture and accessories | 1,044.74 | 3,519.30 |
| | 182,510.17 | 147,344.88 |
| Segment Result | | |
| (Profit before Tax, Interest and extraordinary item from each segment) | | |
| Jewellery | 8,970.60 | 7,568.27 |
| Furniture and accessories | (127.33) | (928.96) |
| | 8,843.27 | 6,639.31 |
| Add : Interest Income | 73.07 | 83.22 |
| Less : Finance Costs | 1,448.73 | 1,321.30 |
| Total Profit before Tax and extraordinary activities | 7,467.61 | 5,401.23 |
| Other segment information | | |
| Segment assets | | |
| Jewellery | 120,307.92 | 106,824.78 |
| Furniture and accessories | 2,727.06 | 3,522.98 |
| Segment liabilities | | |
| Jewellery | 66,576.79 | 57,726.42 |
| Furniture and accessories | 680.55 | 1,526.71 |
| Capital Expenditure | | |
| Additions to tangible & intangible fixed assets (Including CWIP & advance) | | |
| Jewellery | 1,192.24 | 1,699.20 |
| Furniture and accessories | - | 169.57 |
| Depreciation and Amortisation | | |
| Jewellery | 1,142.90 | 1,187.13 |
| Furniture and accessories | 101.90 | 216.23 |

Geographical Segments :

The RJL Group'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.

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for the year ended March 31, 2018

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| 43. SEGMENT INFORMATION | | |
| Revenue | | |
| Sales to external customers | | |
| India | 68,225.33 | 34,021.42 |
| Outside India | 114,284.84 | 113,323.46 |
| Total | 182,510.17 | 147,344.888 |
| Other segment information | | |
| Carrying amount of segment assets | | |
| India | 81,442.59 | 74,015.94 |
| Outside India | 41,592.39 | 36,331.81 |
| Capital Expenditure: | | |
| Additions to tangible and intangible fixed assets (Incl. CWIP and advance) | | |
| India | 997.93 | 967.48 |
| Outside India | 194.31 | 901.29 |

Information about major customers

No single customer has accounted for more than 10% of the RJL Group revenue for the year ended March 31, 2018 and March 31, 2017.

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.

44. RELATED PARTY DISCLOSURES AS REQUIRED UNDER IND-AS 24, "RELATED PARTY DISCLOSURES", ARE GIVEN BELOW:

a. Associate concerns / companies / Trust under control of key management personnel and relatives with whom transactions have taken place during the year.

- Anived Portfolio Managers Private Limited
- Renaissance Jewellery Limited - Employee Group Gratuity Trust
- Renaissance Foundation

b. Key Management Personnel (KMP) and relative

- Mr. Niranjana A. Shah
- Mr. Sumit N. Shah
- Mr. Hitesh M. Shah
- Mr. Neville R. Tata
- Mrs. Leshna S. Shah
- Mr. Amit C. Shah
- Mr. Bhupen C. Shah
- Mr. Dhruv Desai
- Mr. Pratik Shah
- Mr. Nilesh Jadhvani

Consolidated Notes to the Financial Statements for the year ended March 31, 2018

c. 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:

Associate Concern/Trusts :

| Name of Related Party | Nature of Transaction/Balances | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|--|--------------------------------|------------------------------|------------------------------|
| 1. Renaissance Foundation | CSR Contribution | 20.00 | 20.00 |
| 2. Anived Portfolio Manager Pvt Ltd | ICD Repaid | - | (220.00) |
| | ICD Received | 75.00 | 110.00 |
| | Interest expenses | 14.46 | 15.99 |
| | ICD Payable | 217.29 | 127.82 |
| | Exp. Reimbursement | 13.14 | 4.60 |
| | Receivable | 1.13 | 0.97 |
| 3. RJL - Employee Group Gratuity Trust | Contribution Repaid | (3.89) | (5.40) |
| | Contribution Payable | 233.32 | 229.44 |

Key Management Personnel and relatives :

| | | | |
|-------------------------|----------------------|----------|------------|
| 1. Mr. Niranjan A. Shah | Loan Received | 3,101.00 | 1,173.77 |
| | Loan Re-payment | 2,338.17 | (1,473.50) |
| | Loan Payable | 791.22 | 167.37 |
| | Remuneration* | 24.50 | 18.50 |
| | Remuneration payable | 2.13 | 1.08 |
| 2. Mr. Sumit N. Shah | Loan Received | - | 843.00 |
| | Loan Re-payment | - | (1,079.35) |
| | Loan Payable | 2.45 | 12.76 |
| | Remuneration* | 322.40 | 167.75 |
| 3. Mr. Hitesh M. Shah | Loan Received | 440.00 | 20.00 |
| | Loan Re-payment | 400.03 | (15.00) |
| | Loan Payable | 65.36 | 25.38 |
| | Remuneration* | 36.79 | 36.79 |
| | Remuneration payable | 2.02 | 2.13 |
| 4. Mr. Neville R. Tata | Remuneration* | 98.32 | 72.55 |
| | Remuneration payable | 1.14 | 5.24 |
| 5. Ms. Leshna S. Shah | Sales of goods | 1.65 | 4.88 |
| | Receivable | 0.19 | 0.08 |
| 6. Mr. Amit C. Shah | Loan Re-payment | 5.00 | (2.00) |
| | Loan Payable | 17.54 | 22.54 |
| 7. Mr. Bhupen C. Shah | Loan Received | - | 183.00 |
| | Loan Re-payment | - | (143.00) |
| | Loan Payable | 147.64 | 147.64 |
| 8. Mr. Dhruv Desai | Remuneration | 63.56 | 83.77 |
| 9. Mr. Pratik Shah | Remuneration | 69.56 | 23.39 |
| 10. Mr. Nilesh Jadhvani | Remuneration | 68.85 | 9.24 |

* Excludes provision for gratuity liabilities for KMP and relative of KPM, as these liabilities are provided on overall company basis and as not identified separately in actuarial valuation.

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

45. LEASES

Operating Lease: company as lessee

The RJL Group 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 :

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| Charged to statement of profit and loss | 559.21 | 917.76 |
| Future minimum rentals payable under non-cancellable operating leases are as follows: | | |
| Within one year | 519.00 | 257.06 |
| after one year but not more than five years | 1,523.17 | 753.21 |
| More than five years | 105.23 | 183.99 |

46. EARNINGS PER SHARE (EPS)

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

| | | |
|---|----------------------|----------------------|
| Profit after tax | 6,305.65 | 4,204.94 |
| Net profit for calculation of basic and diluted EPS | 6,305.65 | 4,204.94 |
| | | |
| | No. of Shares | No. of Shares |
| Weighted average number of equity shares in calculating basic EPS | 18,480,324 | 18,433,000 |
| Basic and diluted Earnings per share | 34.12 | 22.81 |

47. Capital and other commitments

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 34.12 | 231.86 |

48. CONTINGENT LIABILITIES

Claims against the RJL Group not acknowledged as debts:

| | | |
|---|-----------|-----------|
| a. Karnataka \ Maharashtra VAT demand disputed in appeals (Refer Note No.1) | 251.24 | 251.24 |
| b. Penalty levied by the Custom Authorities | 3.11 | 3.11 |
| c. Income Tax demand disputed in appeal : | | |
| Disputed by the Company | 2.15 | 27.51 |
| Disputed by the Department | 195.18 | 176.19 |
| d. Service tax on the rental of immovable property (Refer Note No. 2) | 184.13 | 184.13 |
| e. Disputed demand by Custom Authorities (Refer Note No. 3) | 21,322.24 | 21,322.24 |
| f. Bank Guarantees | 15.99 | 15.99 |
| g. Guarantees given to banks against credit facilities | - | 1,700.00 |
| h. Excise demand disputed in appeal | 20.26 | - |
| i. Legal case filed by employee | 16.70 | - |

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

Note No. 1 Karnataka \ Maharashtra VAT demand disputed in appeals

Against the VAT demand, the Indian subsidiary Company (HFIL) has pre-deposit of ₹ 23.68 Lakhs and has given bank guarantee of ₹ 55.25 Lakhs.

Consolidated Notes to the Financial Statements

for the year ended March 31, 2018

Note No. 2 Service tax on the rental of immovable property

In September 2008, the Indian subsidiary Company (HFIL) 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 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 ₹ 184.13 Lakhs for the period prior October 01, 2011 as a contingent liability.

Note No. 3 Disputed demand by Custom Authorities

The parent company has received a demand of Customs Duty along with the penalty amounting to ₹16,754.90 Lakhs 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 Lakhs along with penalty amounting of ₹ 2,283.67 Lakhs on the said Customs Duty. Considering the issue is currently sub judice ad under litigation in the Bombay High Court, the RJL Group management has disclosed the demand of ₹ 21,322.24 Lakhs as a contingent liabilities.

49. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT 2006 *

| Particulars | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| 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 | 0.53 | 25.26 |
| Interest due on above | - | 5.34 |
| 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 RJL Group 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.

Consolidated Notes to the Financial Statements for the year ended March 31, 2018

50. EMPLOYEE STOCK PURCHASE SCHEME (“ESPS 2008”) - PARENT COMPANY

As directed by the Compensation Committee and in terms of the Employee Stock Purchase Scheme, 2017 (ESPS 2017), the ESPS Trust has allotted 450,000 Equity Shares (Nominal Value ₹ 10) at ₹ 40/- per share, which was allotted to the ESPS Trust at ₹ 50/-. The difference between the fair value on allotment date / exercise date amounting to ₹ 604.01 Lakhs is recognised as Employee Compensation Cost under the head “Employee Benefits Expense” and corresponding effect has been given in Other Equity net off the allotment price and the price at which the same was allotted to the ESPS Trust.

51. RJL-EMPLOYEE WELFARE TRUST FOR INVESTMENT IN SHARES

The Parent company through employee welfare trust (“Trust”), offered Employee Stock Purchase Scheme (ESPS) and 720,000 numbers of equity shares were issued to the Trust in F.Y. 2008-2009 at fair value then for onward offering to the recommended employees. During the F.Y. from 2011-12 to 2015-16 the trust issued 73,624 equity shares to its employees under ESPS and in the F.Y. 2017-18, the trust further issued 4,50,000 shares to its employees. Presently the Trust holds 1,96,376 equity shares as on March 31, 2018. To the extent of the face value of the shares held by the Trust, the same has been reduced from the Paid up Share capital of the RJL Group and the balance has been reduced from Other Equity under a separate reserve. Accordingly, the income received from the Trust has been recognised directly under Other Equity of the RJL Group.

52. CSR EXPENDITURE

Gross amount required to be spent during the year ₹ 77.00 Lakhs (March 31, 2017 : ₹ 72.79 Lakhs) as detailed hereunder:

| Nature of Activity | March 31, 2018 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| Medical, health care and social welfare | 31.50 | 21.80 |
| Education | 18.00 | 23.40 |
| Humanitarian | 17.50 | 27.70 |
| Enviornmental/Animal Welfare/Cultural/Religious | 8.00 | 10.00 |
| Total | 75.00 | 82.90 |

The unspent CSR amount of ₹ 2 Lakh had received approval of CSR Committee and the Board during the FY 2017-18 but was actually spent in the month of April 2018.

53. HOUSEFULL INTERNATIONAL LIMITED (HFIL) - INDIRECT SUBSIDIARY COMPANY

- HFIL, 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 Indian Accounting Standard that the sale is complete when goods are appropriated and identified upon payment.
- Trade receivable includes ₹ 99.50 Lakhs, where the Company has initiated the process of filing the recovery suites on its Customers. The Management of the Company is very much hopeful of recovering the entire dues from its Customer. In view of the same, no provision against the same has been made.
- Impairment / Discard of assets on closure of Retail Segment of Home Retail Business.**

The Company had discontinued its sale through physical retail outlets subsequent to its decision to carry on business only through E-commerce. As a consequence of this strategic decision, The Company has written off ₹ 92.50 Lakhs (March 31, 2017 : ₹ 701.72 Lakhs) being assets impaired (net of recovery)/discarded during the year.

Consolidated Notes to the Financial Statements for the year ended March 31, 2018

54. ASSETS HELD FOR SALE - RENAISSANCE JEWELLERY BANGLADESH PRIVATE LIMITED (RJBPL)

The RJL Group, in principle, having regard to the prevalent condition, has decided to exit out of its operation in Bangladesh (Wholly owned Subsidiary) and is pursuing appropriate steps in this direction either through divestment of its stake in RJBPL or sale of the entire operation as slump sale. In the opinion of the management, the RJL Group expects to realise to the extent of carrying amount of net assets of RJBPL.

55. In the meeting of shareholders of Renaissance Jewellery Limited (the Transferee Company) and Housefull International Limited and N. Kumar Diamond Exports Limited (both the Transferor Company) held on February 27, 2018 as directed by the National Company Law Tribunal (NCLT) vide Order dated January 19, 2018, the shareholders of the respective companies have approved the Scheme of Amalgamation (the Scheme). The necessary proceeding documents have been filed with NCLT as required by the Companies Act, 2013 on March 21, 2018. However, the final approval of NCLT is awaited. The effect of the Scheme on the financial statements will be reflected in the period in which the requisite approval is received and the Scheme is effective.

56. "DISCLOSURES AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT 2013 WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS"

| Name of the Entity | Net Assets i.e. Total assets minus Total liabilities | | Share in Profit or Loss | | Share in Other comprehensive income | | Share in Total comprehensive income | |
|---|--|------------------|-------------------------------------|-----------------|---|-------------------|---------------------------------------|-----------------|
| | As % of consolidated Net Assets | Amount | As % of consolidated Profit/ (Loss) | Amount | " As % of consolidated Other comprehensive income " | Amount | "As % of consolidated profit or loss" | Amount |
| Parent: | | | | | | | | |
| Renaissance Jewellery Limited | 81.96% | 45,776.67 | 47.45% | 2,992.14 | 47.21% | (926.89) | 47.56% | 2,065.25 |
| Indian Subsidiaries: | | | | | | | | |
| N. Kumar Diamond Export Limited | 3.54% | 1,976.49 | -1.06% | (66.88) | 0.00% | - | -1.54% | (66.88) |
| Housefull International Limited (Subsidiary of N. Kumar Diamond Exports Limited) | 3.66% | 2,046.51 | -2.23% | (140.61) | -9.72% | 190.84 | 1.16% | 50.23 |
| Housefull Supply Chain Management Ltd (Subsidiary Housefull International Limited) | 0.00% | - | -0.01% | (0.49) | 0.00% | - | -0.01% | (0.49) |
| Foreign Subsidiaries: | | | | | | | | |
| Renaissance Jewelry N.Y Inc. | 20.75% | 11,592.16 | 4.83% | 304.70 | 0.00% | - | 7.02% | 304.70 |
| Verigold Jewellery (UK) Limited | 1.66% | 925.15 | 6.17% | 388.87 | 0.00% | - | 8.96% | 388.87 |
| Renaissance Jewellery Bangladesh Pvt.Ltd | 1.51% | 843.48 | -7.00% | (441.12) | 0.00% | - | -10.16% | (441.12) |
| Verigold Jewellery DMCC | 11.12% | 6,210.60 | 45.85% | 2,890.98 | -9.77% | 191.82 | 71.00% | 3,082.80 |
| Renaissance Jewellery DMCC (Subsidiary Verigold Jewellery DMCC) | 1.98% | 1,107.34 | 3.49% | 219.80 | 0.00% | - | 5.06% | 219.80 |
| Minority Interest | 0.14% | 77.79 | -1.16% | (73.44) | 0.00% | - | -1.69% | (73.44) |
| Limited Liability Partnership Indian: | | | | | | | | |
| Aurette Jewellery LLP | 0.01% | 7.75 | -0.09% | (5.44) | 0.00% | - | -0.13% | (5.44) |
| Sub Total | 126.33% | 70,563.93 | 96.24% | 6,068.51 | 27.72% | (544.24) | 127.23% | 5,524.28 |
| Total Elimination | -26.33% | (14,708.50) | 3.76% | 237.14 | 72.28% | (1,419.27) | -27.23% | (1,182.13) |
| Grand Total | 100.00% | 55,855.43 | 100.00% | 6,305.65 | 100.00% | (1,963.51) | 100.00% | 4,342.15 |

57. PREVIOUS YEAR FIGURES

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

As per our report of even date
For Damania & Varaiya
Firm Registration No. 102079W
Chartered Accountants

CA. Bharat Jain
Partner
Membership No : 100583

Place: Mumbai
Date : May 28, 2018

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

Niranjan A. Shah
Executive Chairman
Dilip B. Joshi
Chief Financial Officer

Place: Mumbai
Date : May 28, 2018

Hitesh M. Shah
Managing Director
Ghanashyam M. Walavalkar
Company Secretary



RENAISSANCE JEWELLERY LIMITED

Regd. Office: Plot 36A & 37, Seepz, Andheri (E), Mumbai-400096

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.*** :
*(*Applicable to Members holding shares
in dematerialized form)*
4. **No. of shares held** :
5. I/We hereby exercise my/our vote in respect of the Resolution(s), as specified in the Notice of AGM of the Company dated May 28, 2018, 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 | No. of Share(s) held | Assent (For) | Dissent (Against) |
|---|----------------------|--------------|-------------------|
| 1. Consider and adopt Audited Financial Statement for FY ended on March 31, 2018, together with Reports of the Board of Directors and Auditors thereon. | | | |
| 2. Re-appointment of Mr. Neville Tata who retires by rotation. | | | |
| 3. Appointment of new Auditors and fixing their remuneration. | | | |
| 4. Approve RJL - Employees Stock Option Plan 2018 (RJL ESOP 2018). | | | |
| 5. Approval to extend RJL - Employee Stock Option Plan 2018 to the employees of Subsidiary Company(ies). | | | |
| 6. Grant of Options to issue securities equal to or exceeding One per cent but not exceeding Five per cent of the issued Capital of the Company during any one financial year to identified employees under RJL - Employees Stock Option Plan 2018. | | | |
| 7. Authorize RJL Employee Welfare Trust for secondary acquisition for implementation of RJL - Employees Stock Option Plan 2018. | | | |
| 8. Approve giving loan/provision of money by the Company to the RJL Employee Welfare Trust for purchase of the shares of the Company for the implementation of RJL - Employees Stock Option Plan 2018. | | | |

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 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400083.
2. Duly completed ballot form should reach the Scrutinizer on or before **5.00 p.m. on Monday, August 06, 2018.**
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 Letter.
4. Unsigned ballot forms will be rejected.
5. The Scrutinizer's decision on the validity of a ballot form will be final.



RENAISSANCE JEWELLERY LIMITED

Regd. Office: Plot 36A & 37, Seepz, Andheri (E), Mumbai-400096
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 | |
| | *Client Id / Folio No | |
| Registered address | 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)ofhaving 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 **29th Annual General Meeting** of the Company, to be held on **Tuesday, August 07, 2018 at 3:30 PM. at Yuvraj Hall, Supremo Activity Centre, Matoshree Arts & Sports Trust, Jogeshwari - Vikroli 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 | Assent (For) | Dissent (Against) |
|--|--------------|-------------------|
| 1. Consider and adopt Audited Financial Statement for FY ended on March 31, 2018, together with Reports of the Board of Directors and Auditors thereon. | | |
| 2. Re-appointment of Mr. Neville Tata who retires by rotation. | | |
| 3. Appointment of new Auditors and fixing their remuneration. | | |
| 4. Approve RJL - Employees Stock Option Plan 2018 (RJL ESOP 2018). | | |
| 5. Approval to extend RJL- Employee Stock Option Plan 2018 to the employees of Subsidiary Company(ies). | | |
| 6. Grant of Options to issue securities equal to or exceeding One percent but not exceeding Five percent of the issued Capital of the Company during any one financial year to identified employees under RJL- Employees Stock Option Plan 2018. | | |
| 7. Authorize RJL Employee Welfare Trust for secondary acquisition for implementation of RJL - Employees Stock Option Plan 2018. | | |
| 8. Approve giving loan/provision of money by the Company to the RJL Employee Welfare Trust for purchase of the shares of the Company for the implementation of RJL – Employees Stock Option Plan 2018. | | |

Signed this..... day of 2018

Affix
₹ 1/
Revenue
Stamp

Signature of shareholder

Signature of First Proxy holder

Signature of Second Proxy holder

Signature of Third Proxy holder

Notes:

1. **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.**
 2. 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.
 3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
 4. 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.

**ATTENDANCE SLIP****RENAISSANCE JEWELLERY LTD.**

Regd. Office: Plot 36A & 37, Seepz, Andheri (E), Mumbai-400096
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 presence at the **29th Annual General Meeting** of the Company on **Tuesday, August 07, 2018 at 3:30 PM. at Yuvraj Hall, Supremo Activity Centre, Matoshree Arts & Sports Trust, Jogeshwari - Vikroli 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.

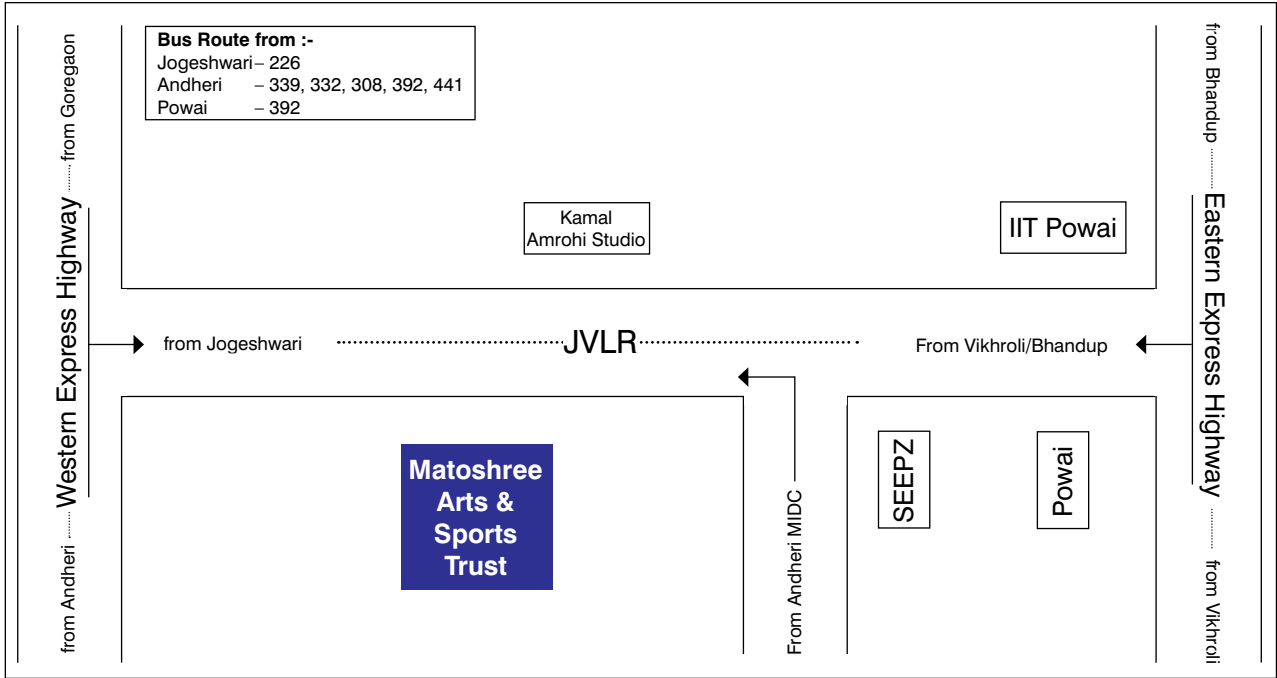
Note : PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING.

ELECTRONIC VOTING PARTICULARS

| Electronic Voting Sequence Number (EVSN) | Default PAN / Sequence No. |
|--|----------------------------|
| 180702027 | * |

* Only Members who have not updated their PAN with Company/Depository Participant shall use 10-digit sequence number printed in BOLD at TOP RIGHT SIDE of the address sticker affixed on this Annual Report.

Note: For e-voting, please read the instructions printed under the Note No. 10 to the 29th AGM Notice dated May 28, 2018. The Voting period begins on **Friday, August 03, 2018 (9.00 a.m.)** and ends on **Monday, August 06, 2018 (5.00 p.m.)**. The e-voting module shall be disabled by CDSL for voting thereafter.



KEY MILESTONES



2016



2015



2012



2011



2009



2008



2006



2004

- 1995 • Acquires Mayur Gem and Jewellery Export Pvt. Ltd.
- 2000 • Purchases a 40,000 sq.ft. facility in SEEPZ, Mumbai.
- 2001 • Receives the SEEPZ-SEZ Star 2000-2001 Award.
- 2002 • Commences business with Wal-Mart, USA.
- 2004 • Commences business with Zales Corporation, North America.
- Receives Wal-Mart's 'International Supplier of the Year' Award.
- 2005 • Sets up a 100% EOU having 64,000 sq.ft. facility at Bhavnagar, Gujarat.
- 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 listing of shares on BSE & NSE.
- Sets up Diamond Division at Mumbai.
- 2008 • Top line crosses ₹ 500 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, Mumbai.

- 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, Mumbai.
- 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.
- 2014 • Sets up Verigold Jewellery DMCC, Dubai.
- Top line crosses ₹ 1000 crore.
- 2015 • GJEPC Award for being the largest exporter of studded precious metal Jewellery.
- Accorded with membership by Responsible Jewellery Council (RJC).
- Top line crosses ₹ 1250 Crore.
- 2016 • Sets up Renaissance Jewellery DMCC, step down subsidiary of Verigold Jewellery DMCC, Dubai.
- GJEPC Award for being the largest exporter of studded precious metal Jewellery.
- 2017 • GJEPC Award for being the largest exporter of studded precious metal Jewellery.
- Top line crosses ₹ 1750 Crore.



If undelivered please return to:

Registrar & Transfer Agents

Link Intime India Pvt. Ltd.

C 101, 247 Park, L.B.S Marg,

Vikhroli (West), Mumbai - 400083

Tel. : 022-49186000 Fax: 022-49186060

Email : rnt.helpdesk@linkintime.co.in

Web : www.linkintime.co.in