

RENAISSANCE  
JEWELLERY LIMITED

Annual Report 2011-2012



# CONTENTS

Notice .....	1
Directors' Report .....	5
Management's Discussion and Analysis.....	9
Report on Corporate Governance .....	12
Auditors' Report.....	23
Balance Sheet.....	26
Statement of Profit and Loss .....	27
Cash Flow Statement.....	28
Notes to Financial Statements.....	29
Section 212 Statement.....	55
Consolidated Financial Statements.....	56



## EXECUTIVE CHAIRMAN

NIRANJAN A. SHAH

## MANAGING DIRECTOR

SUMIT N. SHAH

## EXECUTIVE DIRECTORS

HITESH M. SHAH

NEVILLE R. TATA

## INDEPENDENT DIRECTORS

VEERKUMAR C. SHAH

VISHWAS V. MEHENDALE

ANIL K. CHOPRA

ARUN P. SATHE

## COMPANY SECRETARY

G. M. WALAVALKAR

## BANKERS

STATE BANK OF INDIA

BANK OF INDIA

PUNJAB NATIONAL BANK

ANTWERP DIAMOND BANK N.V

UNION BANK OF INDIA

CENTRAL BANK OF INDIA

## STATUTORY AUDITORS

S. R. BATLIBOI & ASSOCIATES

CHARTERED ACCOUNTANTS

## INTERNAL AUDITORS

J. K. SHAH & CO.

CHARTERED ACCOUNTANTS

## SENIOR MANAGEMENT

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

## REGISTERED OFFICE

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

## 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. – I 56, SDF-V, SEEPZ, Andheri (E), Mumbai-400 096
- GJ - I 0, SDF-VII, SEEPZ, Andheri (E), Mumbai - 400096.
- Unit No. 41 & 44, SDF-II, SEEPZ, Andheri (E), Mumbai-400 096
- G-5, G & J Complex-I, SEEPZ, Andheri (E), Mumbai-400096
- Plot No. 2302, Hill Drive, Talaja Road, Bhavnagar-364 002.(Gujarat)

## REGISTRAR & TRANSFER AGENTS

Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup, Mumbai - 400 078.

Tel. : 022-2594 6970 Fax : 022-2596 2691

Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Web : [www.linkintime.co.in](http://www.linkintime.co.in)





VISION

To be a Global Leader in the Jewellery industry through innovation and efficiency, growing our customers and people. We will grow adhering to our core values of Business Ethics, Customer Satisfaction, Social and Environmental Responsibility and Continuous Improvement.

VALUES



**Honor our word :** We will do our best to give a commitment to a customer, supplier or associate once we are sure that it can be honored. We will constantly set up systems to ensure that we live up to our commitment.

**Respect each individual & cultural diversities that exist in the group :** This is of utmost importance and must always remain a core value of our company

**Quality :** We must inculcate a culture whereby we play win-win. This must stem from the understanding that in the long run we can only be successful if our partners and us both gain from the relationship

**Integrity :** Integrity is a value that we deeply cherish and will never accept any compromises in this regard.



**Winners  
visualize  
the rewards  
of success**

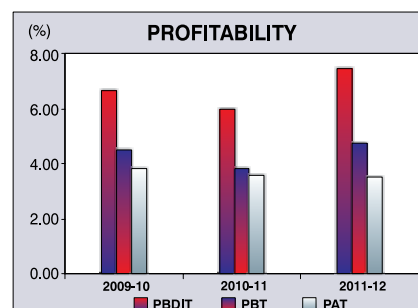
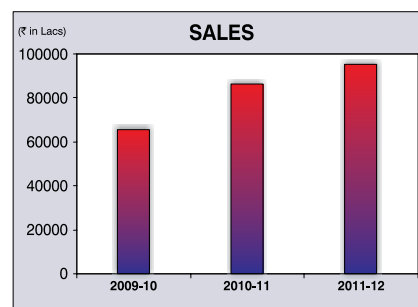
Gems and Jewellery Export Promotion Council Award – 2011  
Being received by Mr. Parag and Nikesh Shah, Vice Presidents



## Three Years at a Glance (CONSOLIDATED)

(₹ Lacs)

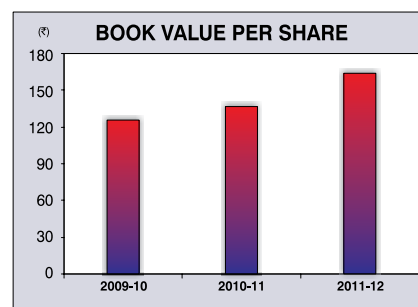
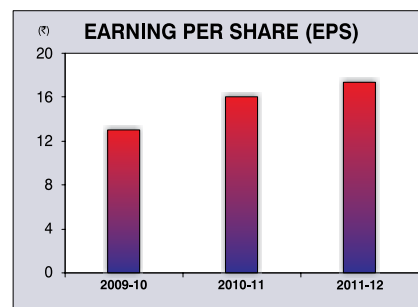
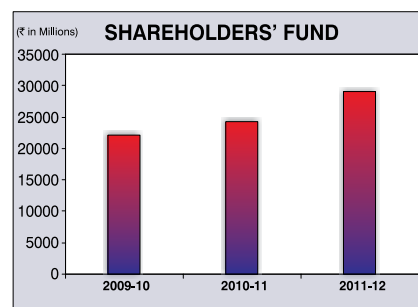
	2011-12	2010-11	2009-10
<b>PROFIT &amp; LOSS A/C</b>			
Revenues	95162	86218	65348
PBIDT	7088	5143	4358
PAT	3353	3062	2482
<b>SHAREHOLDERS' FUND</b>			
Equity Share Capital	1908	1908	1908
Reserves & Surplus	29006	24276	22136
Less : Misc. Expd.	0	0	0
<b>TOTAL</b>	<b>30914</b>	<b>26184</b>	<b>24044</b>
Loan Fund	27330	28279	13990
Debt-Equity Ratio	0.88:1	1.07:1	0.58:1
Return on Net Worth (%)	10.85	11.61	10.32
Earning per share (₹)	17.40	16.05	13.01
Dividend per share (₹)	1.50 (Proposed)	2.00	2.00



## Renaissance's Corporate Performance vs. the SENSEX

### Book Value per Share

Year	SENSEX	Growth	Book Value/Share	Growth	Difference
1999	3326		6.90		
2000	5001	50.36%	15.47	124.14%	73.78%
2001	3604	-27.93%	20.46	32.26%	60.20%
2002	3469	-3.75%	22.78	11.35%	15.10%
2003	3049	-12.11%	25.56	12.19%	24.30%
2004	5591	83.37%	29.89	16.95%	-66.42%
2005	6493	16.13%	35.12	17.50%	1.37%
2006	11280	73.73%	46.44	32.20%	-41.52%
2007	13072	15.89%	62.12	33.78%	17.89%
2008	15644	19.68%	104.58	68.35%	48.68%
2009	9709	-37.94%	110.44	5.60%	43.54%
2010	17528	80.53%	126.02	14.11%	-66.43%
2011	19445	10.94%	138.23	9.69%	-1.25%
2012	17040	-10.50%	162.63	17.65%	28.15%
	523.32%		2356.48%		
	CAGR 11%	CAGR 22%			



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

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



# Notice

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of Renaissance Jewellery Ltd. will be held on **Friday, September 7, 2012 at 3:30 PM** at Yuvraj Hall, Supremo Activity Centre, Matoshree Arts & Sports Trust, Jogeshwari - Vikroli Link Road, Andheri (E), Mumbai – 400 093 to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2012, the Profit and Loss Account for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To declare dividend for the financial year ended March 31, 2012.
3. To appoint a director in place of Mr. Veerkumar C. Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Arun P. Sathe, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s. J. K. Shah & Co., Chartered Accountants as Statutory Auditors in place of M/s. S. R. Batliboi & Associates, Chartered Accountants, who have expressed their unwillingness for re-appointment, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

## SPECIAL BUSINESS

6. **To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and any other applicable provisions,

if any, of the Companies Act, 1956, the approval of the Company be and is hereby accorded to the re-appointment of Mr. Sumit N. Shah as Managing Director for a period of 5 years with effect from April 26, 2012, on the terms and conditions as set out in the Explanatory Statement with the authority to the Board of Directors to grant increments and to alter and vary from time to time, terms and conditions of the said remuneration within the range stated therein and in such manner as may be agreed to between the Board of Directors and Mr. Sumit N. Shah, provided however, that the increased remuneration shall not exceed the limits specified in the Schedule XIII of the Companies Act, 1956 or any statutory amendments or re-enactments thereof.”

**“RESOLVED FURTHER THAT** where in any financial year during the term of office of Mr. Sumit N. Shah as Managing Director, the Company makes no profits or the profits made are inadequate, the Company may pay Mr. Sumit N. Shah remuneration by way of salary and perquisites as may be agreed to by the Board of Directors and Mr. Sumit N. Shah, not exceeding the limits laid down in Section II of Part II of Schedule XIII to the Companies Act, 1956 or any statutory modification or re-enactment thereof.”

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

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

**G. M. Walavalkar**  
**G. M. – Legal & Company Secretary**  
Mumbai, July 30, 2012

**NOTES**

1. **A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him and such proxies need not be a member of the Company.**

In order to be valid, proxy forms duly complete in all respects, should be lodged with the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting.

2. An Explanatory Statement as required under Section 173 of the Companies Act, 1956, in respect of business under Item No. 6 of the Notice, is annexed hereto.
3. As required under Clause 49 of the Listing Agreement particulars of Directors seeking re-appointment are annexed to this notice below.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, August 30, 2012 to Friday, September 7, 2012 (both days inclusive).
5. The dividend, if declared at the meeting, shall be paid within the stipulated period, to those members of the Company whose names appear on the Register of Members of the Company as on September 7, 2012. In respect of shares held in Electronic form, the dividend will be paid to the beneficial owners as per details furnished by the Depositories for this purpose at the close of business hours on August 29, 2012.
6. The Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) have advised all listed companies to mandatorily use the National Electronic Clearing Services (NECS) facility wherever possible for dividend payment to the members. In view of this stipulation the Company proposes to implement the NECS facility. Members are requested to provide the NECS mandate for crediting the future dividend payment directly to their respective bank accounts. The Company shall be able to

co-ordinate with the bankers only on receipt of the necessary information. The main information required therein is the type of account, name of the bank and the account number. It should be signed by all the Members, as per the specimen signature recorded with the Company.

7. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to the Company's Registrar & Transfer Agents, M/s. Link Intime India Pvt. Ltd. at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078.
8. Members holding shares in physical segment are requested to immediately notify change in their address/status, if any, to the Company's Registrar & Transfer Agents, M/s. Link Intime India Pvt. Ltd., at the address mentioned at Item No. 7 above.
9. Members who would like to ask any questions on the accounts are requested to send their questions to the Registered Office of the Company at least 10 days before the Annual General Meeting to enable the Company to answer their queries satisfactorily.
10. 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, 2012, has been sent in electronic form to the email address provided by you and made available to us by the Depositories.  
  
Physical copies of the Annual Report will be available at our registered office for inspection during office hour.  
  
As a measure of economy & environment protection, copies of the Annual Report will not be distributed at the Annual General Meeting.
11. The Members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 6**

The resolution at Item No. 6 of the notice seek approval of the members in respect of the reappointment and remuneration of the Company's Managing Director Mr. Sumit N. Shah, who was appointed by the members of the Company at their meeting held on April 26, 2007, as Managing Director.

Considering his extensive knowledge, business skills, managerial experience and capabilities, the Board of Directors of the Company thought that it was appropriate to reappointed him as Managing Director for a further period of 5 years, in accordance with the provision of Sections 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, by passing a resolution in their meeting held on May 24, 2012, on the recommendation made by the Remuneration Committee in their meeting held on the same day, have re-appointed him as Managing Director for a further period of 5 years effective from April 26, 2012, subject to the members' approval, on the terms and conditions, including minimum remuneration, as detailed hereinafter, and such an appointment will be in the best interests of the Company and, therefore, recommends passing of the aforesaid Ordinary Resolution at Item No. 6 of the this Notice.

The range of remuneration ₹ 1,00,000/- to ₹ 5,00,000/- per month.

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

In addition to the remuneration within the above range Mr. Shah would also be entitled to:

1. Company car with Driver at the entire cost of the Company for use on Company's business. Use of the car for personal use shall be billed by the Company.
2. Any one Club life membership fee on Company's account.
3. All expenses for use of mobile phone at the cost of the Company.
4. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961.

5. Gratuity Payable at a rate not exceeding half a month's salary for each completed year of service.

The Managing Director to devote his full time and attention to the business of the Company.

The Agreement may be terminated by the Company or the Managing Director by three months prior notice in writing to the other. However, the appointee shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee of Directors.

However, the appointee shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee of Directors. So long as Mr. Sumit Shah continues to act as Managing Director of the Company, his office shall not be liable to determination for retirement of Directors by rotation.

Authority is also being sought to be conferred on the Board to make such alterations or variations in the perquisites of Mr. Sumit Shah during his tenure as Managing Director, as is deemed fit and as acceptable to him but within the limits specified in Schedule XIII to the Companies Act, 1956.

Authority is also being sought to the payment of remuneration to Mr. Sumit Shah by way of salary and perquisites not exceeding the limits stated in Section II of Part II of Schedule XIII to the Companies Act, 1956, if, in any financial year during his term of office as Managing Director, the Company makes no profits or the profits made are inadequate.

The approval of the members is necessary in view of the provisions of Schedule XIII to the Companies Act, 1956. Moreover the resolution at Item No. 6 also envisages payment of minimum remuneration prescribed under Schedule XIII in case of absence or inadequacy of profits to the extent the Board of Directors may decide subject to the limits prescribed from time to time.

Mr. Sumit Shah is deemed to be interested in his appointment and Mr. Niranjana Shah being his relative may also be deemed to be interested in the appointment although he derives no pecuniary interest in it. No other director has any interest in the above appointment.

This may also be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

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

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

Particulars	Mr. Veerkumar Shah	Mr. Arun Sathe	Mr. Sumit Shah
Date of Birth	01/05/1945	14/10/1939	26/01/1974
Date of Appointment	01/02/2006	27/05/2010	26/04/2007
Qualifications	B.Com. & CA	M.Com., LLB	B.Sc. (Bentley College, Boston)
Expertise in specific functional area	He is a practicing Chartered Accountant having vast experience in the field of Accounts & Audit, Finance and Taxation.	He is one of the leading practicing Lawyers in Tax Tribunal, in the High Court, Supreme Court, mainly in Income Tax, Election Law and Constitutional Matters. He is a member of the Governing Council of Maharashtra Chamber of Commerce, Member of Finance & Taxation Committee of the Chamber and FICCI and on their expert panel for Tax Laws. He is the Vice President of ITAI Bar Association. He is also connected with various other social organizations.	He has experience over 12 years in the Gems and Jewellery business. He started his career with our Company as a Director in the year 1995. He has successfully shouldered the role of the Managing Director of our Company and has exhibited and proved his sharp business acumen, his expertise in strategic planning & monitoring, penchant for & keenness to adopt latest technologies and know-how for improving efficiency & quality of production and support departments.
Directorships held in other Public companies ( <i>excluding foreign companies &amp; Section 25 companies</i> )	Kotak Chemicals Limited	NIL	1. N. Kumar Diamond Exports Ltd. 2. HouseFull International Ltd. 3. HouseFull Supply Chain Management Ltd.
Memberships/Chairmanships of committees of other Public Limited companies ( <i>includes only Audit Committee and Shareholders/ Investors Grievance Committee</i> )	NIL	NIL	NIL
Number of Equity shares held in the Company	64	NIL	4,171,120

By order of the Board

**Renaissance Jewellery Limited**

**G. M. Walavalkar**

**G. M. – Legal & Company Secretary**

Mumbai, July 30, 2012

# Directors' Report

Dear Members,

The Directors take great pleasure in presenting the 23<sup>rd</sup> report on the business and operations of your Company along with the Annual Report and Audited Financial Statements for the Financial Year 2011-12.

## FINANCIAL HIGHLIGHTS

Your Company earned a Profit Before Tax (PBT) of ₹ 447/- millions, a growth of 29% as compared to PBT of ₹ 345/- millions in the previous year.

Highlights of the financial performance are as follows:  
(₹ in millions)

	F.Y. 2011-12	F.Y. 2010-11
Sales	7,094	6,052
Gross Profit	752	614
<b>PBID</b>	637	496
Less : Interest	128	101
Less : Depreciation	62	50
<b>PBT</b>	447	345
Provision for Tax	34	15
<b>PAT</b>	411	330
Add : Balance brought forward from P.Y.	1,583	1,323
Profit available for appropriation	1,993	1,653
<b>Appropriations:</b>		
Transfer to Reserve Fund		
General Reserve	20	25
Dividend on Equity Shares	28	38
Corporate Dividend Tax	4	6
<b>Balance carried forward</b>	1,941	1,584

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

## DIVIDEND

The Directors recommend a dividend of 15% i.e. ₹ 1.5/- per share, subject to approval of the shareholders at the ensuing 23<sup>rd</sup> Annual General Meeting. The total outgo on account of dividend and tax thereon amounts to ₹ 33.26 millions.

The dividend, if declared at the meeting, shall be paid within the stipulated period, to those members of the Company whose names appear on the Register of Members of the Company as on September 7, 2012. In respect of shares held in Electronic form, the

dividend will be paid to the beneficial owners as per details furnished by the Depositories for this purpose at the close of business hours on August 29, 2012.

## SUBSIDIARIES

During the financial year under review, your Company has acquired 100% equity of M/s. Caro Fine Jewellery Pvt. Ltd. and a wholly owned subsidiary viz. Renaissance Jewellery Bangladesh Pvt. Ltd. was incorporated in Bangladesh.

During the financial year under review your Company has disinvested from M/s. Renaissance Realtors Private Limited, its step down subsidiary i.e. subsidiary of N. Kumar Diamond Exports Limited.

Hence as on March 31, 2012, your Company had following direct and indirect subsidiary companies:

## DIRECT SUBSIDIARY COMPANIES

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

## INDIRECT (STEP-DOWN) SUBSIDIARY COMPANIES

1. Renaissance Adrienne LLC, California (Subsidiary of Renaissance Jewelry N.Y. Inc.)
2. HouseFull International Ltd. (Subsidiary of N. Kumar Diamond Exports Limited)
3. HouseFull Supply Chain Management Limited (Subsidiary of HouseFull International Ltd.)

## FINANCIAL STATEMENTS/REPORTS OF THE SUBSIDIARIES

The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively has granted a general exemption from compliance with Section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the said circulars. The Company has complied with the conditions stipulated in these circulars and hence is entitled to the exemption from attaching the Directors' Report, Balance Sheet and Profit and Loss Account of its subsidiaries to the Annual Report 2011-12 of the Company.

Accordingly, the financial statements of the subsidiaries of the Company are not attached to the Annual Report of the Company. The Company

undertakes that the financial statements of the subsidiary companies for the year ended March 31, 2012 will be made available to the members on request at the Registered Office/Corporate office of the Company and the same will be kept open for inspection by any member during the office hours of the Company.

Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements attached with the Annual Report 2011-12 of the Company.

### THE EMPLOYEE STOCK PURCHASE SCHEME

In accordance with RJL Employees' Stock Purchase Scheme – 2008 (RJL ESPS-2008) as approved by the members at the 19<sup>th</sup> Annual General Meeting, the ESPS Compensation committee at its meeting held on January 20, 2011, had considered the onward offering of ESPS shares to the recommended employees under the Tranche II.

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

The Company has opted for trust route for offering ESPS and 720,000 shares were issued to the Trust in F.Y. 2008-09 for onward offering to the recommended employees. Hence, basic and Diluted Earning Per Share (EPS) is ₹ 21.58.

### AWARDS/RECOGNITION

Your Company has consistently received wide recognition for Quality, Designs, leadership and achievements.

This year also, your Company has been honored by Gems and Jewellery Export Promotion Council of India with the award for topping the export performance under the category "Studded Precious Metal Jewellery Exports from EPZ/EOU Complexes".

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

- SEEPZ-SEZ Star 2000-2001 Award
- Wal-Mart's 'International Supplier of the Year' Award
- GJEPC Award for being the largest exporter of studded precious metal Jewellery in 2008
- Emerging India Awards 2009

### CORPORATE GOVERNANCE

The Company has taken appropriate steps and measures to comply with all the applicable provisions of Clause 49 and Section 292A of the Companies Act,

1956. A separate report on Corporate Governance, along with a certificate of Practicing Company Secretary, is annexed herewith. A certificate from the Managing Director and CFO of the Company confirming internal controls and checks pertaining to financial statements for the year ended March 31, 2012 was placed before the Board of Directors and the Board has noted the same. A list of the committees of the Board and names of their members and the scope of each of these committees and other related information is detailed in the enclosed Corporate Governance Report.

### CASH FLOW STATEMENT

In conformity with the provisions of Clause 32 of the listing agreement with Stock Exchanges, the cash flow statement for the year ended March 31, 2012 is annexed hereto.

### CONSOLIDATED ACCOUNTS

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

### LISTING

At present 19,079,440 Equity Shares of the Company are listed on the BSE and NSE. The Company has paid the applicable listing fees to these Stock Exchanges for the financial year 2012-13. The Company's shares are tradable compulsorily in electronic form and the Company has established connectivity with both the depositories, i.e. Central Depository Services (India) Ltd. & National Securities Depository Ltd. In view of the numerous advantages offered by the depository system, members are requested to avail of the facility of dematerialization of the Company's shares on either of the Depositories as aforesaid.

### HUMAN RESOURCES

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

### DIRECTORS

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





The Board has approved the re-appointment of Mr. Sumit Shah as Managing Director of the Company for the further period of five year and the approval of the members is being sought at this Annual General Meeting.

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

### AUDITORS

M/s. S. R. Batliboi & Associates, Chartered Accountants, the statutory auditors of the Company have expressed their unwillingness for re-appointment at the ensuing Annual General Meeting. The Audit Committee members and the Board of Directors have recommended the appointment of M/s. J. K. Shah & Co., Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

The Company has received a letter from M/s. J. K. Shah & Co., Chartered Accountants under the provisions of Section 224(1B) of the Companies Act, 1956 expressing their willingness for appointment as Statutory Auditors, if made by the members will be within the statutory limits prescribed.

### AUDITORS OBSERVATIONS

As explained in Note 40 to the financial statements, the Auditors have observed that the basis of computing cost of loose polished diamonds, is not in accordance with the method prescribed under Accounting Standard (AS) – 2 'Valuation of Inventories' impact whereof on the profit for the year and therefore, they are unable to comment on the consequent effect thereof on the accompanying financial statements.

### Management Perception:

In view of management, considering the nature of variation in the value of individual diamonds, the differentials in their costs, and numerous number of assortments and re-assortments to multiple grades, it is not practicable to maintain grade-wise inventory records and to compute the cost of loose polished diamonds using either first in first out, weighted average cost or Specific Cost. Inventory as at the year end is based on management's best technical estimate of replacement cost of the respective grade of diamonds.

### FIXED DEPOSITS

During the financial year 2011-12, the Company has not accepted any fixed deposit within the meaning of Section 58A of the Companies Act, 1956, and as such, no amount of principal or interest was outstanding as of the date of the Balance Sheet.

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

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

#### (a) Conservation of energy

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

#### (b) Technology absorption

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

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

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

**Future plan of action:** Research and Development has been considered as a continuous process. Steps have been taken for further development



of new products of superior quality, up-gradation of existing product designs to improve the quality and reduction in rejections.

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

**Technology Absorption, Adaption & Innovation:** The Company continuously monitors and keep track of technological up-gradation taking place in other countries in the field of Jewellery manufacturing and the same are reviewed and considered for implementation.

**(c) Foreign exchange earnings and outgo:**

(₹ millions)

	F.Y. 2011-12	F.Y. 2010-11
Foreign Exchange Earnings	6,783.77	6,044.53
Foreign Exchange Outgo	2,503.05	1,649.14

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a 'going concern' basis.

**EMPLOYEE PARTICULARS**

The Company does not have any employee whose particulars are required to be disclosed pursuant to Section 217(2A) of the Companies Act, 1956, read

with the Companies (Particulars of Employees) Amendment Rules, 2011, and under Section 217(1)(e) of the said Act, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

**CAUTIONARY STATEMENT**

Statements in this Directors Report and Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable Securities laws and regulations. Actual results could differ materially from those expressed or implied due to risk of uncertainties associated with our expectations with respect to, but not limited to, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business, technological changes, exposure to market risks, general economic and political conditions in India and which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, the performance of the financial markets in India and globally and raw material availability and prices, demand & pricing in the Company's principal markets, and other incidental factors.

**ACKNOWLEDGEMENTS**

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

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

For and on behalf of the Board,

**Sumit Shah**  
Managing Director

**Hitesh Shah**  
Executive Director

Mumbai, July 30, 2012

# Management's Discussion and Analysis

## ABOUT THE COMPANY

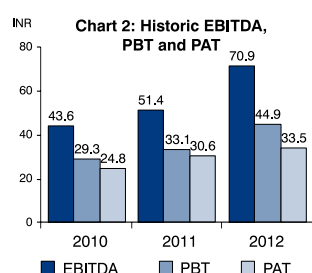
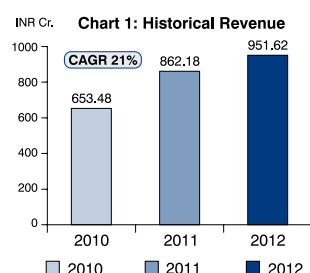
Renaissance Jewellery Limited (RJL) has been the business of design, manufacture and sale of studded gold, platinum and silver jewellery for last 16 years, with USA being the largest end market. We operate through seven manufacturing units of which six units are located at SEEPZ-SEZ at Mumbai and one 100% EOU unit at Bhavnagar in Gujarat.

Our Company has its wholly owned Subsidiaries in USA and UK as our marketing and sales arms. Our portfolio includes rings, earrings, pendants, bracelets, bangles, etc. studded with polished diamonds and other precious stones. Along with US and European markets, we are currently exploring the domestic market opportunity by selling our products to jewellery retailers. In its endeavor to excel, the Company explores opportunities and embarks on new initiatives through newer market segments and niche product categories on an ongoing basis. Apart from our core Jewellery business, we have our own Home Retail Brand with 28 Stores across India.

## COMPANY PERFORMANCE

### Consolidated Financial Performance

Consolidated Revenue for FY'12 was up 10.3% Y-o-Y to INR 951.6 crore driven by higher realization per unit. The Company EBITDA was 7.45% at INR 70.9 crore up by 37.9% Y-o-Y. The PBT increased from INR 33.1 crore in FY'11 to INR 44.9 crore in FY'12, a growth of 35% Y-o-Y, while the PAT increased from INR 30.6 crore in FY'11 to INR 33.5 crore in FY'12, an increase of 9.5% Y-o-Y due to a one time deferred tax write off of INR 6 crore in one of our subsidiaries.



## JEWELLERY SEGMENT

### Company Manufacturing Performance

We exported a total of 15.9 Lac Pcs in FY'12, 31% lower than the previous year. However, our average realization per unit has increased from USD 57 in FY'11 to USD 84 in FY'12, an increase by 47%. This was mainly due to the increase in prices of raw materials and our conscious effort to shift towards high end jewellery.

**Table 1: Manufacturing Data – Standalone**

	Total Units Exported	Average Realization per unit (USD)	Sales (USD)
FY 2012	15.9 Lacs	84	133.6 Mn.
FY 2011	23.1 Lacs	57	131.7 Mn.
FY 2010	24.9 Lacs	42	104.5 Mn.

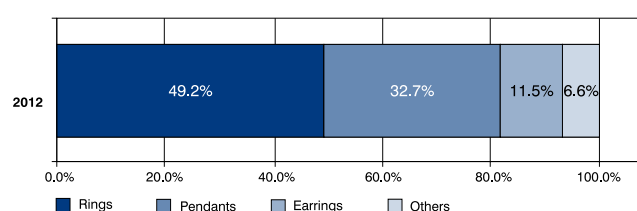
Our Gold: Silver Jewellery mix for FY'12 was 65:35 as compared to 56:44 in FY'11 in terms of Value. In terms of Volume; the Mix of FY'12 was 26:74 as compared to 24:76 in FY'11. The average realization per unit for Gold rose by 60% to USD 211 in FY'12 while that for Silver Jewellery was up by 20% to USD 40.

**Table 2: Raw Material wise break up – Standalone (FY 2012)**

	Total Units Exported	Average Realization per unit (USD)	Total Value (USD)
Gold	410,615	211	86,568,238
Silver	1,177,419	40	47,076,401

Category mix: The Major Contributors in the categories have been the rings and pendants which have contributed to 82% of the total Standalone Sales for the Company.

**Chart 3: Category wise Revenue break up – Standalone (FY 2012)**



## CHALLENGES

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

## OUTLOOK

- We have started exports of high end Bridal Jewellery to our customers in the US and will look to grow this category in the years to come through our current customers as well as through new markets.
- We also look to expand our presence in the Domestic Jewellery industry through our jewellery brand, “CARO”. Given the demographics, we believe India will be one of the fastest growing markets in the world. Our manufacturing unit for the domestic division is based in Mumbai and we are currently focusing on selling to jewellery retailers in India on B2B basis.

## HOME RETAIL SEGMENT

### HouseFull International Ltd.

Our Home retail segment operates under the brand “HOUSEFULL” and caters to all customer segments, bringing appealing designs, lasting quality, and ‘value for money’ tag along, at their doorstep. In FY’12 the Company has added 9 new Stores and currently has 28 Stores (196,589 sq. ft.) across India. Our presence

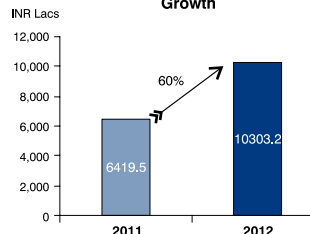
currently is in the regions of Mumbai, Pune, Nasik, Ahmedabad, Surat, Rajkot, Baroda, Bangalore, Hyderabad and Chennai. We also plan on exploring opportunities in other Regions in the years to come.

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

## COMPANY PERFORMANCE

The Company’s revenue from operations for the Home Retail business for FY’12 was up 60% to INR 103 crore from INR 64 crore in FY’11. This was on account of 9 new stores being added in FY’12 making the total store count of 27 Stores. The Company was cash positive on the operating level for the first time and had EBITDA margins of 3.7% at INR 3.77 crore.

Chart 4: Home Retail Revenue Growth



### Home Retail Performance Snapshot FY’12

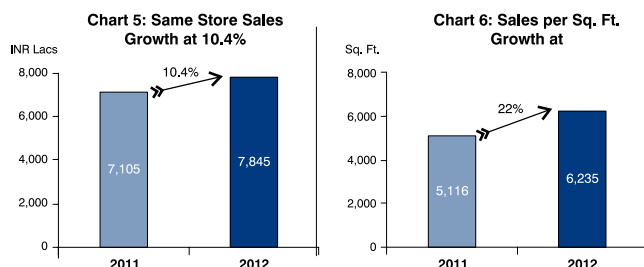
Revenue from Operations	INR 103.03 crore
EBITDA	INR 3.77 crore
Store Count (Mar’12)	27 Stores
Sales/Sq. Ft. (annualized)	INR 6,235

## HouseFull International Ltd. – Store Presence (Jun’12)

Mumbai	Gujarat	Rest of Maharashtra	Bangalore	Hyderabad	Chennai
<ul style="list-style-type: none"> <li>• Dahisar</li> <li>• Vashi</li> <li>• Kurla</li> <li>• Worli</li> <li>• Andheri</li> <li>• Vasai</li> <li>• Thane</li> <li>• Kalyan</li> </ul>	<ul style="list-style-type: none"> <li>• Ahmedabad</li> <li>• Baroda</li> <li>• Rajkot</li> <li>• Surat</li> </ul>	<ul style="list-style-type: none"> <li>• Aundh, Pune</li> <li>• Kharadi, Pune</li> <li>• PCMC, Pune</li> <li>• Sinhgad, Pune</li> <li>• Nashik</li> </ul>	<ul style="list-style-type: none"> <li>• Banergatta</li> <li>• Banshankari</li> <li>• HRBR</li> <li>• Marathali</li> <li>• Rajaji Nagar</li> </ul>	<ul style="list-style-type: none"> <li>• Dilsukhnagar</li> <li>• Karkhana</li> <li>• Kukatpally</li> <li>• Toli Chowki</li> </ul>	<ul style="list-style-type: none"> <li>• Arkot Road</li> <li>• ECR Road</li> </ul>

## Operational Efficiency

The Company posted a same store sales growth for 18 Stores of 10.4% for FY'12, as compared to their sales in FY'11. Also, the average sales per sq. ft. for FY'12 on an annualized basis, was INR 6,235 as compared to INR 5,116 in FY'11; a growth of 22% in the SPF.



## CHALLENGES

- Unorganized sector is a major contributor in the industry and remains to be a stiff competition and a major challenge is to compete with the price points of these unorganized players.

- Cost of rentals and Staff in the metros, continue to post a challenge, resulting in lowering our margins.
- Exchange Rate fluctuations in another challenge in recent times for the home retail division as well.

## OUTLOOK

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

Demand for residential space is projected to hit 4.25 million residential units which would give an additional boost to the industry. (Cushman & Wakefield India) We are confident of maintaining similar growth rate through same stores and new store expansion in the years to come.

# Report On Corporate Governance

In compliance with the Corporate Governance requirements as per the format prescribed by SEBI & incorporated in Clause 49 of the listing agreements with the Stock Exchanges, the Company's policies on Corporate Governance and compliance thereof in respect of specific areas, as applicable, for the year ended March 31, 2012 is set out below for information of shareholders and investors of the Company.

## THE COMPANY'S GOVERNANCE PHILOSOPHY

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

## BOARD OF DIRECTORS

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

### Composition

The Board of Directors of the Company (hereinafter referred as Board) comprises a combination of executive and Non-Executive Directors. The Board is headed by an Executive Chairman. The composition of Board is in line with requirement of Clause 49 of the Listing agreement, which says at least half of the Board should comprise of Independent Directors, where the Chairman of the Board is an Executive Chairman. The Independent Directors do not have any pecuniary relationship or transactions with the Company, the promoters or the management, which may affect their

judgment in any manner. The Directors are eminently qualified and experienced professionals in business, finance and corporate management.

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

### The Following is the composition of the Board as on March 31, 2012

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

\* Mr. Niranjan Shah was appointed as whole time Director designated as Executive Chairman w.e.f. August 1, 2011.

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

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

### Remuneration of Directors

Remuneration of Executive Directors is determined by the Remuneration Committee comprising only



Independent & Non-Executive Directors. The recommendations of the Remuneration Committee are considered and approved by the Board subject to the approval of the Shareholders. Non-Executive Directors do not receive any salary or commission and receive only Sitting Fees. Sitting Fees constitute fees paid to Non-Executive Directors for attending Board and Committee Meetings. At the meeting held on September 5, 2011, the Board of Directors has passed a Resolution whereby the sitting fees payable to a Director for attending any Meeting of the Board has been revised at ₹ 15,000/- per Director per meeting and that for any Committee meeting is ₹ 7,500/- per Director per meeting.

#### Details of Remuneration Paid to Directors during the F.Y. ended March 31, 2012

(₹ In Lac)

Name of Directors	Category	Sitting Fees	Salary	PF & Superannuation Fund	Total
Niranjan Shah*	Executive Chairman	0.10	12.29	0.06	12.45
Sumit Shah	Executive Director	—	12.57	0.09	12.66
Hitesh Shah	Executive Director	—	15.50	0.09	15.59
Neville Tata	Executive Director	—	21.89	0.09	21.98
Veer Kumar Shah	Independent Director	1.10	—	—	1.10
Vishwas Mehendale	Independent Director	0.97	—	—	0.97
Arun Sathe	Independent Director	1.22	—	—	1.22
Anil Chopra	Independent Director	0.90	—	—	0.90

\* Mr. Niranjan Shah was appointed as whole time Director w.e.f. August 1, 2011. The Sitting Fees mentioned above pertains to the period before such appointment whereas the salary pertains to the period after such appointment.

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

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

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

#### Details of Equity Shares held by the Directors as on March 31, 2012

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

#### Meetings and Attendance

During the F.Y. 2011-12 five Board Meetings were held, at the registered office of the Company, as follows and the gap between any two Board Meetings did not exceed four months.

Sr. No.	Date	Board Strength	No. of Directors Present
1	30/05/2011	8	6
2	29/07/2011	8	8
3	05/09/2011	8	6
4	09/11/2011	8	6
5	30/01/2012	8	8

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

Name of the Directors	No. of Board Meetings attended	Attendance at last AGM
Niranjan Shah	2	Yes
Sumit Shah	3	No
Hitesh Shah	5	Yes
Neville Tata	4	Yes
Veer Kumar Shah	5	Yes
Vishwas Mehendale	5	Yes
Anil Chopra	5	Yes
Arun Sathe	5	Yes

## Directorships/Committee Memberships of Directors in other companies as on March 31, 2012

Name of the Directors	No. of Directorships in other companies	No. of Committee Memberships in other companies	
		Chairman	Member
Niranjan Shah	3	Nil	Nil
Sumit Shah	3	Nil	Nil
Hitesh Shah	3	Nil	Nil
Neville Tata	0	Nil	Nil
Veer Kumar Shah	1	Nil	Nil
Vishwas Mehendale	1	1	Nil
Anil Chopra	0	Nil	Nil
Arun Sathe	0	Nil	Nil

Directorship and Committee Membership/Chairmanship in foreign companies, private limited companies and companies registered under Section 25 of the Companies Act, 1956 are excluded.

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

## Review of Compliance Report by the Board of Directors

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

## Code of Conduct

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

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

## DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

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

**Sumit Shah**  
**Managing Director**

Mumbai, July 30, 2012

## Insider trading Code

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

## COMMITTEES OF THE BOARD

Currently, there are four Board Committees – The Audit Committee, the Remuneration Committee, the Shareholders'/Investor Grievances Committee and the ESPS Compensation Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman and the signed minutes are placed for the information of the Board. The role and composition of these committees, including the number of meetings held during the financial year and the related attendance are provided in the following paragraphs:

## AUDIT COMMITTEE

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

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

## The Role of the Committee includes the following:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- Recommending to the Board, the appointment, re-appointment and if required the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing with the management, the annual financial statements before submission to the Board for approval with particular reference to:
  - Matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
  - Changes if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of the audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- Reviewing with the management, quarterly financial statement before submission to the board for approval.
- Reviewing with the management the performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with the internal auditors of any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

- To review the functioning of the whistle blower mechanism, in case same is existing.
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

### Constitution & Composition

All the members of Audit Committee are non executive and independent directors. During the financial year under review Mr. V. C. Shah was the Chairman of the Audit Committee. The other members of the Audit Committee were Mr. Arun Sathe and Mr. Vishwas V. Mehendale.

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

### Meetings and Attendance

During the year ended March 31, 2012, Four Audit Committee meetings were held on 30/05/2011, 29/07/2011, 09/11/2011 and 30/01/2012. The attendance of each Audit Committee member is given hereunder:

Name of the Directors	Number of Meetings attended during the year	Number of Meetings held during the year
Veerkumar Shah	4	4
Vishwas Mehendale	4	4
Arun Sathe	4	4

### Attendees

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

### REMUNERATION COMMITTEE

#### The Role of the Committee includes the following:

The Remuneration Committee recommends to the board the compensation terms of the executive directors Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors Ensuring the remuneration policy is good enough to attract, retain and motivate directors Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of our Company and the shareholders.

### Constitution & Composition

This committee was constituted to recommend to the Board the remuneration package for managerial persons. All the members of Remuneration Committee are non executive and independent directors.

During the financial year under review, Mr. Vishwas V. Mehendale was the Chairman of the Remuneration Committee. The other members of the Remuneration Committee were Mr. Anil K. Chopra and Mr. Arun Sathe.

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

### Meetings and Attendance

During the year ended March 31, 2012, one Remuneration Committee meetings was held on May 30, 2011 and all the members of the Committee attended the meeting.

### THE SHAREHOLDERS'/INVESTOR GRIEVANCE COMMITTEE

The scope and function of this committee is to consider and review shareholders'/investors' grievances and complaints and to ensure that all shareholders'/investors' grievances and correspondence are attended to expeditiously and satisfactorily unless constrained by incomplete documentation and/or legal impediments.

### Constitution & Composition

All the members of Shareholders'/Investor Grievances Committee are non executive and independent directors. During the Financial Year under review, Mr. Anil K. Chopra was the Chairman of this Committee. The other members of the Committee were Mr. V. C. Shah and Mr. Arun Sathe.

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

### Meetings and Attendance

During the year ended March 31, 2012, Four Shareholders'/Investor Grievances Committee meetings were held on 30/05/2011, 29/07/2011, 09/11/2011 and 30/01/2012. The attendance of each Committee member is given hereunder:

Name of the Directors	Number of Meetings attended during the year	Number of Meetings held during the year
Anil Chopra	4	4
Veerakumar Shah	4	4
Arun Sathe	4	4

### THE ESPS COMPENSATION COMMITTEE

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

### Constitution & Composition

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

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

### Meetings and Attendance

During the year ended March 31, 2012, one meeting of the ESPS Compensation Committee was held on 20/01/2012 and all the members of the Committee attended the meeting.

### COMPLIANCE OFFICER

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

### SHAREHOLDERS' COMPLAINTS

During the financial year ended March 31, 2012, the Company received 17 complaints from the shareholders, which were attended to promptly. Apart from the said complaints the Company also received certain requests/general intimations regarding change of address, request for revalidation of refund orders/Dividend warrants, requests for annual reports etc. There are no complaints/requests pending to be replied or attended to.

### GENERAL BODY MEETINGS

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

Day	Date	Time	Venue
Wednesday	September 7, 2011	3.30 PM	Yuvraj Hall, Supremo Activity Centre, Matoshree Arts & Sports Trust, Jogeshwari Vikroli Link Road, Andheri (E), Mumbai – 400 093
Wednesday	August 25, 2010	3.30 PM	
Friday	August 28, 2009	3.30 PM	

### Special Resolutions

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

No special resolution was passed through Postal Ballot during 2011-2012. None of the Businesses



proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

## DISCLOSURES

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

## MEANS OF COMMUNICATION

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

The Company also forwards a quarterly Company Performance Update to its shareholders through electronic mode to their registered e-mail addresses.

## Communication/notices etc. through electronic mode

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

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

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

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

## MANAGEMENT DISCUSSION & ANALYSIS

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

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

Mr. Sumit Shah, Managing Director and Mr. Dilip Joshi, V. P. – Finance, have issued a Certificate to the Board, as prescribed under sub-clause V of Clause 49 of the Listing Agreement. The said Certificate was placed before the Board Meeting held on May 24, 2012, in which the Audited Accounts for the Financial Year ended March 31, 2012 were considered and approved by the Board of Directors.

## SHAREHOLDER INFORMATION

### Twenty Third Annual General Meeting Details

Day	Friday
Date	September 7, 2012
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 : Thursday, August 30, 2012  
To : Friday, September 7, 2012  
(Both days inclusive)

### Dividend Payment Date

Dividend Payment Date: on or before October 6, 2012.



## Listing on Stock Exchanges

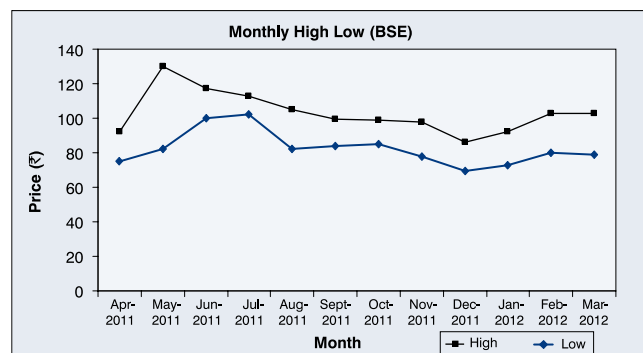
The Company's equity shares having ISIN No. INE722H01016 are listed on the following Stock Exchanges:

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

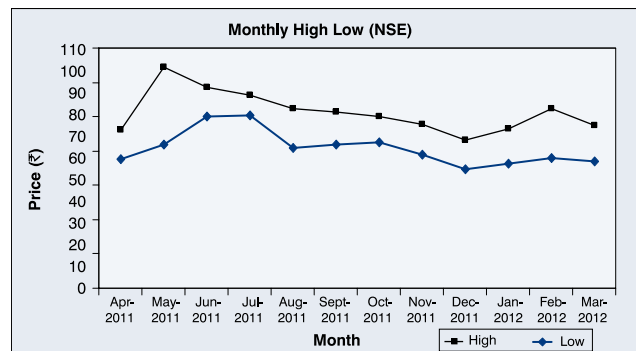
## Market Price Data

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2011	92.5	75.25	92.45	75.3
May 2011	130	82.5	129.15	83.5
June 2011	117.25	100.1	116.9	100
July 2011	113	102	112.5	101
August 2011	105	82	105	81.8
September 2011	99.45	84	102.95	83.65
October 2011	98.75	85	100	85
November 2011	98	78	95.4	78
December 2011	86.35	69.55	86.5	69.5
January 2012	92.4	72.55	93.1	72.8
February 2012	102.9	80.25	104.75	76.15
March 2012	102.65	79	94.9	74.15

## BSE Price Data



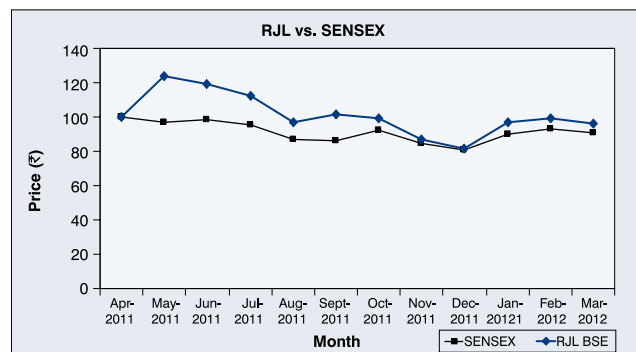
## NSE Price Data



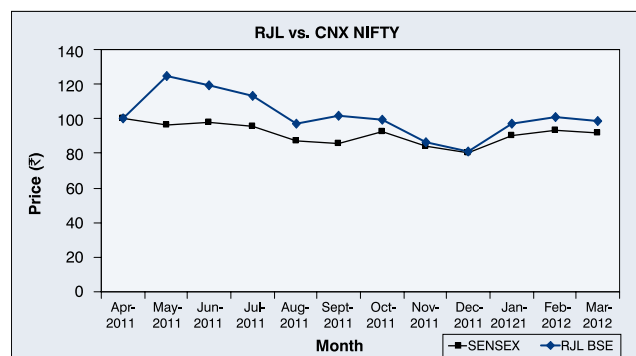
## Performance in comparison with SENSEX/S&P CNX NIFTY

The performance of the Company's shares relative to SENSEX and S&P CNX NIFTY at a common base of 100 is as follows. The period covered is April 2011 to March 2012.

### Chart showing RJL price at BSE vs SENSEX



### Chart showing RJL price at NSE vs CNX NIFTY



## Registrar and Transfer Agents

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

## Share Transfer System

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

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

## Distribution of shareholding as on March 31, 2012

Shareholding of Nominal Value of ₹	No. of Shareholders	%	No of Shares	Amount in ₹	%
Up to 5000	12823	95.40	1008643	10086430	5.29
5001 to 10000	246	1.83	195374	1953740	1.02
10001 to 20000	127	0.94	185658	1856580	0.97
20001 to 30000	63	0.47	157443	1574430	0.83
30001 to 40000	34	0.25	119055	1190550	0.62
40001 to 50000	29	0.22	121973	1219730	0.64
50001 to 100000	51	0.38	350177	3501770	1.84
100001 onwards	69	0.51	16941117	169411170	88.79
Total	13442	100	19079440	190794400	100

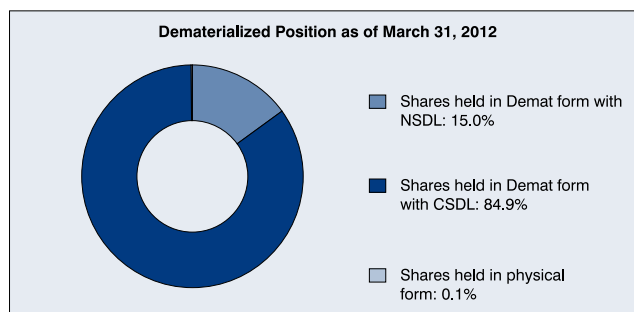
## Shareholding pattern as on March 31, 2012

Category	No. of Shares	Percentage
<b>A. Promoters' Holding</b>		
Promoters	12252986	64.22
Relatives of Directors	1712218	8.97
Corporate Bodies (Promoter Co)	80	0.00
<b>Sub Total A</b>	<b>13965284</b>	<b>73.20</b>
<b>B. Non Promoters' Holding</b>		
<b>Institutional Investors:</b>		
Mutual Fund	0	0.00
Insurance Companies	0	0.00
Non Nationalized Banks	70000	0.37
Foreign Inst. Investors	527083	2.76
<b>Sub Total</b>	<b>597083</b>	<b>3.13</b>
<b>Non Institutional Investors:</b>		
Other Bodies Corporate	445828	2.34
Clearing Member	120695	0.63
Non Resident Indians	78867	0.41
Non Resident (Non Repatriable)	3559	0.02
Public	3213456	16.84
Trusts	654668	3.43
<b>Sub Total</b>	<b>4517073</b>	<b>23.68</b>
<b>Sub Total B</b>	<b>5114156</b>	<b>26.81</b>
<b>Grand Total</b>	<b>19079440</b>	<b>100.00</b>

## Dematerialization of shares and liquidity

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

Nearly 99.9% of total equity shares of the Company are held in dematerialized form with NSDL & CDSL.



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

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

## Plant Locations and Address for correspondence

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

## Unclaimed Dividends

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

Financial Year	Date of declaration of Dividend	Due Date for transfer to IEPF
2007-2008	September 5, 2008	October 12, 2015
2008-2009	August 28, 2009	October 3, 2016
2009-2010	August 25, 2010	September 30, 2017
2010-2011	September 7, 2011	October 13, 2018

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

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

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

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

Description	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares as on April 1, 2011	22	1285
Number of shareholders who approached the Company for transfer of shares from suspense account till March 31, 2012	3	154
Number of shareholders to whom shares were transferred from the Suspense account till March 31, 2012	1	45
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2012	21	1240

The voting rights on the shares outstanding in the suspense account as on March 31, 2012 shall remain frozen till the rightful owner of such shares claims the shares. In compliance with the said requirements, these shares will be transferred into a single folio in the name of 'Unclaimed Suspense Account' in due course.

### Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per

the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

### Electronic Clearing Service

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

### COMPLIANCE WITH THE MANDATORY REQUIREMENTS

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

### EXTENT OF COMPLIANCE WITH THE NON-MANDATORY REQUIREMENTS

#### The Board

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

#### Remuneration Committee

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

#### Shareholder Rights

The Company is publishing unqualified financial statements in the news papers. The Company also forwards a quarterly Company Performance Update to its shareholders through electronic mode to their registered e-mail addresses.

#### Audit qualifications

Since inception the Company did not have any qualifications in its financial statements, except the Auditors Observations as explained in Note 40 to the 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.

#### **Whistle Blower Policy**

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

#### **CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE**

A certificate from the Practicing Company Secretary, M/s. V. V. Chakradeo & Co., Company Secretary, Mumbai, regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement is enclosed.

**For and on behalf of the Board,**

**Sumit Shah**  
**Managing Director**

Mumbai, July 30, 2012

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

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

1. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2012 and that to the best of our knowledge and belief:
  - These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
  - These statements present true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's code of conduct;
3. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies; and
4. That we have informed the auditors and the Audit Committee of:
  - (i) Significant changes in internal control during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

**Sumit Shah**  
Managing Director

**Dilip Joshi**  
Chief Financial Officer

Mumbai, July 30, 2012

**CERTIFICATE OF PRACTICING COMPANY SECRETARY**

To

The Members of  
Renaissance Jewellery Ltd.

We have examined the compliance of conditions of Corporate Governance by Renaissance Jewellery Ltd. ('the Company'), for the year ended on March 31 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

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

**V. V. Chakradeo**  
COP 1705

Mumbai, July 30, 2012



# Auditors' Report

TO,  
THE MEMBERS OF  
**RENAISSANCE JEWELLERY LIMITED**

1. We have audited the attached Balance Sheet of Renaissance Jewellery Limited ('the Company') as at March 31, 2012 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *As explained in Note 40 to the financial statements, in respect of the stock of loose polished diamonds, in view of the nature of variation in the value of individual diamonds, the differentials in their costs, and numerous number of assortments and reassortments to multiple grades in view of management it is not practicable to maintain grade-wise inventory records and to compute the cost of loose polished diamonds using either first in first out, weighted average cost or Specific Cost. Inventory as at the year end is based on management's best technical estimate of replacement cost of the respective grade of diamonds. In our opinion the basis of computing cost, is not in accordance with the method prescribed by Accounting Standard (AS) – 2 'Valuation of Inventories' impact whereof on the profit for the year, and consequently, we are unable to comment on the consequent effect thereof on the accompanying financial statements'.*

5. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit *except for the matter stated in paragraph 4 above;*
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 *except for matters stated in paragraph 4 above.*
  - (v) On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts *except for the matter stated in paragraph 4 above*, the said accounts read together with other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - (a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;
  - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
  - (c) in the case of cash flow statement, of the cash flows for the year ended on that date.

**For S. R. BATLIBOI & ASSOICATES**

Firm registration number: 101049W

Chartered Accountants

**per Vikram Mehta**

Partner

Place : Mumbai

Date : May 24, 2012

Membership No.: 105938

# Annexure referred to in paragraph 3 of our report of even date

## Re: Renaissance Jewellery Limited ('the Company')

- |   |  |
|---|--|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets <i>except where item wise particulars in the fixed asset register and tagging of fixed assets are in the process of updation.</i></p> <p>(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.</p> <p>(c) There was no substantial disposal of fixed assets during the year.</p> <p>(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.</p> <p>(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(c) The Company is maintaining proper records of inventory <i>except in the case of diamonds as stated in paragraph 4 above.</i> There were no material discrepancies noticed on physical verification.</p> <p>(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.</p> <p>(e) The Company had taken loan from three directors covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 1,706.51 Lacs and the year-end balance of loans taken from such parties was ₹ 92.86 Lacs.</p> | <p>(f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.</p> <p>(g) The loans taken are re-payable on demand and have been paid regularly and thus, there has been no default on the part of the Company. The loans taken are interest free.</p> <p>(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.</p> <p>(v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.</p> <p>(vi) The Company has not accepted any deposits from the public.</p> <p>(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.</p> <p>(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, related to manufacture of jewellery and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.</p> <p>(ix) (a) Undisputed statutory dues including income tax, provident fund, investor education and protection fund, employees' state insurance, wealth-tax, customs duty,</p> |
|---|--|

sales tax, service tax, excise duty and other material statutory dues applicable to it have generally been regularly deposited with appropriate authorities *though there has been a slight delays in few cases of income tax, provident fund, employee state insurance corporation.*

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of sales-tax, wealth tax, customs duty, excise duty and cess which have not been deposited on account of any dispute except in case of income-tax and service tax which has not been deposited. The details are given as under:

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

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of

security by way of pledge of shares, debentures and other securities.

- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not taken any term loans during the year. Accordingly we are not required to comment on the same. In case of term loans taken in the previous year and repaid during the year, the Company has utilized the said loans completely in the previous year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

#### For S. R. BATLIBOI & ASSOICATES

Firm registration number: 101049W  
Chartered Accountants

**per Vikram Mehta**

Partner

Place : Mumbai

Date : May 24, 2012

Membership No.: 105938

# Balance Sheet

as at March 31, 2012

	NOTES	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	3	1,907.94	1,907.94
Reserves and Surplus	4	27,822.43	24,037.40
Money received against share warrants (Refer note 37.1)		380.00	190.00
		<b>30,110.37</b>	<b>26,135.34</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provision	5	83.38	—
		<b>83.38</b>	<b>—</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	6	18,810.63	21,475.98
Trade payables	7	3,006.55	8,875.86
Other Current liabilities	7	821.14	718.19
Short-term provisions	5	754.09	511.24
		<b>23,392.41</b>	<b>31,581.27</b>
<b>TOTAL</b>		<b>53,586.16</b>	<b>57,716.61</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Tangible assets	8	4,073.73	3,454.84
Intangible assets	8	32.40	15.00
Capital work-in-progress		7.92	630.54
Non-current investments	9	10,737.42	10,103.43
Deferred tax Assets (net)	10	158.43	31.60
Long-term loans and advances	11	1,283.95	858.94
Other non-current assets	12.2	35.16	0.05
		<b>16,329.01</b>	<b>15,094.40</b>
<b>CURRENT ASSETS</b>			
Inventories	13	20,030.19	16,193.69
Trade receivables	12.1	14,708.87	21,744.34
Cash and bank balances	14	1,559.36	3,456.81
Short-term loans and advances	11	935.22	1,033.16
Other current assets	12.2	23.51	194.21
		<b>37,257.15</b>	<b>42,622.21</b>
<b>TOTAL</b>		<b>53,586.16</b>	<b>57,716.61</b>
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			

As per our Report of even date  
**For S.R. Batliboi & Associates**  
Firm Registration No. 101049W  
Chartered Accountants  
**per Vikram Mehta**  
Partner  
Membership No. 105938

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

**Niranjan A. Shah**  
Executive Chairman

**Sumit N. Shah**  
Managing Director

**Hitesh M. Shah**  
Executive Director

**Ghanashyam M. Walavalkar**  
Company Secretary

Place: Mumbai  
Date: May 24, 2012

Place: Mumbai  
Date: May 24, 2012

# Statement of Profit and Loss

for the year ended March 31, 2012

	NOTES	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>INCOME</b>			
Revenue from operations	15	70,942.56	60,529.87
Other income	16	103.08	648.16
<b>TOTAL REVENUE (I)</b>		<b>71,045.64</b>	<b>61,178.03</b>
<b>EXPENSES</b>			
Cost of materials consumed	17	62,764.43	46,440.61
(Increase)/decrease in inventories	18	(10,950.60)	(4.18)
Employee benefit expense	19	6,297.63	6,133.26
Other expenses	20	6,564.06	3,647.80
<b>TOTAL EXPENSES (II)</b>		<b>64,675.52</b>	<b>56,217.49</b>
Earnings before interest, tax, depreciation and amortization (EBITDA) (I)-(II)		6,370.12	4,960.54
Depreciation and amortization expense	21	626.58	501.94
Finance costs	22	1,281.57	1,010.61
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>4,461.97</b>	<b>3,447.99</b>
<b>TAX EXPENSES</b>			
Current tax (MAT payable)		890.00	326.00
Less: MAT credit entitlement		(417.80)	(159.00)
Net current tax expenses		472.20	167.00
Deferred tax		(126.83)	(19.38)
<b>TOTAL TAX EXPENSE</b>		<b>345.37</b>	<b>147.62</b>
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>4,116.60</b>	<b>3,300.37</b>
Earning per equity share [nominal value of share ₹ 10/-] (March 31, 2011: ₹ 10/-)	23		
<b>BASIC</b>		₹ 21.58	₹ 17.30
<b>DILUTED</b>		₹ 21.36	₹ 17.30
Summary of Significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			

As per our Report of even date  
**For S.R. Batliboi & Associates**  
 Firm Registration No. 101049W  
 Chartered Accountants  
**per Vikram Mehta**  
 Partner  
 Membership No. 105938

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

**Niranjan A. Shah**  
 Executive Chairman

**Sumit N. Shah**  
 Managing Director

**Hitesh M. Shah**  
 Executive Director

**Ghanashyam M. Walavalkar**  
 Company Secretary

Place : Mumbai  
 Date : May 24, 2012

Place : Mumbai  
 Date : May 24, 2012



# Cash Flow Statement

## for the year ended March 31, 2012

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	4,461.97	3,447.99
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization	626.58	501.94
Loss/(profit) on sale of fixed assets	0.24	(3.07)
Loss/(profit) on sale of non current investment	0.15	1.51
Unrealized foreign exchange loss/(gain)	286.49	273.70
Sundry balance written off	19.64	—
Interest expense	1,281.57	1,010.62
Interest income	(68.71)	(57.50)
Dividend Income	(30.53)	(33.05)
Operating profit before working capital changes	<b>6,577.40</b>	<b>5,142.14</b>
(Increase)/decrease in Working Capital	(1,966.31)	(6,063.82)
Cash generated from/(used in) operations	<b>4,611.09</b>	<b>(921.68)</b>
Direct taxes paid (Net of refunds)	885.98	298.18
<b>Net cash flow from/(used in) operating activity (A)</b>	<b>3,725.11</b>	<b>(1,219.86)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(679.10)	(1,530.30)
Proceeds from sale of fixed assets	38.59	12.55
Proceeds from sale/maturity of non-trade investments	1,102.66	2596.55
Investments in mutual funds	(297.53)	(3574.02)
Investment in subsidiaries	(1,439.29)	(3,942.08)
Redemption/maturity of bank deposits (having original maturity of more than three months)	1,148.69	—
Interest received	68.71	50.62
Dividend received	30.53	33.05
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(26.74)</b>	<b>(6,353.63)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of share warrants	190.00	190.00
Proceeds/(Repayment) from/of short-term borrowing (net)	(2,911.33)	9,650.38
Interest paid	(1,281.57)	(1,038.06)
Dividend and tax on dividend paid on Equity Shares	(444.23)	(445.62)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(4,447.13)</b>	<b>8,356.69</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(748.76)</b>	<b>783.21</b>
Cash and cash equivalents at the beginning of the year	2,158.90	1375.69
<b>Cash and cash equivalents at the end of the year</b>	<b>1,410.14</b>	<b>2,158.90</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash on hand	16.81	18.96
With banks		
– on current account	1,090.03	802.38
– on deposit account	300.00	1,335.00
– on unpaid dividend account *	3.30	2.56
<b>Total Cash and Cash Equivalents (Note 16)</b>	<b>1,410.14</b>	<b>2,158.90</b>
* The company can utilize these balances only towards the settlement of the respective unpaid dividend.		
Summary of significant accounting policies	2.1	

As per our Report of even date  
**For S.R. Batliboi & Associates**  
Firm Registration No. 101049W  
Chartered Accountants

**per Vikram Mehta**  
Partner  
Membership No. 105938

Place : Mumbai  
Date : May 24, 2012

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

**Niranjan A. Shah**  
Executive Chairman

**Ghanashyam M. Walavalkar**  
Company Secretary

**Sumit N. Shah**  
Managing Director

**Hitesh M. Shah**  
Executive Director

Place : Mumbai  
Date : May 24, 2012



# Notes to Financial Statements

## for the year ended March 31, 2012

### 1. CORPORATE INFORMATION

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

### 2. BASIS OF PREPARATION

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

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except change in accounting policy as explained below.

#### 2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) Change in accounting policy

###### Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However it has a significant impact on the presentation and disclosures made in the financial statements. The company has also reclassified previous year figures in accordance with the requirements applicable in the current year.

##### (b) Use of estimates

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

##### (c) Tangible fixed assets

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

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

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

##### (d) Depreciation/Amortization

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

## Notes to Financial Statements for the year ended March 31, 2012

	Rates (WDV)
Factory buildings	10%
Other buildings	5%
Plant and equipments	13.91%
Furniture and fixtures	18.1%
Vehicles	25.89%
Computers	20%
Office Equipment	13.91%
Leasehold Improvements	18.1% or the rate based on lease period, whichever is higher

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

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

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

### (e) Intangible Assets

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

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

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

Computer software	20%
-------------------	-----

### (f) Impairment of tangible and intangible assets

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

### (g) Leases

#### Company is the lessee

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

### (h) Investments

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

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

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

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

# Notes to Financial Statements

## for the year ended March 31, 2012

### (i) Inventories

Inventories are valued as follows:

Raw materials (Cut & Polished Diamonds)	Cut and Polished Diamonds are valued at replacement cost which is technically evaluated and certified by management keeping in view the wide variety and grades of diamond.
Raw materials (Gold Silver Alloys & Others)	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, labor and proportionately all other cost related to converting them into finished goods. Cost is determined on specific identification basis.
Stores and spares	Stores and spares are valued at lower of cost or net realizable value. The cost is computed on moving weighted average.

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

### (j) Revenue Recognition

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

#### Sale of Goods

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

#### Interest

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

#### Dividends

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

### (k) Borrowing Cost

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

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

### (l) Foreign currency translation

Foreign currency transactions and balances

#### (i) Initial Recognition

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

#### (ii) Conversion

Foreign currency monetary items are reported using the closing rate.

# Notes to Financial Statements

## for the year ended March 31, 2012

### (iii) Exchange Differences

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

### (iv) Forward Contracts

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

### (m) Retirement and other employee benefits

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

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

### (n) Income taxes

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

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

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

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

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

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



# Notes to Financial Statements

## for the year ended March 31, 2012

timing differences which originate first are considered to reverse first.

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

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

**(o) Segment Reporting Policies**

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

**(p) 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.

**(q) Provisions**

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

**(r) Contingent liabilities**

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

**(s) Cash and Cash equivalents**

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

**(t) Employee Stock Purchase Plan**

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

**(u) Measurement of EBITDA**

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

# Notes to Financial Statements

## for the year ended March 31, 2012

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>3. SHARE CAPITAL</b>		
Authorized shares		
27,000,000 (March 31, 2011 : 27,000,000) equity shares of ₹ 10/- each	2,700.00	2,700.00
Issued, subscribed and fully paid-up shares		
19,079,440 (March 31, 2011 : 19,079,440) equity shares of ₹ 10/- each	1,907.94	1,907.94
	<b>1,907.94</b>	<b>1,907.94</b>

- a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year  
Equity shares

	March 31, 2012		March 31, 2011	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	19,079,440	1,907.94	19,079,440	1,907.94
Issued during the year	—	—	—	—
Outstanding at the end of the year	<b>19,079,440</b>	<b>1,907.94</b>	<b>19,079,440</b>	<b>1,907.94</b>

Of the above, 720,000 Equity Shares of ₹ 10/- each fully paid-up have been issued during the period of five years immediately preceding the reporting date to RJL – Employee Welfare Trust pursuant to Employee Stock Purchase Scheme (ESPS) (Refer note 37.2).

- b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2012, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 1.50/- (March 31, 2011: ₹ 2/-).

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

- c) Share issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	March 31, 2012 No. of Shares	March 31, 2011 No. of Shares
Equity shares allotted as fully paid bonus shares by capitalization of profit and loss balance.	11,405,800	11,405,800

- d) Details of shareholders holding more than 5% shares in the Company

	March 31, 2012		March 31, 2011	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity Shares of ₹ 10/- each fully paid up				
Niranjan A. Shah	5,214,080	27.33	5,214,080	27.33
Sumit N. Shah	4,171,120	21.86	4,171,120	21.86
Hitesh M. Shah	1,303,520	6.83	1,303,520	6.83

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

# Notes to Financial Statements

## for the year ended March 31, 2012

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>4. RESERVES AND SURPLUS</b>		
Securities Premium Account		
Balance as per the last financial statements	7,127.25	7,127.25
Add : Addition on ESPS's exercised	1.07	—
	<b>7,128.32</b>	<b>7,127.25</b>
General reserve		
Balance as per the last financial statements	1,075.00	825.00
Add : Amount transferred from surplus balance in the statement of profit & loss	206.00	250.00
	<b>1,281.00</b>	<b>1,075.00</b>
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	15,835.15	13,229.74
Profit for the year	4,116.60	3,300.37
Less : Appropriations		
Proposed final equity dividend [amount per share ₹ 1.50/- (March 31, 2011: ₹ 2/-)]	286.19	381.59
Tax on proposed equity dividend	46.45	63.38
Transfer to general reserve	206.00	250.00
<b>TOTAL APPROPRIATIONS</b>	<b>538.64</b>	<b>694.97</b>
Net surplus in the statement of profit and loss	<b>19,413.11</b>	<b>15,835.15</b>
<b>TOTAL RESERVES AND SURPLUS</b>	<b>27,822.43</b>	<b>24,037.40</b>

	Long-term		Short-term	
	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>5. PROVISIONS</b>				
<b>Provision for employee benefits</b>				
Provision for gratuity (Refer note 24)	83.38	—	211.89	—
Provision for Leave salary	—	—	119.68	66.27
	<b>83.38</b>	<b>—</b>	<b>331.57</b>	<b>66.27</b>
<b>Other provisions</b>				
Proposed equity dividend	—	—	286.19	381.59
Provision for tax on proposed equity dividend	—	—	46.45	63.38
Provision for Current Tax (net of Advance Tax)	—	—	89.88	—
	<b>—</b>	<b>—</b>	<b>422.52</b>	<b>444.97</b>
	<b>83.38</b>	<b>—</b>	<b>754.09</b>	<b>511.24</b>

# Notes to Financial Statements

## for the year ended March 31, 2012

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>6. SHORT-TERM BORROWINGS</b>		
Working Capital Finance from banks denominated in Foreign Currency (secured)	18,717.77	19,201.37
Working Capital Finance from banks denominated in Indian Currency (secured)	—	665.60
Interest free loan from related parties repayable on demand (unsecured)	92.86	1,609.01
	<b>18,810.63</b>	<b>21,475.98</b>
<p>(The 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 and by way of joint equitable mortgage of Company's factory premises situated at Plot Nos. 36A and 37 (Mumbai) and at Plot No. 2302 (Bhavnagar), fixed machinery and plant, fixtures and fittings, erected and installed therein and by personal guarantee of some of the directors/promoters. The working capital finance is generally having tenure of 180 days. The Foreign currency loans carries interest rate @ LIBOR +350 bps and Indian currency Loans carries interest rate @ 10% to 12%.).</p>		
<b>7. TRADE PAYABLES AND OTHER CURRENT LIABILITIES</b>		
Trade payable (Refer note 31 for details of dues to micro and small enterprises)	3,006.55	8,875.86
<b>Other liabilities</b>		
Interest accrued but not due on gold payable	1.18	2.89
Forward contracts payable (Net)	257.42	—
Salaries, wages and others payables	474.62	549.31
Investor Education and Protection Fund will be credited by following amount (as and when due)		
Unpaid dividend	3.30	2.56
Other payables		
Statutory dues payable	84.62	72.25
Bank overdraft as per books	—	91.18
	<b>821.14</b>	<b>718.19</b>
	<b>3,827.69</b>	<b>9,594.05</b>

# Notes to Financial Statements for the year ended March 31, 2012

8. TANGIBLE AND INTANGIBLE ASSETS												Intangible Assets
	Land	Factory Building	Non Factory Building	Plant & Equipment	Electrical Installations	Office Equipment	Computers	Furniture and fixtures	Vehicles	Leasehold Improvements	Total Tangible Assets	
<b>Cost or valuation</b>												
<b>At 1 April 2010</b>	200.25	1,105.36	—	1,802.62	261.89	348.95	333.06	472.77	158.57	236.79	4,920.26	19.62
Additions	—	338.35	—	638.87	84.66	97.68	31.89	104.07	55.14	79.56	1,430.22	6.24
Disposals	—	—	—	(4.94)	—	—	—	(0.10)	(20.52)	—	(25.55)	—
<b>At March 31, 2011</b>	<b>200.25</b>	<b>1,443.71</b>	<b>—</b>	<b>2,436.55</b>	<b>346.55</b>	<b>446.63</b>	<b>364.95</b>	<b>576.74</b>	<b>193.19</b>	<b>316.35</b>	<b>6,324.93</b>	<b>25.86</b>
Additions	—	39.20	292.95	287.01	62.33	81.33	22.51	180.35	45.27	265.90	1,276.85	24.87
Disposals	—	—	—	(85.50)	—	(0.26)	(2.32)	(7.58)	(3.85)	—	(99.51)	—
<b>At March 31, 2012</b>	<b>200.25</b>	<b>1,482.91</b>	<b>292.95</b>	<b>2,638.06</b>	<b>408.88</b>	<b>527.70</b>	<b>385.14</b>	<b>749.51</b>	<b>234.61</b>	<b>582.25</b>	<b>7,502.27</b>	<b>50.73</b>
<b>Depreciation</b>												
<b>At 1 April 2010</b>	19.96	512.22	—	720.31	146.78	186.67	263.07	288.79	86.05	164.72	2,388.57	6.52
Charge for the year	8.51	79.67	—	205.17	29.21	40.71	35.48	54.89	22.28	21.67	497.59	4.34
Disposals	—	—	—	(2.93)	—	—	—	—	(13.14)	—	(16.07)	—
<b>At March 31, 2011</b>	<b>28.47</b>	<b>591.89</b>	<b>—</b>	<b>922.55</b>	<b>175.99</b>	<b>227.38</b>	<b>298.55</b>	<b>343.68</b>	<b>95.19</b>	<b>186.39</b>	<b>2,870.09</b>	<b>10.86</b>
Charge for the year	3.65	63.68	7.16	241.50	31.51	42.76	31.93	65.45	30.85	100.61	619.11	7.47
Disposals/Adjustments	—	—	—	(54.23)	—	(0.09)	(1.59)	(2.53)	(2.22)	—	(60.66)	—
<b>At March 31, 2012</b>	<b>32.12</b>	<b>655.57</b>	<b>7.16</b>	<b>1,109.83</b>	<b>207.50</b>	<b>270.05</b>	<b>328.89</b>	<b>406.60</b>	<b>123.82</b>	<b>287.00</b>	<b>3,428.54</b>	<b>18.33</b>
<b>Net Block</b>												
<b>At March 31, 2011</b>	<b>171.78</b>	<b>851.82</b>	<b>—</b>	<b>1,514.00</b>	<b>170.56</b>	<b>219.25</b>	<b>66.40</b>	<b>233.06</b>	<b>98.00</b>	<b>129.96</b>	<b>3,454.84</b>	<b>15.00</b>
<b>At March 31, 2012</b>	<b>168.13</b>	<b>827.34</b>	<b>285.79</b>	<b>1,528.23</b>	<b>201.38</b>	<b>257.65</b>	<b>56.25</b>	<b>342.91</b>	<b>110.79</b>	<b>295.25</b>	<b>4,073.73</b>	<b>32.40</b>

## Notes:

- Land includes land held on leasehold basis:  
Gross block ₹ 105.08 Lacs (March 31, 2011: ₹ 105.08 Lacs)  
Depreciation charge for the year ₹ 3.65 Lacs (March 31, 2011: ₹ 8.51 Lacs)  
Accumulated depreciation ₹ 32.12 Lacs (March 31, 2011: ₹ 28.48 Lacs)  
Net book value ₹ 72.96 Lacs (March 31, 2011: ₹ 76.60 Lacs)
- Building includes those constructed on leasehold land:  
Gross block ₹ 1,182.74 Lacs (March 31, 2011: ₹ 889.79 Lacs)  
Depreciation charge for the year ₹ 36.32 Lacs (March 31, 2011: ₹ 37.81 Lacs)  
Accumulated depreciation ₹ 510.80 Lacs (March 31, 2011: ₹ 460.73 Lacs)  
Net book value ₹ 588.36 Lacs (March 31, 2011: ₹ 429.05 Lacs)



# Notes to Financial Statements

## for the year ended March 31, 2012

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>9. NON-CURRENT INVESTMENTS</b>		
<b>Trade investments (valued at cost unless stated otherwise)</b>		
<b>Unquoted Equity Instruments</b>		
Subsidiaries Companies		
i) Equity Shares without par value of Renaissance Jewelry N.Y. Inc. (Nos. of Equity Shares 100 March 31, 2011 : 100)	5,082.74	5,082.74
ii) Equity Shares of GBP 1/- each of Verigold Jewellery (UK) Ltd. (Nos. of Equity Shares 450,000 March 31, 2011 : 450,000)	309.72	309.72
iii) Equity Shares of ₹ 10/- each of N. Kumar Diamond Exports Pvt. Ltd. (Nos. of Equity Shares 6,500,000 March 31, 2011 : 6,500,000)	1,235.00	1,235.00
iv) Equity Shares of Tk. 100/- each of Renaissance Jewellery Bangladesh Pvt. Ltd. (Nos. of Equity Shares 1,154,416 March 31, 2011 : Nil)	719.29	—
v) Equity Shares of ₹ 100/- each of Caro Fine Jewellery Pvt. Ltd. (Nos. of Equity Shares 4,000 March 31, 2011 : Nil)	720.00	—
<b>Investments in Preference Shares (Unquoted – Trade)</b>		
i) Eight years' 0% optionally convertible Redeemable Preference shares of ₹ 10/- each of HouseFull International Ltd. (Nos. of Preference Shares 25,000,000 March 31, 2011 : 25,000,000)	2,500.00	2,500.00
<b>Investments in Mutual Funds (Unquoted – Non Trade)</b>		
i) Birla Sun Life Mutual Fund of ₹ 10/- each (Nos. of units Nil March 31, 2011 : 900,868.181)	—	90.14
ii) DSP Blackrock Mutual Fund of ₹ 1,000/- each (Nos. of units Nil March 31, 2011 : 12,304.231)	—	123.14
iii) Reliance Mutual Fund of ₹ 10/- each (Nos. of units 15,808,064.029 March 31, 2011 : 2,829,698.607)	160.67	301.49
iv) SBI Mutual Fund of ₹ 10/- each (Nos. of units Nil March 31, 2011 : 4,479,974.290)	—	451.20
v) SBI PSU Fund of ₹ 10/- each (Nos. of units 100,000 March 31, 2011 : 100,000)	10.00	10.00
	<b>10,737.42</b>	<b>10,103.43</b>
Aggregate amount of unquoted investments	<b>10,737.42</b>	<b>10,103.43</b>

# Notes to Financial Statements

## for the year ended March 31, 2012

			March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs		
10. DEFERRED TAX ASSETS (NET)						
Deferred tax liability						
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting			16.37	52.00		
Gross deferred tax liabilities			16.37	52.00		
Provision for leave salary & gratuity			125.40	21.50		
Merger expenses – deduction u/s 35D of the income tax act			—	0.88		
Provision for Bonus/Ex-gratia			49.40	61.22		
Gross deferred tax assets			174.80	83.60		
Net deferred tax asset			158.43	31.60		
		Non-Current	Current			
		March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs	
11. LOANS AND ADVANCES						
Capital advances						
Unsecured, considered good			18.88	46.15	—	—
(A)			18.88	46.15	—	—
Security deposit						
Unsecured, considered good			55.07	67.28	—	—
(B)			55.07	67.28	—	—
Loan and advances to related parties (Refer note 30)						
Unsecured, considered good			—	—	217.86	30.54
(C)			—	—	217.86	30.54
Advances recoverable in cash or kind						
Unsecured, considered good			—	—	98.93	188.38
(D)			—	—	98.93	188.38
Other loans and advances						
Unsecured, considered good						
Advance income-tax (net of provisions)			115.27	29.41	—	—
Minimum Alternate Tax Credit Entitlement			795.90	378.10	—	—
Prepaid expenses			—	—	104.18	84.61
Balance with RJL Employee Welfare Trust			298.83	338.00	30.25	—
Loans to employees			—	—	147.09	81.67
Balance with statutory/government authorities			—	—	336.91	647.96
(E)			1,210.00	745.51	618.43	814.24
TOTAL (A+B+C+D+E)			1,283.95	858.94	935.22	1,033.16

# Notes to Financial Statements

for the year ended March 31, 2012

	Non-Current		Current	
	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>12. TRADE RECEIVABLES AND OTHER ASSETS</b>				
<b>12.1 TRADE RECEIVABLES</b>				
Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	—	—	8.91	—
Doubtful	—	—	—	—
	—	—	8.91	—
Provision for doubtful receivables	—	—	—	—
<b>(A)</b>	—	—	8.91	—
Other receivables				
Unsecured, considered good	—	—	14,699.96	21,744.34
Doubtful	—	—	—	—
	—	—	14,699.96	21,744.34
Provision for doubtful receivables	—	—	—	—
<b>(B)</b>	—	—	14,699.96	21,744.34
<b>TOTAL (A+B)</b>	—	—	<b>14,708.87</b>	<b>21,744.34</b>
<b>12.2 OTHER ASSETS</b>				
Deposits with original maturity for more than 12 months (Refer note 14)				
<b>(A)</b>	35.16	0.05	—	—
<b>Unamortized expenditure</b>				
Forward contract receivable (net)	—	—	—	169.52
<b>(B)</b>	—	—	—	169.52
<b>Others</b>				
Interest accrued on fixed deposits	—	—	4.61	23.77
Receivable against sale of tangible assets	—	—	7.81	0.92
Receivable from wholly owned Subsidiary Caro Fine Jewellery Pvt. Ltd.	—	—	11.09	—
<b>(C)</b>	—	—	23.51	24.69
<b>TOTAL (A+B+C)</b>	<b>35.16</b>	<b>0.05</b>	<b>23.51</b>	<b>194.21</b>

# Notes to Financial Statements

## for the year ended March 31, 2012

			March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
13. INVENTORIES				
Raw Materials				
Gems and diamonds (Refer note 40)			8,308.35	12,050.94
Gold, Silver and others (Refer note 39)			342.44	3,774.63
Manufactured Jewellery (Finished Goods)			264.55	4.18
Work-in-progress (Refer note 38)			10,690.23	—
Consumable, tools and spares			424.62	363.94
			20,030.19	16,193.69
	Non-Current		Current	
	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
14. CASH AND BANK BALANCES				
Cash and cash equivalents				
Balance with banks:				
On current accounts	—	—	1,090.03	802.38
Deposits with original maturity of less than three months	—	—	300.00	1,335.00
On unpaid dividend account	—	—	3.30	2.56
Cash on hand	—	—	16.81	18.96
(A)	—	—	1,410.14	2,158.90
Other bank balances				
Deposits with original maturity for more than 12 months	35.16	0.05	—	—
Deposits with original maturity of more than three months but less than 12 months	—	—	85.00	1,195.53
Margin Money Deposit with banks against gold payable	—	—	64.22	102.38
	35.16	0.05	149.22	1,297.91
Amount disclosed under “other asset” (Refer note 12.2)	(35.16)	(0.05)	—	—
(B)	—	—	149.22	1,297.91
TOTAL (A+ B)	—	—	1,559.36	3,456.81

# Notes to Financial Statements

## for the year ended March 31, 2012

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>15. REVENUE FROM OPERATIONS</b>		
Revenue from operations		
Sale of products		
Jewellery	66,545.87	60,514.56
Gems and diamonds	4,395.02	—
Sale of services		
Jewellery making charges	1.67	15.31
<b>Revenue from operations</b>	<b>70,942.56</b>	<b>60,529.87</b>
<b>16. OTHER INCOME</b>		
Interest income on		
Bank deposits TDS ₹ 7.10 Lacs (March 31, 2011 ₹ 5.97 Lacs)	38.78	57.50
Others	29.93	—
Dividend income on		
Long-term investment	30.53	33.05
Exchange difference (net)	—	551.84
Other non-operating income	3.84	5.77
	<b>103.08</b>	<b>648.16</b>
<b>17. COST OF MATERIALS CONSUMED</b>		
Material consumed		
Inventory at the beginning of the year	15,825.57	14,929.90
Add : Purchases	55,594.50	47,378.32
Less : Sale of raw materials	4.85	42.04
	71,415.22	62,266.18
Less : Inventory at the end of the year	8,650.79	15,825.57
<b>Total materials consumed</b>	<b>62,764.43</b>	<b>46,440.61</b>
<b>Details of materials consumed</b>		
Colour Stone	1,111.07	396.93
Diamond	39,914.72	29,281.95
Gold	13,446.53	11,388.83
Silver	3,297.09	2,640.42
Others	4,995.02	2,732.48
	<b>62,764.43</b>	<b>46,440.61</b>
<b>Details of inventory</b>		
Colour Stone	82.42	439.71
Diamond	8,225.92	11,611.22
Gold	43.07	1,752.26
Silver	0.90	555.83
Others	298.48	1,466.54
	<b>8,650.79</b>	<b>15,825.56</b>



# Notes to Financial Statements

## for the year ended March 31, 2012

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>18. (INCREASE)/DECREASE IN INVENTORIES</b>		
<b>Inventories at the end of the year:</b>		
Work-in-progress	10,690.23	—
Finished goods	264.55	4.18
	<b>10,954.78</b>	<b>4.18</b>
<b>Inventories at the beginning of the year:</b>		
Work-in-progress	—	—
Finished goods	4.18	—
	<b>4.18</b>	<b>—</b>
	<b>(10,950.60)</b>	<b>(4.18)</b>
<b>Details of inventory:</b>		
<b>Work-in-progress:</b>		
Jewellery	10,690.23	—
	<b>10,690.23</b>	<b>—</b>
<b>Finished Goods:</b>		
Jewellery	264.55	4.18
	<b>264.55</b>	<b>4.18</b>
<b>19. EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, wages and bonus	5,166.21	5,545.24
Contribution to provident and other funds	375.53	349.32
Gratuity expense (Refer note 24)	323.33	(134.98)
Leave salary (Including prior period ₹ (20.90) Lacs)	105.06	12.81
Staff welfare expenses	327.50	360.87
	<b>6,297.63</b>	<b>6,133.26</b>
<b>20. OTHER EXPENSES</b>		
Consumption of stores and spare parts	955.13	1,218.35
Power and fuel	439.04	440.27
Water charges	26.56	30.90
Jewellery making charges	693.10	733.60
Freight and forwarding charges	92.73	94.20
Rent	107.52	57.37
Rates & Taxes	32.16	15.36
Insurance	130.24	137.02
Repairs and maintenance:		
Buildings	16.78	15.00
Machinery	29.11	30.13
Others	178.61	159.91
Exchange difference (net)	3,045.77	—
Net loss on sale of investments	0.15	1.51
Payment to auditor (Refer details below)	23.65	9.80
Loss on sale of assets	0.24	(3.07)
Miscellaneous expenses	793.28	707.45
	<b>6,564.07</b>	<b>3,647.80</b>

# Notes to Financial Statements

## for the year ended March 31, 2012

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>20. OTHER EXPENSES (Contd.)</b>		
<b>Payment to auditor</b>		
<b>As auditor:</b>		
Audit fee	15.99	6.55
Tax audit fee	—	1.50
Limited review	6.52	1.00
<b>In other capacity:</b>		
Certification fee	0.88	—
Taxation	—	0.75
Reimbursement of expenses	0.26	—
	<b>#23.65</b>	<b>#9.80</b>
# Includes fees paid to previous auditor ₹ 1.00 Lacs (March 31, 2011 ₹ 9.80 Lacs)		
<b>21. DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation of tangible assets	619.11	497.60
Amortization of intangible assets	7.47	4.34
	<b>626.58</b>	<b>501.94</b>
<b>22. FINANCE COSTS</b>		
Interest	1,019.28	723.56
Other finance cost	262.29	287.05
	<b>1,281.57</b>	<b>1,010.61</b>
<b>23. EARNINGS PER SHARE (EPS)</b>		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Total operations for the year		
Profit after tax	4,116.60	3,300.37
<b>Net profit for calculation of basic and diluted EPS</b>	<b>4,116.60</b>	<b>3,300.37</b>
	No. of Shares	No. of Shares
Weighted average number of equity shares in calculating basic EPS	19,079,440	19,079,440
Weighted average number of equity shares in calculating Diluted EPS		
Weighted average number of equity shares in calculating basic EPS	19,079,440	19,079,440
Add : No. of convertible shares warrants	195,086	—
Weighted average number of dilutive potential equity shares	<b>19,274,526</b>	<b>19,079,440</b>
Basic Earnings per share	21.58	17.30
Diluted Earnings per share	21.36	17.30

# Notes to Financial Statements

## for the year ended March 31, 2012

### 24. EMPLOYEE BENEFITS

#### General Description of Defined Benefit plan:

##### Gratuity:

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

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

	Gratuity	
	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>Statement of Profit &amp; Loss Account:</b>		
Net Employee Benefit Expense recognised in the employee cost		
Current service cost	49.99	72.15
Interest cost on benefit obligation	11.89	22.07
Past service Cost	—	—
Expected return on plan assets	(13.77)	(14.59)
Net actuarial (gain)/loss recognised in the year	275.22	(214.61)
<b>Net Benefit Expense:</b>	<b>323.33</b>	<b>(134.98)</b>
Actual Return on Plan Assets	0.33	9.62
<b>Balance sheet:</b>		
Benefit asset/liability		
Present Value of defined benefit obligation	(432.71)	(144.11)
Fair value of plan assets	137.42	172.16
<b>Plan assets/(liability)</b>	<b>(295.29)</b>	<b>28.05</b>
<b>Changes in Present Value of Defined Benefit Obligation are as follows:</b>		
Opening defined benefit obligation	144.11	294.30
Current service cost	49.99	72.15
Interest cost	11.89	22.07
Actuarial (gains)/losses on obligation	261.77	(219.58)
Past Service Cost	—	—
Benefits paid	(35.05)	(24.83)
<b>Closing defined benefit obligation</b>	<b>432.71</b>	<b>144.11</b>
<b>Changes in Fair Value of Plan Assets are as follows:</b>		
<b>Opening fair value of planned assets:</b>	172.16	182.35
Expected return	13.77	14.59
Actuarial gain/(loss)	(13.44)	(4.97)
Contributions by employer	—	5.02
Benefits paid	(35.05)	(24.83)
<b>Closing fair value of plan assets</b>	<b>137.44</b>	<b>172.16</b>

The Company expects to contribute ₹ 211.89 Lacs to gratuity in the next year (March 31, 2011: ₹ Nil Lacs).

# Notes to Financial Statements

## for the year ended March 31, 2012

	Gratuity	
	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>The major category of plan assets as a percentage of the fair value of total plan assets are as follows:</b>		
Insurance of Policy	100%	100%
<b>The principal assumptions used in determining gratuity for the Company's plans are shown below:</b>		
Discount rate	8.50%	8.25%
Expected rate of return on assets	8.60%	8.00%
Age of Retirement	60.00	60.00
Annual increase in salary cost	5.00%	5.00%

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

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

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

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs	March 31, 2010 ₹ In Lacs	March 31, 2009 ₹ In Lacs	March 31, 2008 ₹ In Lacs
<b>Gratuity:</b>					
Defined Benefit Obligation	(432.71)	(144.11)	(294.30)	(294.30)	(209.59)
Plan Assets	137.44	172.16	182.71	182.71	152.02
Surplus/(deficit)	(295.27)	28.05	(111.59)	(111.59)	(57.57)
Experience adjustment on plan liabilities	(180.20)	(128.86)	(3.85)	—	—
Experience adjustment on plan assets	13.44	(4.97)	(6.76)	—	—

### 25. LEASES

Operating Lease: company as lessee

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

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
Charged to statement of profit and loss	67.29	34.16
Future minimum rentals payable under non-cancellable operating leases are as follows:		
Within one year	64.42	33.92
After one year but not more than five years	97.50	70.85
More than five years	43.13	43.05

# Notes to Financial Statements

## for the year ended March 31, 2012

### 26. SEGMENT INFORMATION

#### Business Segments:

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

#### Geographical Segments:

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

Year ended March 31, 2012	India	Outside India	Total
<b>Revenue</b>			
Sales to external customers	3,104.81	67,837.75	70,942.56
<b>Other segment information</b>			
Carrying amount of segment assets	33,745.43	19,840.73	53,586.16
<b>Capital Expenditure:</b>			
Additions to tangible & intangible fixed assets (Including CWIP & advance)	1,309.64	—	1,309.64
<b>Year ended March 31, 2011</b>	<b>India</b>	<b>Outside India</b>	<b>Total</b>
<b>Revenue</b>			
Sales to external customers	84.55	60,445.32	60,529.87
<b>Other segment information</b>			
Carrying amount of segment assets	30,586.04	27,130.57	57,716.61
<b>Capital Expenditure:</b>			
Additions to tangible & intangible fixed assets (Including CWIP & advance)	604.00	—	604.00

#### Notes:

#### Geographical Segment:

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

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>27. CAPITAL AND OTHER COMMITMENTS</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	17.87	58.37
<b>28. CONTINGENT LIABILITIES</b>		
Claims against the Company not acknowledged as debts:		
i) Guarantees given to banks against credit facilities extended to indirect subsidiary company	1,500.00	1,500.00
ii) Penalty levied by the Custom Authorities	3.11	3.11
iii) Income Tax demand disputed in appeal:		
Disputed by the Company	—	—
Disputed by the Department	92.58	92.58
iv) Disputed demand by Custom Authorities	21,322.24	21,322.24
	<b>22,917.93</b>	<b>22,917.93</b>

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



# Notes to Financial Statements

## for the year ended March 31, 2012

### 28. CONTINGENT LIABILITIES (Contd.)

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

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

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

Particulars	Purpose
Forward Contract to buy US \$ US \$ Nil (March 31, 2011: US \$ 2,470,000) ₹ Nil (March 31, 2011: ₹ 110,433,700)	Forward contract against foreign currency trade payables
Forward Contract to sell US \$ US \$ 14,978,000 (March 31, 2011: US \$ 12,805,538) ₹ 767,173,160 (March 31, 2011: ₹ 572,535,589)	Forward contract against foreign currency trade receivables

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

	March 31, 2012		March 31, 2011	
	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs
Trade receivables	USD 268.04	13,728.99	USD 486.19	21,737.46
	EUR 0.10	6.84	EUR —	—
Short term borrowings	USD 365.44	18,717.77	USD 429.46	19,201.37
Trade Payables	USD 24.79	1,269.99	USD 135.79	6,071.36
	EUR 0.48	33.01	EUR 2.11	133.55
	GBP 0.04	3.15	GBP 0.04	2.77
	CHF 0.06	3.74	CHF 0.02	0.94
	JPY —	—	JPY 0.39	0.21
Balance with Banks	USD 3.35	171.44	USD 0.07	3.10

### 30. LOANS AND ADVANCES IN THE NATURE OF LOANS GIVEN TO WHOLLY OWNED SUBSIDIARIES

#### Caro Fine Jewellery Private Limited

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
Balance as at year end	217.86	—
Maximum amount outstanding during the year	217.86	—
The loan is repayable within one year. The said loan is interest free		
<b>Housefull International Private Limited</b>		
Balance as at year end	—	—
Maximum amount outstanding during the year	900.00	—
The repayment schedule for the above loan is of 4 months		

# Notes to Financial Statements

## for the year ended March 31, 2012

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>31. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT 2006*</b>		
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
– Principal amount due to micro and small enterprises	0.05	0.17
– Interest due on above	—	—
b) The amount of interest paid by the buyer in terms of section 16 of the Micro and Small enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	—	—
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprise Development Act, 2006.	—	—
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	—	—
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section	—	—
* The company has initiated the process of identification of suppliers registered under Micro and Small Enterprise Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received as at balance sheet date.		
<b>32. VALUE OF IMPORTS CALCULATED ON CIF BASIS</b>		
Raw materials (Includes Goods in transit)	24,034.40	15,024.43
Consumable, Tools and Spares	749.66	905.27
Capital goods	88.67	470.32
	<b>24,872.73</b>	<b>16,400.02</b>
<b>33. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)</b>		
Sales Promotion Expenses	14.55	—
Others	143.29	114.05
	<b>157.84</b>	<b>114.05</b>

### 34. RELATED PARTY DISCLOSURES AS REQUIRED UNDER AS-18, 'RELATED PARTY DISCLOSURES', ARE GIVEN BELOW:

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

##### Subsidiary company:

- 1) Renaissance Jewelry N.Y Inc.
- 2) Verigold Jewellery (UK) Limited.
- 3) Renaissance Jewellery Bangladesh Private Limited.
- 4) N. Kumar Diamond Exports Limited.
- 5) Caro Fine Jewellery Private Limited.

# Notes to Financial Statements

## for the year ended March 31, 2012

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

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

##### Indirect subsidiary company:

- 1) Renaissance Adrienne LLC (situated at California) – Subsidiary of Renaissance Jewelry N.Y Inc.
- 2) Housefull International Limited - Subsidiary of N. Kumar Diamond Exports Limited.
- 3) Housefull Supply Chain Management Limited - Subsidiary of Housefull International Limited.
- 4) Niche Quality Foods Private Limited (erstwhile Renaissance Realtors Private Limited up to 23 December 2011) – Subsidiary of N. Kumar Diamond Exports Limited.

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

- 1) Fancy Jewellery Private Limited.
- 2) Anika Jewellery Private Limited.
- 3) Niranjana Holdings Private Limited.
- 4) Renaissance Jewellery Limited – Employee Group Gratuity Trust.
- 5) iAlpha Enterprise (erstwhile Sumit Diamonds).
- 6) RJL – Employee Welfare Trust.
- 7) Renaissance Foundation.

##### Key Management Personnel:

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

#### b) Related Party transactions:

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

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>Nature of transactions</b>		
<b>1) Sale of goods</b>		
1) Renaissance Jewelry N.Y. Inc.	31,420.18	19,888.45
2) Verigold Jewellery (UK) Limited	384.77	622.79
3) Renaissance Jewellery Bangladesh Private Limited	0.24	—
4) Renaissance Adrienne LLC	—	11.13
<b>2) Sale of fixed assets</b>		
1) Caro Fine Jewellery Private Limited	15.29	—
2) Housefull International Limited	—	0.11
<b>3) Purchase of goods</b>		
1) Renaissance Jewelry N.Y. Inc.	2,225.58	1,516.32
2) Verigold Jewellery (UK) Limited	97.31	29.34
3) Renaissance Jewellery Bangladesh Private Limited	—	—
<b>4) Purchase of fixed assets</b>		
Housefull International Limited	3.18	1.08

# Notes to Financial Statements

## for the year ended March 31, 2012

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

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

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>5) Jewellery making charges incurred</b>		
Caro Fine Jewellery Private Limited	0.07	—
<b>6) Interest accrued and received</b>		
Housefull International Limited	29.93	—
<b>7) Investment made</b>		
<b>In equity shares</b>		
1) Renaissance Jewellery Bangladesh Private Limited	719.29	—
2) Caro Fine Jewellery Private Limited	720.00	—
3) Verigold Jewellery (UK) Limited	—	207.08
<b>In Preference equity shares</b>		
Housefull International Limited	—	2,500.00
<b>8) Loan given</b>		
1) Housefull International Limited	900.00	—
2) Caro Fine Jewellery Private Limited	228.86	—
3) RJL – Employee Group Gratuity Trust	0.77	146.38
4) N. Kumar Diamond Exports Limited	—	1,307.00
5) RJL – Employee Welfare Trust	1.08	—
<b>9) Loan repayment received</b>		
1) Housefull International Limited	900.00	—
2) Caro Fine Jewellery Private Limited	11.00	—
3) RJL – Employee Group Gratuity Trust	2.58	4.25
4) RJL – Employee Welfare Trust	10.00	22.00
5) N. Kumar Diamond Exports Limited	—	1,307.00
<b>10) Loan accepted</b>		
1) Mr. Niranjana A. Shah	227.50	1,227.34
2) Mr. Sumit N. Shah	209.60	3,314.54
3) Mr. Hitesh M. Shah	86.60	481.93
<b>11) Loan repaid</b>		
1) Mr. Niranjana A. Shah	841.25	584.69
2) Mr. Sumit N. Shah	961.65	2,555.58
3) Mr. Hitesh M. Shah	236.95	274.53
<b>12) Donation given</b>		
Renaissance – Foundation	5.35	1.00
<b>13) Managerial remuneration</b>		
1) Mr. Niranjana A. Shah	12.35	—
2) Mr. Sumit N. Shah	12.67	12.09
3) Mr. Hitesh M. Shah	15.60	15.09
4) Mr. Neville R. Tata	21.98	21.69

# Notes to Financial Statements

## for the year ended March 31, 2012

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

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

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>Balance as at</b>		
<b>Trade receivable</b>		
1) Renaissance Jewelry N.Y. Inc.	8,399.91	8,522.76
2) Verigold Jewellery (UK) Limited	175.50	202.39
3) Renaissance Jewellery Bangladesh Private Limited	0.24	—
<b>Others receivable</b>		
Caro Fine Jewellery Private Limited	11.09	—
<b>Trade payable</b>		
Renaissance Jewelry N.Y. Inc.	0.29	39.50
<b>Loans and advances receivable</b>		
1) Caro Fine Jewellery Private Limited	217.86	—
2) RJL – Employee Group Gratuity Trust	28.72	30.54
3) RJL – Employee Welfare Trust	329.08	338.00
<b>Loans and advances payable</b>		
1) Mr. Niranjana A. Shah	28.90	642.65
2) Mr. Sumit N. Shah	6.91	758.96
3) Mr. Hitesh M. Shah	57.05	207.40
<b>Investments</b>		
1) Renaissance Jewelry N.Y. Inc.	5,082.74	5,082.74
2) Verigold Jewellery (UK) Limited	309.72	309.72
3) Renaissance Jewellery Bangladesh Private Limited	719.29	—
4) Caro Fine Jewellery Private Limited	720.00	—
5) Housefull International Limited	2,500.00	2,500.00
6) N. Kumar Diamond Exports Limited	1,235.00	1,235.00



# Notes to Financial Statements

## for the year ended March 31, 2012

	March 31, 2012		March 31, 2011	
	% of total consumption	₹ In Lacs	% of total consumption	₹ In Lacs
<b>35. IMPORTED AND INDIGENOUS RAW MATERIALS/STORES AND SPARES CONSUMED</b>				
Imported	43.67%	27,825.21	32.49%	15,485.97
Indigenous	56.33%	35,894.35	67.51%	32,172.99
	<b>100.00%</b>	<b>63,719.56</b>	<b>100.00%</b>	<b>47,658.96</b>

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

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>36. EARNINGS IN FOREIGN EXCHANGE (ACCRUAL BASIS)</b>		
Exports at F.O.B. Value	67,837.75	60,445.32
	<b>67,837.75</b>	<b>60,445.32</b>

### 37.1 CONVERTIBLE SHARE WARRANTS

The Company has issued total 20 Lacs (March 31, 2011: 10 Lacs) Convertible share warrants to the Promoters, Promoter Group and Strategic investors, on preferential basis after receipt of ₹ 19 each i.e. 25% of the total consideration @ ₹ 76 per warrant. The said issue of Convertible Share Warrants was made in accordance with the SEBI (ICDR) Regulations, 2009, after obtaining approval of members of the Company vide Postal Ballot Resolution dated March 07, 2011.

### 37.2 EMPLOYEE STOCK PURCHASE SCHEME ("ESPS 2008")

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

### 38. VALUATION OF WORK IN PROGRESS

In the previous year on account of short period of processing and/or manufacturing, difficulty in identifying the stages of process, and the insignificant impact on valuation, work in process was classified as raw materials for the purpose of classification and valuation. With effect from the current year, on account of increased volumes and refinement in the method of identification of the stages of process, management has identified work in progress and has also allocated variable and fixed overheads of ₹ 376.18 Lacs based on the stage of completion. Consequently, the inventory of work in progress is higher by ₹ 376.18 Lacs with equivalent impact on the profit for the year. Further the management has also reclassified Inventory of Raw Material of ₹ 10,314.05 Lacs to work in progress as at the year end with corresponding impact of increased consumption of material by ₹ 10,314.05 Lacs and decrease in Increase/Decrease in Inventory by ₹ 10,314.05 Lacs.

# Notes to Financial Statements

## for the year ended March 31, 2012

### 39. ACCOUNTING FOR GOLD ON LOAN

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

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

The closing stock of Raw Materials-Gold includes Gold valued at ₹ 348.58 Lacs (March 31, 2011 : ₹ 351.03 Lacs) taken on loan from Banks under the EXIM-Gold Loan Scheme.

### 40. VALUATION OF DIAMOND

In respect of the stock of loose polished diamonds numerous number of assortments and re-assortments to multiple grades in view of management it is not practicable to compute the cost of loose polished diamonds using either first in first out, weighted average cost or specific cost. Inventory as at the year end is based on management's best technical estimate of replacement cost of the respective grade of diamonds. The basis of computing cost, is not in accordance with the method prescribed by Accounting Standard (AS)-2 'Valuation of Inventories impact whereof on the profit for the year, reserves and surplus and inventories as at March 31, 2012 could not be ascertained'.

### 41. PREVIOUS YEAR FIGURES

Till the year ended March 31, 2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956 for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company. The figures of previous year were audited by a firm of Chartered accountants other than S.R. Batliboi & Associates. The Company has reclassified previous year figures to conform to this year's classification.

As per our report of even date

**For S.R. Batliboi & Associates**  
Firm Registration No. 101049W  
Chartered Accountants

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

per **Vikram Mehta**  
Partner  
Membership No. : 105938

**Niranjan A. Shah**  
Executive Chairman

**Sumit N. Shah**  
Managing Director

**Hitesh M. Shah**  
Executive Director

**Ghanashyam M. Walavalkar**  
Company Secretary

Place : Mumbai  
Date : May 24, 2012

Place : Mumbai  
Date : May 24, 2012

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

(₹ In Lacs)

Sr. No.	Name of subsidiary companies	N. Kumar Diamond Exports Ltd. (NKDEL)	HouseFull International Ltd. (HFIL)	Renaissance Realtors Pvt. Ltd. (RRPL) upto December 23, 2011#	HouseFull Supply Chain Management Ltd. (HSCML)	Renaissance Jewellery N.Y. Inc. * (RUNY)	Renaissance Adrienne LLC ** (RALLC)	Verigold Jewellery (UK) Ltd. *** (VJUK)	Renaissance Jewellery Bangladesh Pvt. Ltd. **** (RJBPL)	Caro Fine Jewellery Pvt. Ltd. (CFJPL)
(1)	The Financial Year of the Subsidiary Companies ended on	Mar 31, 2012	Mar 31, 2012	Mar 31, 2012	Mar 31, 2012	Mar 31, 2012	Mar 31, 2012	Mar 31, 2012	Mar 31, 2012	Mar 31, 2012
(2)	Date from which it became a Subsidiary	Jan 20, 2011	Jan 20, 2011	Jan 20, 2011	Jan 20, 2011	Sep 12, 2007	Sep 17, 2009	Jun 19, 2009	Apr 13, 2011	Aug 20, 2011
(3)	Reporting Currency	INR	INR	INR	INR	USD	USD	GBP	BDT	INR
	Shares of the Subsidiary Companies held by the Company on the above stated dates :									
	A. (a) Nos. of Equity Shares	6,500,000	30,000,000 (through NKDEL)	10,000 (through NKDEL)	50,000 (through HFIL)	100	—	450,000	1,154,416	4,000
	(b) Face Value	₹ 10/-	₹ 10/-	₹ 10/-	₹ 10/-	At par	—	₹ 1/-	BDT 100/-	₹ 100/-
	(c) Extent of holding	100%	100%	100%	100%	100%	85%	100%	100%	100%
	B. (a) Nos. of Preference Shares	—	25,000,000	—	—	—	—	—	—	—
	(b) Face Value	—	₹ 10/-	—	—	—	—	—	—	—
	(c) Extent of holding	—	100%	—	—	—	—	—	—	—
(4)	The net aggregate amount of Profit/(Loss) of the Subsidiary Companies for the above financials year so far as they concerns Members of the Company:									
	(a) Dealt with in the accounts of the Company for the year ended March 31, 2012	(6.72)	(697.48)	(0.20)	(0.09)	211.62	43.40	(85.86)	(50.12)	(10.76)
(5)	The net aggregate amount of Profit/(Loss) of the Subsidiary Companies for the previous financials years of the subsidiary, since it become subsidiary so far as they concerns Members of the Company :									
	(a) Dealt with in the accounts of the Company for the previous financials years									
	(b) Not Dealt with in the accounts of the Company for the previous financials years	1,445.48	(1,653.03)	(0.13)	(0.17)	2,115.10	(167.19)	(69.36)	—	(0.51)

**Statement containing brief financials details of the Company's subsidiaries for the year ended March 31, 2012 pursuant to exemption under Section 212 (b) of the Companies Act, 1956 relating to subsidiary companies.**

(6)	Capital	650.00	5,500.00	—	5.00	6,146.40	0.05	368.19	719.43	4.00
(7)	Reserve	1,438.76	(2,350.50)	—	(0.25)	965.54	(140.09)	(166.64)	(50.09)	(11.27)
(8)	Total Assets	90.67	6,320.75	—	5.25	20,995.27	997.13	398.58	679.21	252.71
(9)	Total Liabilities	1,002.85	3,176.25	—	0.50	13,883.33	1,137.17	197.03	9.87	259.98
(10)	Current Investments	3,000.94	5.00	—	—	—	—	—	—	—
(11)	Turnover	—	10,293.31	—	—	43,030.55	4,851.89	602.22	—	0.07
(12)	Profit/(Loss) before Taxation	(7.34)	(114.91)	(0.20)	(0.09)	357.46	43.40	(104.46)	(50.12)	(6.41)
(13)	Provision for Taxation	(0.62)	582.57	—	—	145.84	—	(18.60)	—	4.35
(14)	Profit/(Loss) after Taxation	(6.72)	(697.48)	(0.20)	(0.09)	211.62	43.40	(85.86)	(50.12)	(10.76)
(15)	Proposed Dividend	—	—	—	—	—	—	—	—	—

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

\* Renaissance Jewellery N.Y. Inc. has reported a profit of USD 441,689/-. The Company has reported profit of ₹ 211.62 Lacs.

\*\* Renaissance Adrienne LLC has reported a profit of USD 90,564/-. The Company has reported profit of ₹ 43.40 Lacs.

\*\*\* Verigold Jewellery (UK) Ltd. has reported a loss of GBP 112,408/-. The Company has reported loss of ₹ 85.86 Lacs.

\*\*\*\* Renaissance Jewellery Bangladesh Pvt. Ltd. has reported a loss of BDT 8,036,948/-. The Company has reported loss of ₹ 50.12 Lacs.

# During the current year, as on December 23, 2011 the company has disposed off investment in its Subsidiary.

## Auditor's Report to the Board of Directors on the Consolidated Financial Statements of Renaissance Jewellery Limited and Its Subsidiaries.

The Board of Directors

### Renaissance Jewellery Limited

1. We have audited the attached consolidated balance sheet of Renaissance Jewellery Limited ('the Company') and its subsidiaries (hereinafter referred together as "the Group"), as at March 31, 2012, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Renaissance Jewellery Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of ₹ 24,866.22 lakhs as at March 31, 2012, the total revenue of ₹ 45,721.78 lakhs and cash outflows amounting to ₹ 1,230.81 lakhs for the year then ended. The financial statements of these subsidiaries have been prepared in accordance with accounting policies generally accepted in their respective countries and have been audited by other auditors who have submitted their audit opinions prepared under generally accepted auditing standards of their respective countries. The Management of the Company has converted these audited financial statements of the Company's subsidiaries to accounting principles generally accepted in India, for the purpose of preparation of the Company's consolidated financial statements under accounting principles generally accepted in India. Our opinion, thus, insofar it relates to amount included in respect of these subsidiaries, is based solely on the reports of other auditors under the aforementioned GAAPs in respective countries and the aforesaid conversion undertaken by the management examined by us on a test basis.
4. Without qualifying our opinion, we draw attention to note 26 to the financial statements in respect to the litigation in relation to service tax payable on lease rent of immovable properties amounting to ₹ 184.13 lakhs for which no provision has been made in the books as the matter is currently sub judice and pending final decision by the Honourable Supreme Court of India. Pending final outcome of the said litigation, liability, if any, which may arise on the Company is presently not ascertainable and accordingly no provision has been considered necessary by the management in these financial statements.
5. a) *As explained in Note 32 to the financial statements, in respect of the stock of loose polished diamonds, in view of the nature of variation in the value of individual diamonds, the differentials in their costs, and numerous number of assortments and re-assortments to multiple grades in view of management it is not practicable to maintain grade-wise inventory records and to compute the cost of loose polished diamonds using either first in first out, weighted average cost or Specific Cost. Inventory as at the year end is based on management's best technical estimate as confirmed by an Independent valuation report by a approved government jewellery valuer of replacement cost of the respective grade of diamonds. In our opinion the basis of computing cost, is not in accordance with the method prescribed by Accounting Standard (AS) - 2 'Valuation of Inventories' impact whereof on the profit for the year, and consequently, we are unable to comment on the consequent effect thereof on the accompanying financial statements.*
- b) *In respect of its home retail business, Group follows the policy of recognizing revenue on billing to customers and receipt of consideration. However, these items may be delivered at a later date resulting in risk not being transferred until the delivery is complete. In our view this is not in accordance with the principles of revenue recognition laid down in Accounting Standard 9 - Revenue Recognition. As at the year end, Company had not completed deliveries in respect of sales amounting to ₹ 365.78 lakhs and sales which were recognized in the previous year for*

which the deliveries were completed during the year amount to ₹ 294.54 lakhs. The net impact of this incorrect revenue recognition, results in the sales being higher by ₹ 71.24 lakhs, profit for the year being higher by ₹ 38.37 lakhs, reserves and surplus being higher by ₹ 38.37 lakhs and Inventories being lower by ₹ 212.27 lakhs as at March 31, 2012 and ₹ 179.39 lakhs as at March 31, 2011.

c) Included in the current loans & advances disclosed in the balance sheet is an amount of ₹ 25.23 lakhs which is outstanding since 2008-2009 or earlier. The Group has no security for these advances, accordingly we are unable to comment on the ultimate recoverability of the aforesaid amount as carried in the financial statements.

6. Subject to the matters referred to in paragraph 5a above, the effects of which on the accompanying Consolidated Financial Statements are currently not ascertainable and matters stated in 5b and 5c, which results in an overstatement of profits and reserves and surplus by ₹ 63.60 lakhs, based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and

to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2012;
- (b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
- (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

**For S.R. BATLIBOI & ASSOCIATES**

Firm registration number: 101049W

Chartered Accountants

per **Vikram Mehta**

Partner

Membership No.:105938

Place: Mumbai

Date : May 24, 2012



# Consolidated Balance Sheet

## as at March 31, 2012

	NOTES	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	3	1,907.94	1,907.94
Reserves and Surplus	4	29,005.57	24,275.72
Money received against share warrants (Refer note 29.1)		380.00	190.00
		<b>31,293.51</b>	<b>26,373.66</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provision	5	122.79	—
		<b>122.79</b>	<b>—</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	6	27,330.39	28,285.56
Trade payables	7	4,560.06	16,041.68
Other Current liabilities	7	1,207.02	1,056.74
Short-term provisions	5	800.08	521.83
		<b>33,897.55</b>	<b>45,905.81</b>
<b>TOTAL</b>		<b>65,313.85</b>	<b>72,279.47</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Goodwill on consolidation		1,659.74	943.05
Fixed assets			
Tangible assets	8	6,084.43	4,901.91
Intangible assets	8	825.92	706.83
Capital work-in-progress		398.03	630.54
Non-current investments	9	171.59	976.89
Deferred tax asset (net)	10	264.35	712.32
Long-term loans and advances	11	2,048.98	1,556.13
Other non-current assets	12.2	35.16	0.05
		<b>11,488.20</b>	<b>10,427.72</b>
<b>CURRENT ASSETS</b>			
Inventories	13	38,434.23	30,647.18
Trade receivables	12.1	10,130.49	21,487.54
Cash and bank balances	14	3,430.44	6,653.23
Short-term loans and advances	11	1,816.44	2,860.44
Other current assets	12.2	14.05	203.36
		<b>53,825.65</b>	<b>61,851.75</b>
<b>TOTAL</b>		<b>65,313.85</b>	<b>72,279.47</b>
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			

As per our Report of even date  
**For S.R. Batliboi & Associates**  
Firm Registration No. 101049W  
Chartered Accountants

**per Vikram Mehta**  
Partner  
Membership No. 105938

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

**Niranjan A. Shah**  
Executive Chairman

**Sumit N. Shah**  
Managing Director

**Hitesh M. Shah**  
Executive Director

**Ghanashyam M. Walavalkar**  
Company Secretary

Place : Mumbai  
Date : May 24, 2012

Place : Mumbai  
Date : May 24, 2012

# Consolidated Statement of Profit and Loss

## for the year ended March 31, 2012

	NOTES	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>INCOME</b>			
Revenue from operations	15	95,162.27	86,232.87
Other income	16	116.08	751.63
<b>TOTAL REVENUE (I)</b>		<b>95,278.35</b>	<b>86,984.50</b>
<b>EXPENSES</b>			
Cost of materials consumed		60,443.25	44,905.34
(Increase)/decrease in inventories		(12,525.07)	774.71
Purchase of traded goods		21,086.50	22,652.04
Employee benefits expense	17	9,039.23	8,052.93
Other expenses	18	10,146.78	5,456.75
<b>TOTAL EXPENSES (II)</b>		<b>88,190.69</b>	<b>81,841.77</b>
Earnings before interest, tax, depreciation and amortization (EBITDA) (I)-(II)		7,087.66	5,142.73
Depreciation and amortization expense	19	971.43	626.02
Finance costs	20	1,623.19	1,208.17
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>4,493.04</b>	<b>3,308.54</b>
<b>TAX EXPENSES</b>			
Current tax		676.67	346.42
Deferred tax		461.04	(99.72)
Short/(Excess) Provision of tax relating to earlier years		1.92	—
<b>TOTAL TAX EXPENSE</b>		<b>1,139.63</b>	<b>246.70</b>
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>3,353.41</b>	<b>3,061.84</b>
Earning per equity share [nominal value of share ₹ 10] (March 31, 2011 ₹ 10)	21		
<b>BASIC</b>		₹ 17.58	₹ 16.05
<b>DILUTED</b>		₹ 17.40	₹ 16.05
Summary of Significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			

As per our Report of even date  
**For S.R. Batliboi & Associates**  
 Firm Registration No. 101049W  
 Chartered Accountants  
**per Vikram Mehta**  
 Partner  
 Membership No. 105938

Place : Mumbai  
 Date : May 24, 2012

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

**Niranjan A. Shah**  
 Executive Chairman

**Sumit N. Shah**  
 Managing Director

**Hitesh M. Shah**  
 Executive Director

**Ghanashyam M. Walavalkar**  
 Company Secretary

Place : Mumbai  
 Date : May 24, 2012

# Consolidated Cashflow Statement

for the year ended March 31, 2012

	March 31, 2012 ₹ In Lakhs	March 31, 2011 ₹ In Lakhs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	4,493.04	3,308.54
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization	971.43	626.01
Loss/(profit) on sale of fixed assets	(0.46)	(3.07)
Loss/(profit) on sale of non current investment	0.15	1.51
Gain on sale of subsidiary	(0.20)	—
Unrealized foreign exchange loss/(gain)	(293.44)	315.68
Current translation reserve	1,694.96	(476.78)
sundry balance w/o	15.87	—
Interest expense	1,623.19	1,208.17
Interest income	47.78	(64.83)
Dividend Income	(30.54)	(33.05)
Operating profit before working capital changes	<b>8,521.79</b>	<b>4,882.18</b>
(Increase)/decrease in Working Capital	(5,920.69)	(6,200.51)
Cash generated from/(used in) operations	<b>2,601.10</b>	<b>(1,318.33)</b>
Direct taxes paid (Net of refunds)	1,498.07	793.25
<b>Net cash flow from/(used in) operating activity (A)</b>	<b>1,103.03</b>	<b>(2,111.58)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(2,080.13)	(1,536.26)
Proceeds from sale of fixed assets	44.62	12.55
Proceeds from sale/maturity of non-trade investments	1,102.66	2,596.55
Purchases of non-trade investments	(297.53)	(3,574.02)
Proceeds on sale of subsidiary	1.00	—
Acquisition of subsidiary	(720.03)	(1,235.00)
Redemption/maturity of bank deposits (having original maturity of more than three months)	1,101.80	—
Interest received	(47.78)	57.95
Dividend received	30.54	33.05
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(864.85)</b>	<b>(3,645.18)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of share warrents	190.00	190.00
Contribution from minority interest	—	(0.01)
Proceeds/(Repayment) from/of short-term borrowing (net)	(927.27)	10,711.25
Interest paid	(1,623.19)	(1,257.86)
Dividend Paid	—	(445.62)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(2,360.46)</b>	<b>9,197.76</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(2,122.28)</b>	<b>3,441.00</b>
Effect of exchange differences on cash & cash equivalents held in foreign currency	1.29	1.10
Cash and cash equivalents at the beginning of the year	5,274.24	1751.11
Add : Acquired pursuant to acquisition of subsidiaries	—	81.03
<b>Cash and cash equivalents at the end of the year</b>	<b>3,153.25</b>	<b>5,274.24</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash on hand	49.38	43.78
With banks		
— on current account	2,800.57	3,892.90
— on deposit account	300.00	1,335.00
— on unpaid dividend account *	3.30	2.56
<b>Total Cash and Cash Equivalents (note 14)</b>	<b>3,153.25</b>	<b>5,274.24</b>
* The company can utilize these balances only towards the settlement of the respective unpaid dividend.		
Summary of significant accounting policies	2.1	

As per our Report of even date  
**For S.R. Batliboi & Associates**  
 Firm Registration No. 101049W  
 Chartered Accountants

**per Vikram Mehta**  
 Partner  
 Membership No. 105938  
 Place : Mumbai  
 Date : May 24, 2012

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

**Niranjan A. Shah**  
 Executive Chairman

**Ghanashyam M. Walavalkar**  
 Company Secretary

Place : Mumbai  
 Date : May 24, 2012

**Sumit N. Shah**  
 Managing Director

**Hitesh M. Shah**  
 Executive Director

# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

### 1. CORPORATE INFORMATION

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

### 2. BASIS OF PREPARATION

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

#### 2.1 Summary of significant accounting policies

##### Principles of Consolidation

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

Sr. No.	Name of the Company	Relationship	Country of Incorporation	% of Group Holding as at Mar 31, 2012	% of Group Holding as at Mar 31, 2011
1.	Renaissance Jewelry New York Inc.	Subsidiary	USA	100%	100%
2.	Verigold Jewellery (UK) Limited	Subsidiary	United Kingdom	100%	100%
3.	N. Kumar Diamond Exports Limited	Subsidiary	India	100%	100%
4.	Renaissance Adrienne LLC (Subsidiary of Renaissance Jewelry New York Inc.)	Subsidiary	USA	85%	85%
5.	Housefull International Limited (Subsidiary of N. Kumar Diamond Exports Limited)	Subsidiary	India	100%	100%
6.	Niche Quality Foods Private Limited (erstwhile Renaissance Realtors Private Limited (Subsidiary of N. Kumar Diamond Exports Limited)	Subsidiary	India	(Refer note 33)	100%

# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

Sr. No.	Name of the Company	Relationship	Country of Incorporation	% of Group Holding as at Mar 31, 2012	% of Group Holding as at Mar 31, 2011
7.	Caro Fine Jewellery Limited (erstwhile Ajit Garments Private Limited)	Subsidiary	India	100%	—
8.	Renaissance Jewellery Bangladesh Private Limited	Subsidiary	Bangladesh	100%	—
9.	Housefull Supply Chain Management Limited (stepdown subsidiary of N. Kumar Diamonds Exports Limited)	Subsidiary	India	100%	100%

- (d) The Consolidated Financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements except otherwise stated elsewhere in this Notes.

The activities of the foreign subsidiaries are not an integral part of those of the Holding Company and hence, these have been considered to be Non-Integral foreign operations in terms of Accounting Standard 11 – "The Effects of Changes in Foreign Exchange Rates". Consequently, the assets and liabilities, both monetary and non-monetary, of such subsidiaries have been translated at the closing rates of exchange of the respective currencies as at March 31, 2012; income and expenses have been translated at average rate of exchange which approximates the actual exchange rate and Exchange Difference arising on translation of financial statements as above is recognized in the Foreign Currency Translation Reserve.

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

The financial statements of the subsidiaries used for the purpose of consolidation are drawn upto the same reporting date as that of the Holding Company i.e. March 31, 2012.

### (a) Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However it has a significant impact on the presentation and disclosures made in the financial statements. The company has also reclassified previous year figures in accordance with the requirements applicable in the current year.

### (b) Use of estimates

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



# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

### (c) Tangible fixed assets

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

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

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

### (d) Depreciation/Amortization

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

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

Sr. No.	Name of the Company and Description of Assets	Method	Useful Life of Assets/ Depreciation rates	Proportion of Gross Bock
1.	<b>Renaissance Jewelry New York Inc.</b> Leasehold Improvements Furniture and Fittings Safe Office Equipment Computers Telephone & Mobile	S.L.M. S.L.M. S.L.M. S.L.M. S.L.M. S.L.M.	64 months 7 years 5 years 5 years 5 years 5 years	10.25%
2.	<b>Verigold Jewellery (UK) Ltd.</b> Computer Furniture & fixture	W.D.V. W.D.V.	20% 20%	0.03%
3.	<b>Housefull International Limited</b> Air Conditioner Office Equipment Computers Furniture & Fixture Electrical Installation Vehicles	S.L.M. S.L.M. S.L.M. S.L.M. S.L.M. S.L.M.	4.75% 4.75% 16.21% 6.33% 6.33% 9.50%	21.02%

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

# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

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

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

### (e) Intangible Assets

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

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

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

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

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

### (f) Impairment of tangible and intangible assets

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

### (g) Leases

#### Company is the lessee

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

### (h) Investments

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

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

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

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

# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

### (i) Inventories

Inventories are valued as follows:

Raw materials

(Cut & Polished Diamonds)	Cut and Polished Diamonds are valued at replacement cost which is technically evaluated and certified by management keeping in view the wide variety and grades of diamond.
Raw materials (Gold Silver Alloys & Others)	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, labor and proportionately all other cost related to converting them into finished goods. Cost is determined on specific identification basis.
Stores and spares	Stores and spares are valued at lower of cost or net realizable value. The cost is computed on moving weighted average.

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

Housefull International Limited

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

### (j) Revenue Recognition

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

#### **Sale of Goods**

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

Housefull International Limited

Revenue is recognized when the billing is done and amount is collected. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company.

#### **Interest**

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

#### **Dividends**

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

# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

**(k) Borrowing Cost**

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

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

**(l) Foreign currency translation**

Foreign currency transactions and balances

**(i) Initial Recognition**

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

**(ii) Conversion**

Foreign currency monetary items are reported using the closing rate.

**(iii) Exchange Differences**

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

**(iv) Forward Contracts**

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

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

Parent Company/Indian Subsidiaries

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

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

# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

### 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, 2012, the company did not make any contribution to this Plan.

### (n) **Income taxes**

#### Parent Company/Indian Subsidiaries

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

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

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

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

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

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

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

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

### Renaissance Jewelry New York, Inc.

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

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

# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

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

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

**(o) Segment Reporting Policies**

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

**(p) 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.

**(q) Provisions**

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

**(r) Contingent liabilities**

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

Renaissance Jewelry New York, Inc.

Contingent Assets are neither recognized nor disclosed.

**(s) Cash and Cash equivalents**

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

**(t) Employee Stock Purchase Plan**

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

**(u) Measurement of EBITDA**

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



# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>3. SHARE CAPITAL</b>		
Authorized shares		
27,000,000 (March 31, 2011 : 27,000,000) equity shares of ₹ 10/- each	2,700.00	2,700.00
Issued, subscribed and fully paid-up shares		
19,079,440 (March 31, 2011 : 19,079,440) equity shares of ₹ 10/- each	1,907.94	1,907.94
	<b>1,907.94</b>	<b>1,907.94</b>

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

	March 31, 2012		March 31, 2011	
	No. of Shares	₹ In Lacs	No. of Shares	₹ In Lacs
At the beginning of the year	19,079,360	1,907.94	19,079,360	1,907.94
Issued during the year	—	—	—	—
Outstanding at the end of the year	<b>19,079,360</b>	<b>1,907.94</b>	<b>19,079,360</b>	<b>1,907.94</b>

Of the above, 720,000 Equity Shares of ₹ 10/- each fully paid-up have been issued during the period of five years immediately preceding the reporting date to RJL – Employee Welfare Trust pursuant to Employee Stock Purchase Scheme (Refer note 29.2).

- b. Terms/rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2012, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 1.50 (March 31, 2011: ₹ 2).

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 shares held by the shareholders.

- c. Share issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	March 31, 2012 No. of Shares	March 31, 2011 No. of Shares
Equity shares allotted as fully paid bonus shares.	11,405,800	11,405,800

- d. Details of shareholders holding more than 5% shares in the company

	March 31, 2012		March 31, 2011	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity Shares of ₹ 10 each fully paid up				
Mr. Niranjana A. Shah	5,214,080	27.33	5,214,080	27.33
Mr. Sumit N. Shah	4,171,120	21.86	4,171,120	21.86
Mr. Hitesh M. Shah	1,303,520	6.83	1,303,520	6.83

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

# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>4. RESERVES AND SURPLUS</b>		
<b>Securities Premium Account</b>		
Balance as per the last financial statements	7,127.25	7,127.25
Add: Addition on ESPS's exercised	1.07	—
	<b>7,128.32</b>	<b>7,127.25</b>
<b>Foreign Currency Translation Reserve</b>		
Balance as per last financial statements	110.45	587.22
Add/(Less): Addition during the year	1,707.99	(476.77)
	<b>1,818.44</b>	<b>110.45</b>
<b>General reserve</b>		
Balance as per the last financial statements	1,075.00	825.00
Add : Amount transferred from surplus balance in the statement of profit & loss	206.00	250.00
	<b>1,281.00</b>	<b>1,075.00</b>
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	15,963.02	13,596.13
Profit for the year	3,353.41	3,061.84
Less : Appropriations		
Proposed final equity dividend (amount per share ₹ 1.50 (March 31, 2011 ₹ 2))	286.19	381.58
Tax on proposed equity dividend	46.43	63.37
Transfer to general reserve	206.00	250.00
Total appropriations	<b>538.62</b>	<b>694.95</b>
Net surplus in the statement of profit and loss	<b>18,777.81</b>	<b>15,963.02</b>
<b>Total reserves and surplus</b>	<b>29,005.57</b>	<b>24,275.72</b>

	Long-term		Short-term	
	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>5. PROVISIONS</b>				
<b>Provision for employee benefits</b>				
Provision for gratuity (Refer note 22)	122.79	—	211.89	—
Provision for Leave salary	—	—	164.71	76.86
	<b>122.79</b>	<b>—</b>	<b>376.60</b>	<b>76.86</b>
<b>Other provisions</b>				
Proposed equity dividend	—	—	286.19	381.59
Provision for tax on proposed equity dividend	—	—	46.43	63.38
Provision for Current Tax	—	—	90.86	—
	<b>—</b>	<b>—</b>	<b>423.48</b>	<b>444.97</b>
	<b>122.79</b>	<b>—</b>	<b>800.08</b>	<b>521.83</b>

# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>6. SHORT-TERM BORROWINGS</b>		
Working Capital Finance from banks denominated in Foreign Currency (secured)*	23,839.77	23,672.37
Working Capital Finance from banks denominated in Indian Currency (secured)*	1,151.41	1,568.16
Interest free loan from related parties repayable on demand (unsecured)	1,274.21	2,792.35
Loan from third parties#	1,065.00	252.68
	<b>27,330.39</b>	<b>28,285.56</b>

- \* The Working Capital Finance taken by the holding company 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 and by way of joint equitable mortgage of Company's factory premises situated at Plot Nos. 36A and 37 (Mumbai) and at Plot No. 2302 (Bhavnagar), fixed machinery and plant, fixtures and fittings, erected and installed therein and by personal guarantee of some of the directors/promoters. The working capital finance is generally having tenure of 180 days. The Foreign currency loans carries interest rate @ LIBOR +350 bps and Indian currency Loans carries interest rate @ 10% to 12%.

The subsidiary companies have a credit facility with a bank for its working capital requirements. The same is secured by substantially all assets of the company and personal guarantee of director. Interest on these borrowings is calculated @ LIBOR plus 250 bps. The Facility is repayable on demand

The working capital finance taken by the subsidiary company in indian currency is secured by hypothecation of inventories and book debts, both present and future. Further, collaterally secured by mortgage of immovable property of ultimate holding company, corporate guarantee of ultimate holding company and personal guarantees of some of the Directors. The cash credit is renewed yearly, repayable on demand and carries an interest rate of 14% to 15.25%

- # These unsecured loans are obtained from third parties and are repayable on demand. Loans in Indian currency carries an interest rate of 9% and loans in foreign currency carries an interest prevailing in market.

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>7. TRADE PAYABLES AND OTHER CURRENT LIABILITIES</b>		
Trade payable	4,560.06	16,041.68
<b>Other liabilities</b>		
Capital Creditors	68.93	16.00
Interest accrued but not due on gold loan	1.18	2.89
Forward contracts payable (Net)	257.42	—
Salaries, wages and others	632.85	788.66
Investor Education and Protection Fund will be credited by following amount (as and when due)		
Unpaid dividend	3.30	2.56
<b>Other payables</b>		
Statutory dues payable	243.34	155.45
Bank overdraft as per books	—	91.18
	<b>1,207.02</b>	<b>1,056.74</b>
	<b>5,767.08</b>	<b>17,098.42</b>

# Consolidated Notes to Financial Statements for the year ended March 31, 2012

## 8. TANGIBLE AND INTANGIBLE ASSETS

	Tangible Assets										Intangible Assets	
	Land	Factory Building	Non Factory Building	Plant & Equipment	Electrical Installations	Office Equipment	Computers	Furniture and fixtures	Vehicles	Leasehold Improvements	Total (Tangible)	Customer Rights
<b>Cost or valuation</b>												
<b>At April 1, 2010</b>	200.25	1,140.15	74.34	1,864.64	581.68	616.94	496.44	1,212.07	243.17	303.20	6,732.88	1,003.70
Additions	—	338.35	—	638.87	149.67	160.98	58.17	258.37	55.14	79.56	1,739.11	18.73
Disposals	—	—	—	(4.94)	(2.82)	(4.72)	—	(3.50)	(25.38)	—	(41.36)	—
<b>At March 31, 2011</b>	<b>200.25</b>	<b>1,478.50</b>	<b>74.34</b>	<b>2,498.57</b>	<b>728.53</b>	<b>773.20</b>	<b>554.61</b>	<b>1,466.94</b>	<b>272.93</b>	<b>382.76</b>	<b>8,430.63</b>	<b>1,022.43</b>
Additions	—	118.28	292.95	335.50	207.31	235.93	60.32	496.52	49.02	265.90	2,061.74	30.89
Foreign currency translation reserve	—	—	—	—	—	7.46	4.64	6.89	—	18.91	37.90	227.20
Disposals	—	—	—	(85.50)	—	(0.26)	(10.97)	(8.35)	(15.52)	—	(120.60)	—
<b>At March 31, 2012</b>	<b>200.25</b>	<b>1,596.78</b>	<b>367.29</b>	<b>2,748.57</b>	<b>935.84</b>	<b>1,016.33</b>	<b>608.60</b>	<b>1,962.00</b>	<b>306.43</b>	<b>667.57</b>	<b>10,409.67</b>	<b>1,280.52</b>
<b>Depreciation</b>												
<b>At April 1, 2010</b>	19.96	542.65	39.34	763.29	195.64	223.10	348.09	437.15	129.82	197.06	2,896.10	212.46
Charge for the year	8.51	79.67	1.75	208.45	52.48	61.63	65.38	110.53	27.59	35.91	651.90	103.14
Disposals	—	—	—	(2.93)	(0.13)	(0.62)	—	(0.16)	(15.44)	—	(19.28)	—
<b>At March 31, 2011</b>	<b>28.47</b>	<b>622.32</b>	<b>41.09</b>	<b>968.81</b>	<b>247.99</b>	<b>284.11</b>	<b>413.47</b>	<b>547.52</b>	<b>141.97</b>	<b>232.97</b>	<b>3,528.72</b>	<b>315.60</b>
Charge for the year	3.65	64.20	8.82	244.42	59.88	69.23	64.19	194.16	35.89	115.58	860.01	111.42
Foreign currency translation reserve	—	—	—	—	—	2.63	2.07	1.79	—	6.46	12.95	27.58
Disposals	—	—	—	(54.23)	—	(0.09)	(10.24)	(3.10)	(8.78)	—	(76.44)	—
<b>At March 31, 2012</b>	<b>32.12</b>	<b>686.52</b>	<b>49.91</b>	<b>1,159.00</b>	<b>307.87</b>	<b>355.88</b>	<b>469.49</b>	<b>740.37</b>	<b>169.08</b>	<b>355.01</b>	<b>4,325.24</b>	<b>454.60</b>
<b>Net Block</b>												
<b>At March 31 2011</b>	<b>171.78</b>	<b>856.18</b>	<b>33.25</b>	<b>1,529.76</b>	<b>480.54</b>	<b>489.09</b>	<b>141.14</b>	<b>919.42</b>	<b>130.96</b>	<b>149.79</b>	<b>4,901.91</b>	<b>706.83</b>
<b>At March 31, 2012</b>	<b>168.13</b>	<b>910.26</b>	<b>317.38</b>	<b>1,589.57</b>	<b>627.97</b>	<b>660.46</b>	<b>139.11</b>	<b>1,221.63</b>	<b>137.35</b>	<b>312.56</b>	<b>6,084.43</b>	<b>825.92</b>

Notes:-

- Land includes land held on leasehold basis:  
Gross block ₹ 105.08 Lacs (March 31, 2011: ₹ 105.08 Lacs)  
Depreciation charge for the year ₹ 3.65 Lacs (March 31, 2011: ₹ 8.51 Lacs)  
Accumulated depreciation ₹ 32.12 Lacs (March 31, 2011: ₹ 28.48 Lacs)  
Net book value ₹ 72.96 Lacs (March 31, 2011: ₹ 76.60 Lacs)
- Building includes those constructed on leasehold land:  
Gross block ₹ 1,182.74 Lacs (March 31, 2011: ₹ 889.79 Lacs)  
Depreciation charge for the year ₹ 36.32 Lacs (March 31, 2011: ₹ 37.81 Lacs)  
Accumulated depreciation ₹ 510.80 Lacs (March 31, 2011: ₹ 460.73 Lacs)  
Net book value ₹ 588.36 Lacs (March 31, 2011: ₹ 429.05 Lacs)

# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>9. NON-CURRENT INVESTMENTS</b>		
<b>Trade investments (valued at cost unless stated otherwise)</b>		
<b>Unquoted Equity Instruments</b>		
i) Equity Shares of ₹ 10/- each of Fancy Jewellery Pvt. Ltd. (₹ 10/-) (Nos. of Equity Shares 1 : March 31, 2011 : 1)	—	—
ii) Equity Shares of USD 1/- each of Verigold.com Ltd. (Nos. of Equity Shares 1 : March 31, 2011 : 1)	0.92	0.92
iii) Equity Shares of ₹ 10/- each of Saraswat Co-op Bank Ltd. (₹ 100/-) (Nos. of Equity Shares 10 : March 31, 2011 : 10)	—	—
<b>Investments in Mutual Funds (Unquoted-Non Trade)</b>		
i) Birla Sun Life Mutual Fund of ₹ 10/- each (Nos. of units Nil : March 31, 2011 : 900,868.181)	—	90.14
ii) DSP Blackrock Mutual Fund of ₹ 1,000/- each (Nos. of units Nil : March 31, 2011 : 12,304.231)	—	123.14
iii) Reliance Mutual Fund of ₹ 10/- each (Nos. of units 15,808,064.029 : March 31, 2011 : 2,829,698.607)	160.67	301.49
iv) SBI Mutual Fund of ₹ 10/- each (Nos. of units Nil : March 31, 2011 : 4,479,974.290)	—	451.20
v) SBI PSU Fund of ₹ 10/- each (Nos. of units 100,000 : March 31, 2011 : 100,000)	10.00	10.00
	<b>171.59</b>	<b>976.89</b>
Aggregate amount of unquoted investments	<b>171.59</b>	<b>976.89</b>
<b>10. DEFERRED TAX LIABILITIES (NET)</b>		
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	20.08	(84.70)
<b>Gross deferred tax liabilities</b>	<b>20.08</b>	<b>(84.70)</b>
Provision for leave salary/gratuity	125.41	33.22
Provision for bonus/ex-gratia	49.41	61.22
Merger expenses - deduction u/s 35D of the income tax act	—	0.88
Provision for Doubtful debts and advances	20.49	170.05
Unabsorbed Business Loss	—	362.25
Others	89.12	—
<b>Gross deferred tax assets</b>	<b>284.43</b>	<b>627.62</b>
<b>Net deferred tax asset</b>	<b>264.35</b>	<b>712.32</b>

# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

	Non-current		Current	
	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>11. LOANS AND ADVANCES</b>				
<b>Capital advances</b>				
Unsecured, considered good	27.49	46.15	—	—
<b>(A)</b>	<b>27.49</b>	<b>46.15</b>	<b>—</b>	<b>—</b>
<b>Security deposit</b>				
Unsecured, considered good	724.93	548.76	—	—
<b>(B)</b>	<b>724.93</b>	<b>548.76</b>	<b>—</b>	<b>—</b>
<b>Loan and advances to related parties</b>				
Unsecured, considered good	—	—	—	5.01
<b>(C)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5.01</b>
<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good	—	—	540.72	1,712.15
<b>(D)</b>	<b>—</b>	<b>—</b>	<b>540.72</b>	<b>1,712.15</b>
<b>Other loans and advances</b>				
<b>Unsecured, considered good</b>				
Advance income-tax (net of provisions)	201.83	245.12	—	—
Minimum Alternate Tax Credit Entitlement	795.90	378.10	—	—
Prepaid expenses	—	—	195.59	138.79
Balance with RJL Employee Welfare Trust (Net)	298.83	338.00	30.25	—
Loans to employees	—	—	154.60	87.04
Loans to others	—	—	1.20	—
Balance with statutory/government authorities	—	—	894.08	917.45
<b>(E)</b>	<b>1,296.56</b>	<b>961.22</b>	<b>1,275.72</b>	<b>1,143.28</b>
<b>Total (A+B+C+D+E)</b>	<b>2,048.98</b>	<b>1,556.13</b>	<b>1,816.44</b>	<b>2,860.44</b>
<b>12. TRADE RECEIVABLES AND OTHER ASSETS</b>				
<b>12.1 Trade receivables</b>				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	—	—	85.25	137.91
Doubtful	—	—	—	—
	—	—	85.25	137.91
Provision for doubtful receivables	—	—	—	—
<b>(A)</b>	<b>—</b>	<b>—</b>	<b>85.25</b>	<b>137.91</b>



# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

	Non-current		Current	
	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
Other receivables				
Unsecured, considered good	—	—	10,045.24	21,349.63
Doubtful	—	—	51.22	44.71
	—	—	10,096.46	21,394.34
Provision for doubtful receivables	—	—	51.22	44.71
<b>(B)</b>	—	—	10,045.24	21,349.63
<b>Total (A+B)</b>	—	—	<b>10,130.49</b>	<b>21,487.54</b>
<b>12.2 Other assets</b>				
Deposits with original maturity for more than 12 months (Refer note 14)	35.16	0.05	—	—
<b>(A)</b>	35.16	0.05	—	—
<b>Unamortized expenditure</b>				
Forward contract receivable	—	—	—	169.52
<b>(B)</b>	—	—	—	169.52
<b>Others</b>				
Interest accrued on fixed deposits	—	—	6.24	32.92
Receivable against sale of tangible assets	—	—	7.81	0.92
<b>(C)</b>	—	—	14.05	33.84
<b>Total (A+B+C)</b>	<b>35.16</b>	<b>0.05</b>	<b>14.05</b>	<b>203.36</b>

March 31, 2012  
₹ In Lacs

March 31, 2011  
₹ In Lacs

### 13. INVENTORIES

Raw Materials		
Gems and diamonds (Refer note 32)	8,308.35	12,052.22
Gold, Silver and others (Refer note 31)	348.92	3,775.56
Finished goods (Jewellery)	15,564.73	12,184.07
Traded goods (Home Retail)	3,093.36	2,268.21
Traded goods (Gems and Diamond)	3.18	3.18
Work-in-progress (Refer note 30)	10,690.23	—
Consumable, tools and spares	425.46	363.94
	<b>38,434.23</b>	<b>30,647.18</b>

# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

	Non-current		Current	
	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>14. CASH AND BANK BALANCES</b>				
Cash and cash equivalents				
Balance with banks:				
On current accounts	—	—	2,800.57	3,892.90
Deposits with original maturity of less than three months	—	—	300.00	1,335.00
On unpaid dividend account	—	—	3.30	2.56
Cash on hand	—	—	49.38	43.78
<b>(A)</b>	<b>—</b>	<b>—</b>	<b>3,153.25</b>	<b>5,274.24</b>
Other bank balances				
Deposits with original maturity for more than 12 months	35.16	0.05	—	—
Deposits with original maturity of more than three months but less than 12 months	—	—	212.97	1,276.61
Margin Money Deposit with banks against gold loan	—	—	64.22	102.38
	<b>35.16</b>	<b>0.05</b>	<b>277.19</b>	<b>1,378.99</b>
Amount disclosed under “other asset” (Refer note 12.2)	(35.16)	(0.05)	—	—
<b>(B)</b>	<b>—</b>	<b>—</b>	<b>277.19</b>	<b>1,378.99</b>
<b>TOTAL (A+B)</b>	<b>—</b>	<b>—</b>	<b>3,430.44</b>	<b>6,653.23</b>

# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>15. REVENUE FROM OPERATIONS</b>		
<b>Sale of products</b>		
Jewellery	80,472.51	84,679.01
Gems and diamonds	4,394.78	205.10
Home Retail	10,293.31	1,333.45
<b>Sale of services</b>		
Jewellery making charges	1.67	15.31
<b>Revenue from operations</b>	<b>95,162.27</b>	<b>86,232.87</b>
<b>16. OTHER INCOME</b>		
Interest income on		
Bank deposits	47.09	64.83
Others	0.69	—
Long - term investment	30.54	33.05
Exchange difference (net)	—	552.12
Gain on sale of assets	0.46	3.07
Gain on sale of subsidiary	0.20	—
Other non-operating income (net of expenses)	37.10	98.56
	<b>116.08</b>	<b>751.63</b>
<b>17. EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, wages and bonus	7,743.30	7,427.74
Contribution to provident and other funds	439.15	350.61
Gratuity expense (Refer note 22)	337.22	(119.87)
Leave salary (Including prior period ₹ (20.90) Lacs)	139.48	12.81
Staff welfare expenses	380.08	381.64
	<b>9,039.23</b>	<b>8,052.93</b>
<b>18. OTHER EXPENSES</b>		
Consumption of stores and spare parts	953.45	1,231.81
Power and fuel	580.72	459.94
Water charges	31.61	31.72
Jewellery making charges	693.03	733.60
Freight and forwarding charges	220.26	268.34
Rent	1,413.01	351.00
Rates & Taxes	36.20	19.12
Insurance	297.88	403.63
Repairs and maintenance		
Buildings	17.05	15.45
Machinery	29.11	30.13
Others	186.78	164.09
Exchange difference (net)	2,816.10	—
Net loss on sale of investments	0.15	1.51
Payment to auditor (Refer details below)	65.26	65.05
Brokerage and commission	313.74	249.40
Advertising expenses	769.42	25.10
Miscellaneous expenses	1,723.01	1,406.86
	<b>10,146.78</b>	<b>5,456.75</b>

# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

	March 31, 2012 ₹ In Rupees	March 31, 2011 ₹ In Rupees
<b>Payment to auditor</b>		
<b>As auditor:</b>		
Audit fee	57.60	61.89
Tax audit fee	—	2.16
Limited review	6.52	1.00
<b>In other capacity:</b>		
Certification fee	0.88	—
Taxation	—	0.75
Reimbursement of expenses	0.26	—
	<b>65.26#</b>	<b>65.80#</b>
# Includes fees paid to other auditor ₹ 35.99 Lacs (March 31, 2011 ₹ 54.69 Lacs)		

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>19. DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation of tangible assets	860.01	553.18
Amortization of intangible assets	111.42	72.84
	<b>971.43</b>	<b>626.02</b>

<b>20. FINANCE COSTS</b>		
Interest	1,265.68	893.77
Other finance cost	357.51	314.40
	<b>1,623.19</b>	<b>1,208.17</b>

<b>21. EARNINGS PER SHARE (EPS)</b>		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
<b>Total operations for the year</b>		
Profit after tax	3,353.41	3,061.84
<b>Net profit for calculation of basic and diluted EPS</b>	<b>3,353.41</b>	<b>3,061.84</b>

	No. of Shares	No. of Shares
Weighted average number of equity shares in calculating basic EPS	<b>19,079,360</b>	<b>19,079,360</b>
Weighted average number of equity shares in calculating Diluted EPS		
Weighted average number of equity shares in calculating basic EPS	19,079,360	19,079,360
Add : No. of convertible shares warrants	195,086	—
Weighted average number of dilutive potential equity shares	<b>19,274,446</b>	<b>19,079,360</b>
Basic Earnings per share	17.58	16.05
Diluted Earnings per share	17.40	16.05

# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

### 22. EMPLOYEES BENEFITS

#### General Description of Defined Benefit plan

##### Gratuity

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

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

Statement of Profit & Loss Account	Gratuity (Un-funded)		Gratuity (Funded)	
	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
Net Employee Benefit Expense recognized in the employee cost				
Current service cost	9.77	12.72	49.99	72.15
Interest cost on benefit obligation	2.04	0.83	11.89	22.07
Past service Cost	—	1.13	—	—
Expected return on plan assets	—	—	(13.77)	(14.59)
Net actuarial (gain)/loss recognised in the year	2.08	0.43	275.22	(214.61)
<b>Net Benefit Expense</b>	<b>13.89</b>	<b>15.11</b>	<b>323.33</b>	<b>(134.98)</b>
Actual Return on Plan Assets	NA	NA	0.33	9.62
<b>Balance sheet</b>				
Benefit asset/liability				
Present Value of defined benefit obligation	(39.41)	(25.53)	(432.71)	(144.11)
Fair value of plan assets	—	—	137.44	172.16
<b>Plan assets/(liability)</b>	<b>(39.41)</b>	<b>(25.53)</b>	<b>(295.27)</b>	<b>28.05</b>
<b>Changes in Present Value of Defined Benefit Obligation are as follows:</b>				
Opening defined benefit obligation	25.53	10.42	144.11	294.30
Current service cost	9.77	12.72	49.99	72.15
Interest cost	2.04	0.83	11.89	22.07
Actuarial (gains)/losses on obligation	2.07	0.43	261.77	(219.58)
Past Service Cost	—	1.13	—	—
Benefits paid	—	—	(35.05)	(24.83)
<b>Closing defined benefit obligation</b>	<b>39.41</b>	<b>25.53</b>	<b>432.71</b>	<b>144.11</b>

# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

Changes in Fair Value of Plan Assets are as follows:

	March 31, 2012 ₹ In Rupees	March 31, 2011 ₹ In Lacs
Opening fair value of planned assets	172.16	182.35
Expected return	13.77	14.59
Actuarial gain/(loss)	(13.44)	(4.97)
Contributions by employer	—	5.02
Benefits paid	(35.05)	(24.83)
<b>Closing fair value of plan assets</b>	<b>137.44</b>	<b>172.16</b>

The company expects to contribute ₹ 323.33 Lacs to gratuity in the next year (March 31, 2011: ₹ Nil Lacs)

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

	Gratuity	
	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
Insurance Policy	100%	100%

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

	Gratuity (Un-funded)		Gratuity (Funded)	
	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
Discount rate	8.00%	8.00%	8.50%	8.25%
Expected rate of return on assets	—	—	8.60%	8.00%
Age of Retirement	58.00	58.00	60.00	60.00
Annual increase in salary cost	10.00%	10.00%	5.00%	5.00%

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

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

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

Gratuity:	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs	March 31, 2010 ₹ In Lacs	March 31, 2009 ₹ In Lacs	March 31, 2008 ₹ In Lacs
Defined Benefit Obligation	(472.12)	(169.62)	(304.89)	(294.30)	(209.59)
Plan Assets	137.44	172.16	182.71	182.71	152.02
Surplus/(deficit)	(334.68)	2.54	(122.18)	(111.59)	(57.57)
Experience adjustment on plan liabilities	(163.47)	(128.44)	(3.85)	—	—
Experience adjustment on plan assets	13.44	(4.97)	6.76	—	—



# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

### 23. LEASES

#### Operating Lease: company as lessee

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

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
Charged to statement of profit and loss	1,045.72	317.96
Future minimum rentals payable under non-cancellable operating leases are as follows:		
Within one year	812.63	33.92
After one year but not more than five years	556.90	70.85
More than five years	43.13	43.05

### 24. SEGMENT INFORMATION

#### Business Segments:

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

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>Segment Revenue</b>		
Jewellery	84,868.96	84,899.42
Home Retail	10,293.31	1,333.45
<b>Total</b>	<b>95,162.27</b>	<b>86,232.87</b>
<b>Segment Result</b>		
(Profit before Tax and Interest from each segment)		
Jewellery	6,121.89	5,101.03
Home Retail	67.25	(626.37)
<b>Total</b>	<b>6,189.14</b>	<b>4,474.66</b>
Less: Interest	1,623.19	1,208.17
Unallocated (Income)/Expenditure (net)	72.91	(42.05)
<b>Total Profit before Tax</b>	<b>4,493.04</b>	<b>3,308.54</b>
<b>Capital Employed</b>		
(Segment Assets - Segment Liabilities)		
Jewellery	51,697.76	45,427.22
Home Retail	5,441.71	4,355.33
Unallocated	(25,845.96)	(23,408.89)
<b>Total</b>	<b>31,293.51</b>	<b>26,373.66</b>

# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>Other segment information</b>		
<b>Carrying amount of segment assets</b>		
Jewellery	57,061.27	62,423.37
Home Retail	6,265.46	4,900.01
Unallocated	1,987.12	4,956.09
<b>Total amount of Segment liabilities</b>		
Jewellery	5,363.51	16,996.15
Home Retail	823.75	544.68
Unallocated	27,833.08	28,364.98
<b>Capital Expenditure:</b>		
Additions to tangible & intangible fixed assets (Including CWIP & advance)		
Jewellery	2,119.34	2,061.04
Home Retail	538.76	305.59
<b>Depreciation and Amortisation</b>		
Jewellery	727.67	471.21
Home Retail	243.76	154.81

### Geographical Segments:

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

Year ended March 31, 2012	India	Outside India	Total
<b>Revenue</b>			
Sales to external customers	13,398.02	81,764.25	95,162.27
<b>Other segment information</b>			
Carrying amount of segment assets	41,539.12	23,774.73	65,313.85
Capital Expenditure:			
Additions to tangible & intangible fixed assets (Including CWIP & advance)	6,134.20	1,174.18	7,308.38
<b>Year ended March 31, 2011</b>			
<b>Revenue</b>			
Sales to external customers	1,333.45	84,899.42	86,232.87
<b>Other segment information</b>			
Carrying amount of segment assets	34,217.54	38,061.93	72,279.47
Capital Expenditure:			
Additions to tangible & intangible fixed assets (Including CWIP & advance)	5,586.72	652.56	6,239.28

### Notes:

#### Geographical Segment:

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

# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>25. CAPITAL AND OTHER COMMITMENTS</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	38.40	58.37
<b>26. CONTINGENT LIABILITIES</b>		
i) Claims against the Company not acknowledged as debts	6.49	—
ii) Penalty levied by the Custom Authorities	3.11	3.11
iii) Income Tax demand disputed in appeal:		
Disputed by the Company	8.33	6.18
Disputed by the Department	234.21	234.21
iv) Service tax on the rental of immovable property (Refer Note 1)	184.13	59.77
v) Customs duty under EPCG scheme	18.70	18.70
vi) Letter of Credit opened by Bank	58.56	51.12
vii) Disputed demand by Custom Authorities (Refer Note 2)	21,322.24	21,322.24
	<b>21,835.77</b>	<b>21,695.33</b>

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

**Note : 1** Housefull International Limited

In September 2008, the Company along with other retailers represented by “Retail Association of India” (RAI) filed a petition in the Bombay High Court seeking a declaration that the Government lacked power to levy and collect, service tax on the rental of immovable property. The Bombay High Court passed a Judgment upholding the constitutional validity of service tax levy on renting of immovable property as retrospective effect from June 1, 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 1, 2011, make a pre deposit of 50% of the service tax liability for the period prior to October 1, 2011 and provide a solvent surety for the balance 50%. Considering the issue is currently sub judice and under litigation management has disclosed service tax amounting to ₹ 180 Lacs for the period prior October 1, 2011 as a contingent liability.

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

**Note : 2** Renaissance Jewellery Limited

The Company has received a demand of Customs Duty along with the penalty amounting to ₹ 16,754.90 Lacs from the Commissioner of Customs, Chhatrapati Shivaji International Airport, Mumbai (Customs), alleging that the import of finished jewellery for remaking is not a permitted activity for an unit in SEEPZ SEZ and hence chargeable to Customs duty. Further, the Commissioner has also preferred an appeal to CESTAT for levy of interest of ₹ 2,283.67 Lacs along with penalty amounting of ₹ 2,283.67 Lacs on the said Customs Duty. The aggregate demand of ₹ 21,322.24 Lacs is subject matter of Writ petition filed by the Company in the Hon. Bombay High Court to challenge the Jurisdiction of Customs & correctness of its contention.

# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

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

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

Particulars	Purpose
Forward Contract to buy US \$	Forward contract against foreign currency trade payables
US \$ Nil (March 31, 2011: US \$ 2,470,000)	
₹ Nil (March 31, 2011: ₹ 110,433,700)	
Forward Contract to sell US \$	Forward contract against foreign currency trade receivables
US \$ 14,978,000 (March 31, 2011: US \$ 12,805,538)	
₹ 767,173,160 (March 31, 2011: ₹ 572,535,589)	

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

	March 31, 2012 In Lacs		March 31, 2012 ₹ In Lacs		March 31, 2011 In Lacs		March 31, 2011 ₹ In Lacs	
Debtors	USD	268.57		13,756.03	USD	486.19		21,737.46
	EUR	0.10		6.84	EUR	—		—
Secured loans	USD	365.44		18,717.77	USD	429.46		19,201.37
Creditors	USD	24.80		1,270.16	USD	135.79		6,071.36
	EUR	0.48		33.01	EUR	2.11		133.55
	GBP	0.04		3.15	GBP	0.04		2.77
	CHF	0.06		3.74	CHF	0.02		0.94
	JPY	—		—	JPY	0.39		0.21
Balance with Banks	USD	5.79		300.80	USD	0.07		3.10

### 28. RELATED PARTY DISCLOSURES AS REQUIRED UNDER AS-18, 'RELATED PARTY DISCLOSURES', ARE GIVEN BELOW:

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

**Companies/trust under control of key management personnel and relatives:**

- 1) Fancy Jewellery Private Limited.
- 2) Anika Jewellery Private Limited.
- 3) Niranjana Holdings Private Limited.
- 4) Renaissance Jewellery Limited – Employee Group Gratuity Trust.
- 5) iAlpha Enterprise (erstwhile Sumit Diamonds).
- 6) RJL – Employee Welfare Trust.
- 7) Renaissance Foundation.

**Key Management Personnel:**

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

# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

### b) Related Party transactions:

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

	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs
<b>Nature of transactions:</b>		
<b>1) Donation given:</b>		
Renaissance – Foundation	5.35	1.00
<b>2) Managerial remuneration:</b>		
1) Mr. Niranjan A. Shah	12.35	—
2) Mr. Sumit N. Shah	12.67	12.09
3) Mr. Hitesh M. Shah	15.60	15.09
4) Mr. Neville R. Tata	21.98	21.69
<b>3) Loan given</b>		
1) RJL - Employee Group Gratuity Trust	0.77	146.38
2) RJL - Employee Welfare Trust	1.08	—
<b>4) Loan repayment received</b>		
1) RJL - Employee Group Gratuity Trust	2.58	4.25
2) RJL - Employee Welfare Trust	10.00	22.00
<b>5) Loan accepted</b>		
1) Mr. Niranjan A. Shah	808.97	1,269.10
2) Mr. Sumit N. Shah	209.60	3,949.89
3) Mr. Hitesh M. Shah	86.60	481.93
4) Mr. Amit C. Shah	—	140.40
5) Mr. Bhupen C. Shah	—	70.95
<b>6) Loan repaid</b>		
1) Mr. Niranjan A. Shah	841.25	584.69
2) Mr. Sumit N. Shah	1,287.51	2,555.58
3) Mr. Hitesh M. Shah	236.95	274.53
4) Mr. Amit C. Shah	105.72	13.92
5) Mr. Bhupen C. Shah	151.89	38.84
<b>Balance as at:</b>		
Loans and advances receivable		
1) RJL – Employee Group Gratuity Trust	28.72	30.54
2) RJL – Employee Welfare Trust	329.08	338.00
Loans and advances payable		
1) Mr. Niranjan A. Shah	652.13	684.41
2) Mr. Sumit N. Shah	496.12	1574.03
3) Mr. Hitesh M. Shah	57.05	207.40
4) Mr. Amit C. Shah	20.76	126.48
5) Mr. Bhupen C. Shah	48.15	200.04

# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

### 29.1 CONVERTIBLE SHARE WARRANTS

The Company has issued total 20 Lacs (March 31, 2011: 10 Lacs) Convertible share warrants to the Promoters, Promoter Group and Strategic investors, on preferential basis after receipt of ₹ 19 each i.e. 25% of the total consideration @ ₹ 76 per warrant. The said issue of Convertible Share Warrants was made in accordance with the SEBI (ICDR) Regulations, 2009, after obtaining approval of members of the Company vide Postal Ballot Resolution dated March 7, 2011.

### 29.2 EMPLOYEE STOCK PURCHASE SCHEME ("ESPS 2008")

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

### 30. VALUATION OF WORK IN PROGRESS

In the previous year on account of short period of processing and/or manufacturing, difficulty in identifying the stages of process, and the insignificant impact on valuation, work in process was classified as raw materials for the purpose of classification and valuation. With effect from the current year, on account of increased volumes and refinement in the method of identification of the stages of process, management has identified work in progress and has also allocated variable and fixed overheads of ₹ 376.18 Lacs based on the stage of completion. Consequently, the inventory of work in progress is higher by ₹ 10,314.05 Lacs with equivalent impact on the profit for the year.

### 31. 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 ₹ 348.58 Lacs (March 31, 2011: ₹ 351.03 Lacs) taken on loan from Banks under the EXIM-Gold Loan Scheme.

### 32. VALUATION OF DIAMOND

In respect of the stock of polished diamonds, in view of the nature of variation in the value of individual diamonds, the differentials in their costs, and numerous number of assortments and reassortments to multiple grades in view of management is not practicable to maintain gradewise inventory records and to compute the cost of polished diamonds using either first in first out, weighted average cost or Specific Cost. Inventory as at the year end is based on management's best technical estimate as confirmed by a Independent valuation report by a approved government jewellery valuer of replacement cost of the respective grade of diamonds. The basis of computing cost, is not in accordance with the method prescribed by Accounting Standard (AS)-2 'Valuation of Inventories impact whereof on the profit for the year, reserves and surplus and inventories as at March 31, 2012 could not be ascertained'.

### 33. ACQUISITION AND DISPOSAL OF SUBSIDIARY

During the current year, the company has acquired new subsidiary CARO Fine Jewellery Pvt. Ltd. (Erstwhile Ajit Garments Pvt. Ltd.). On acquisition of the stake in the entity the excess of purchase price over the net assets acquired has been recorded as Goodwill. Transactions relating to Profit and Loss Account of the acquired entity have been included in the Consolidated Profit and Loss Account from the effective date of acquisition.



# Consolidated Notes to Financial Statements

## for the year ended March 31, 2012

The interest of the company in the net assets of the acquired entity and the resultant goodwill is as given below:

	Amount ₹ In Lacs
Purchase Consideration	720.00
Net Assets as on the date of acquisition	3.31
<b>Goodwill</b>	<b>716.69</b>

During the current year, as on December 23, 2011 the company has also disposed off investment in its subsidiary Niche Quality Foods Private Limited (Erstwhile Renaissance Realtor Private Limited). On disposal of the stake in the entity the excess of sale consideration over the net assets disposed off is as Gain on disposal of investment in subsidiary as given below:

	Amount ₹ In Lacs
Sale consideration Received	1.00
Net Assets as on the date of disposal	0.80
<b>Gain on disposal of investment in subsidiary</b>	<b>0.20</b>

### 34. PREVIOUS YEAR FIGURES

Till the year ended March 31, 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The figures of previous year were audited by a firm of Chartered accountants other than S.R. Batliboi & Associates. The Company has reclassified previous year figures to conform to this year's classification.

As per our Report of even date  
**For S.R. Batliboi & Associates**

Firm Registration No. 101049W  
Chartered Accountants

**per Vikram Mehta**

Partner

Membership No. 105938

Place: Mumbai

Date : May 24, 2012

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

**Niranjan A. Shah**

Executive Chairman

**Ghanashyam M. Walavalkar**

Company Secretary

**Sumit N. Shah**

Managing Director

**Hitesh M. Shah**

Executive Director

Place: Mumbai

Date : May 24, 2012





## ECS FORM RENAISSANCE JEWELLERY LTD.

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

DP ID No.:

No. of Shares held:

LF No. / CL ID No.:

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

1. Name of the Sole/First Shareholder :
2. Name of the Bank :
3. Name of the Branch :
4. Address of the Branch :
5. Telephone No. of the Branch :
6. Type of Account  
(Savings/Current/Cash Credit) :
7. Applicable Code No. (10/11/13)  
(Saving - 10/Current - 11/Cash Credit - 13) :
8. Account Number  
(As appearing in your Cheque Book) :
9. Ledger & Ledger Folio No. (if any)  
of your bank account :
10. MICR Code :  
9 – Digit Code No. appearing on the clear band  
area at the bottom of MICR Cheque issued by Bank  
(the code number is mentioned on the MICR band  
next to the cheque number)  
(Ensure a photocopy of a blank cheque is enclosed)

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

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

Place :

Date :

Signature of the Sole/First named Shareholder

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

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

### BANK CERTIFICATE

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

Bank's Stamp

Date:

Signature of the Authorised Official of the Bank



# RENAISSANCE JEWELLERY LTD.

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

## PROXY FORM

DP ID No.:

LF No. / CL ID No.:

I/We ..... of .....

being a member(s) of **RENAISSANCE JEWELLERY LTD.** hereby appoint..... of

.....or failing him/her ..... of

.....as my/our proxy to attend & vote for me/us and on my/our behalf at the **23<sup>RD</sup> ANNUAL GENERAL MEETING** of the Company to be held at on **Friday, September 7, 2012 at 3.30 p.m. at Yuvraj Hall, Supremo Activity Centre, Matoshree Arts & Sports Trust, Jogeshwari-Vikroli Link Road, Andheri (E), Mumbai – 400 093** and at any adjournment thereof.

As witness my/our hand(s) this..... day of ..... 2012.

No. of Shares held:.....

[Signature of the Shareholder(s)]

Affix  
₹ 1/-  
Revenue  
Stamp

### Notes:

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

# RENAISSANCE JEWELLERY LTD.

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

## ATTENDANCE SLIP

DP ID No.:

LF No. / CL ID No.:

I/ we hereby record my/our presence at the **23<sup>RD</sup> ANNUAL GENERAL MEETING** of the Company on **Friday, September 7, 2012 at 3.30 p.m. at Yuvraj Hall, Supremo Activity Centre, Matoshree Arts & Sports Trust, Jogeshwari-Vikroli Link Road, Andheri (E), Mumbai – 400 093.**

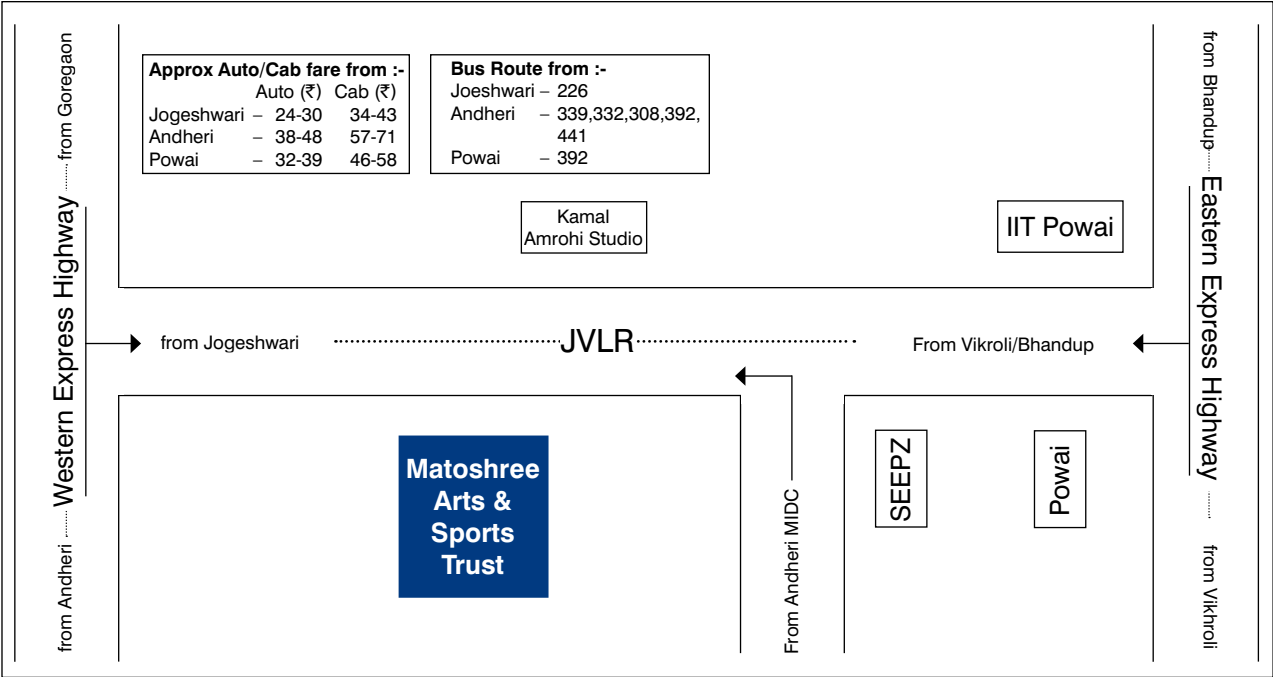
NAME & ADDRESS OF THE SHAREHOLDER(S): .....

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

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

### Notes:

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





# KEY MILESTONES



- 1995 • Acquires Mayur Gem and Jewellery Export Private Limited.
- 2000 • Purchases a 40,000 sq.ft. facility in SEEPZ, Andheri.
- 2001 • Receives the SEEPZ-SEZ Star 2000-2001 Award.
- 2002 • Commences business with Wal-Mart, USA.
- 2004 • Commences business with Zales Corporation, North America.
- 2005 • Sets up a 100% EOU having 64,000 sq.ft. facility at Bhavnagar, Gujarat.
- Receives Wal-Mart's 'International Supplier of the Year' Award.
- 2006 • GJEPC Award for being the second largest exporter of studded precious metal Jewellery.
- 2007 • Sets up Renaissance Jewelry New York, Inc.
- Recognition as Three Star Export House.
- Completes IPO and shares Listed on BSE & NSE.
- Sets up Diamond Division at Mumbai.
- 2008 • Top line crosses ₹ 597 crore.
- GJEPC Award for being the largest exporter of studded precious metal Jewellery.
- 2009 • Sets up Verigold Jewellery (UK) Ltd.
- Sets up Renaissance Adrienne LLC, USA.
- Formation of Renaissance Foundation.
- Top line crosses ₹ 750 crore.
- Receives 'Emerging India Awards 2009'.
- 2010 • Sets up Unit V in SEEPZ, Andheri
- 2011 • Acquires N. Kumar Diamond Exports Ltd. along with its wholly owned subsidiaries.
- Sets up Renaissance Jewellery Bangladesh Pvt. Ltd.
- Sets up Unit VI in SEEPZ, Andheri
- Sets up Domestic Division at Mumbai
- Sets up Diamond Division at Bhavnagar
- 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.

If undelivered please return to:

**Registrar & Transfer Agents**

Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup, Mumbai - 400 078.  
Tel.: 022-25946970 Fax: 022-25962691  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)