

Date: 7<sup>th</sup> September, 2020

To,  
The Manager,  
**Compliance Department**  
**BSE Limited**  
Corporate Service Department  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001.

To,  
The Manager,  
**Compliance Department**  
**National Stock Exchange of India Limited**  
Exchange Plaza, Plot No. C/1,  
G Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400 051.

Dear Sir,

Re: **Tribhovandas Bhimji Zaveri Limited. Script Code & ID: 534369 / TBZ**  
Sub: **Submission of Annual Report 2019-20 along with Notice of 13<sup>th</sup> Annual General Meeting pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

With further reference to our letter dated 4<sup>th</sup> September, 2020, informing that the Company has scheduled the 13<sup>th</sup> Annual General Meeting to be held on Wednesday, 30<sup>th</sup> September, 2020 at 11.30 a.m. through Video Conferencing (VC) / Other Audio-Visual Means (OAVM).

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report for the Financial Year 2019-20 along with the Notice convening the 13<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Wednesday, 30<sup>th</sup> September, 2020 at 11.30 a.m. through Video Conferencing (VC) / Other Audio-Visual Means (OAVM).

The 13<sup>th</sup> Annual Report for the financial year 2019-20 along with Notice of 13<sup>th</sup> Annual General Meeting and other relevant documents are also available at the Company's website at [www.tbztheoriginal.com](http://www.tbztheoriginal.com).

Further, as informed vide the said letter dated 4<sup>th</sup> September, 2020, the Register of Members and the Share Transfer Books of the Company will remain closed from **Thursday, 24<sup>th</sup> September, 2020 to Wednesday, 30<sup>th</sup> September, 2020** (both days inclusive) for the purpose of 13<sup>th</sup> Annual General Meeting of the Company.

We request you take the same on record and upload on the Stock Exchange Website.

Thanking You.

Yours faithfully,

For **Tribhovandas Bhimji Zaveri Limited**

**Niraj Oza**  
**Head - Legal & Company Secretary**



CIN: L27205MH2007PLC172598

Regd. Office: 241/243, Zaveri Bazar, Mumbai - 400 002. Tel.: +91 22 3956 5001, 91 22 4046 5001  
Corp. Office: 11th Floor, West Wing, Tulsiani Chambers, Free Press Journal Road, Nariman Point, Mumbai - 400 021.

Tel.: 02230735000, 912249255000 [www.tbztheoriginal.com](http://www.tbztheoriginal.com)



TRIBHOVANDAS BHIMJI ZAVERI LIMITED

Annual Report 2019-20

Delighting  
the Customer  
Every Possible Way



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TRIBHOVANDAS BHIMJI ZAVERI  
SHRIKANT ZAVERI GROUP

# Inside the Report

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To read this report online or to download, please visit [www.tbztheoriginal.com](http://www.tbztheoriginal.com)

# Corporate Information

## BOARD OF DIRECTORS

### Shrikant Zaveri

Chairman & Managing Director

### Binaisha Zaveri

Whole-time Director

### Raashi Zaveri

Whole-time Director

### Kamlesh Vikamsey

Independent Director

### Ajay Mehta

Independent Director

### Sanjay Asher

Independent Director

## AUDITORS

S R B C & CO LLP  
12<sup>th</sup> Floor, The Ruby,  
Senapati Bapat Marg,  
Dadar (West), Mumbai - 400 028.

## CHIEF FINANCIAL OFFICER

Saurav Banerjee

## HEAD - LEGAL & COMPANY SECRETARY

Niraj Oza

## BANKERS

State Bank of India  
Union Bank of India  
Central Bank of India  
Axis Bank Limited  
Kotak Mahindra Bank Limited  
HDFC Bank Limited

## REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Private Limited  
Unit: Tribhovandas Bhimji Zaveri Limited  
Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally Mandal,  
Hyderabad - 500 032.  
Tel. No. (040) 6716 2222  
Fax No. (044) 2300 1153  
Toll Free No. 1800 345 4001  
Email Add.: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website Add.: [www.kfintech.com](http://www.kfintech.com)

## REGISTERED OFFICE

241/43, Zaveri Bazar,  
Mumbai - 400 002.  
CIN No.: L27205MH2007PLC172598  
Tel. No. (022) 40465000/ 01  
Email: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com)  
Web.: [www.tbztheoriginal.com](http://www.tbztheoriginal.com)

## CORPORATE OFFICE


1106 to 1121, 11<sup>th</sup> Floor,  
West Wing, Tulsiani Chambers,  
212, Backbay Reclamation,  
Free Press Journal Road,  
Nariman Point, Mumbai - 400 021.  
Tel. No. (022) 49255000

## 13<sup>th</sup> Annual General Meeting

**Day & Date:** Wednesday, 30<sup>th</sup> September, 2020

**Time:** 11:30 a.m.

Through Video Conferencing (VC) / Other Audio Video Means (OAVM)



Jewellery is what we make.  
Delighting the customer in every way is what we do.

Change and steadfastness are the TBZ Way. While we continually innovate the style, designs and aesthetics of our offerings; we are steadfast in our commitment towards customer delight, value proposition and trust. For over 150 years, we have stood up for outstanding customer service.

Today, even while we leverage digital means such as video conferencing, digital display of our products and omnichannel payments, we deliver exemplary customer experiences comparable to in-store purchases.

While the medium of interaction has changed, our commitment to quality, design, workmanship, trust and customer-centricity has remained unchanged.



Delighting  
the Customer  
Every Possible Way

# Our Corporate **Identity**

## Who we are for our customers

We have been an inseparable part of festivals, weddings, celebrations and happy occasions of millions of our customers across generations, having earned their unwavering trust. TBZ is an exemplary brand that designs, manufactures and sells plain and studded gold, diamond, jadau and platinum jewellery.

## The legacy we earned

We have an enviable reputation of remaining contemporary and relevant to several generations of jewellery buyers. Our designs, styles and aesthetics reflect customer sensibilities and change with time, while our values remain steadfast.

## Our products

Our jewellery combines intrinsic value of materials, along with enthralling designs, intricate styling, exquisite craftsmanship as well as elegance. They offer a rare combination of eternal beauty and everlasting value.

## We are backed by

Our strong pedigree, exclusive designs, innovative offerings, widening reach and a committed team.

### Key numbers defining TBZ



**39**

Number of retail stores



**8-10**

Jewellery lines added each year



**27 Cities 13 States**

Our presence



**113,561 Sq. Ft.**

Total retail space (Sq. Ft.)

### Our manufacturing capabilities

#### Manufacturing facility

**24,000 sq. ft.** Facility at Kandivali, Mumbai

#### Manufacturing capacity

**200,000 cts** (on dual shift basis)

**4,000 kg** of gold refining

**4,500 kg** of gold jewellery components manufacturing

### Our Competitive Advantages

#### LEGACY

**150+ years**  
in jewellery business

**First jeweller** to offer  
buyback guarantee in 1938

A professional organisation  
spearheaded by  
**5<sup>th</sup> generation** of the family

#### EXCLUSIVE DESIGNS

**26 designers** (including 12 CAD)

**8-10 new jewellery lines/year**

**In-house diamond  
jewellery production**

**Surprisingly affordable  
pricing**

#### BRAND VALUE

**Healthy sales** productivity

**High footfall** conversion

**High ticket size**

#### LEADERS IN WEDDING JEWELLERY

**60%** of sales are wedding and  
wedding-related purchases

**Steeped in Tradition,  
Innovative in Contemporary**

**Customer loyalty**

#### EXPANDING REACH

Presence in **27 cities and  
13 states**

**39 stores** across  
**113,561 sq. ft.**

Plans to expand retail area to  
**150,000 sq. ft.**



# Timeless Across **Generations**

Supplying jewellery for every occasion,  
every taste-bud



## Our Products



Pendants



Earrings



Necklaces



Bracelets



Rings



Chains



Bangles



## Our Styles

Gold	Diamond studded	Precious and semi-precious stone studded	Plain and diamond studded platinum	Jewellery with coloured stones in gold
	Loose diamond solitaires	Loose precious and semi-precious stones	Jadau	

### Our national presence

Present across  
**27 cities in  
 13 states**



Map not to scale. For illustrative purposes only.



# Chairman's Message **to Shareholders**



*Despite the challenging circumstances, our performance has been encouraging. Total Income from Operations stood at ₹ 1,810.05 crores, a YoY rise of 2.6% and Profit after Tax stood at ₹ 21.94 crores, rising by 43.32% from the previous year.*

## Dear Shareholders,

I am writing to you amidst extraordinary circumstances. The outbreak of COVID-19 during the last quarter of FY2020 disrupted lives and businesses across the world like never. Countries faced multiple issues even as they struggled to curtail the spread of the virus. In India, too, the pandemic has been spreading rapidly, and extended lockdowns to contain the virus have disrupted the economy and livelihoods.

## Year FY2020

A difficult macro-economic environment and weak consumer sentiments impacted demand for jewellery, while a significant rise in gold prices during the year compounded the impact. Gold prices jumped by approximately 24% during the year under review. Due to the countrywide lockdown in the wake of the pandemic, there were missed opportunities, as your Company lost out on some key festive occasions like Akshaya Tritiya and Gudi Padwa and the ongoing wedding season that normally witnesses large volumes of jewellery being purchased. These headwinds impacted revenues during the fourth quarter of the year, and consequently, the full year.

## Bracing the crisis

The benefits accruing from the learnings and experiences of over 150 years across five generations have made us adept in managing challenges and coming out stronger in the face of every adversity. As we contended with the pandemic, we accorded the safety of our customers and employees as our topmost priority. Following the nationwide lockdown, in compliance with the Government directives, the operations at our corporate office, all retail stores and manufacturing facilities remained suspended since the second half of March 2020. We responded quickly and adopted a "Work from Home" policy for our employees, by leveraging technology and managing all our critical back-end operations remotely.

During the lockdown, having recognised the need to provide our customers a safe, secure and user-friendly environment, we offered them online buying platforms to help them remain in touch and fulfil the need for continued customer engagement. To enable our customers shop from the safe premises of their homes, we introduced shop via video call and personalised digital brochures. We created opportunities for them to interact with us and browse through our wide range of collections, with personalised attention. We also launched our 'safe to shop' campaign using digital media.

This way, without stepping out of their homes, our customers could browse through our jewellery, select, pay, shop and visit the store to buy their favourite collections. Our Kalpavruksha Easy Pay plan, which enables customers to make monthly payments and purchase jewellery at a later date, has also been fully digitised. The above initiatives enabled us to remain well positioned to take advantage of the rebound in consumer buying, as and when that happens.

## How we performed

During the year under review, despite the challenging circumstances at a macro-level, our performance has been encouraging. Total Income from Operations stood at ₹ 1,810.05 crores, compared to ₹ 1,763.82 crores in the previous year. EBITDA stood at ₹ 111.56 crores compared to ₹ 73.80 crores, a 51.17% rise YoY; while EBITDA margin was 6.16% as compared to 4.18% in the previous year. Profit after Tax stood at ₹ 21.94 crores in comparison with ₹ 15.31 crores, rising by 43.32% from the previous year. Barring March, which was impacted by the lockdown, the Company achieved a Same Store Sales growth of 8%.

### Operational highlights

We adopted a pragmatic approach during the year to navigate these turbulent times. We cut down on our overheads by eliminating or curtailing the non-essential expenditure, undertook austerity measures, leveraged technology to the fullest and optimally stretched our available resources. An efficient working capital management helped us achieve a substantial overall reduction in working capital debt.

We have been making concerted efforts towards judicious inventory management and right sizing the same for both gold and diamond segments and in improving our mix to enhance profitability. We reduced our gold inventory by almost 22% in terms of volumes during the year. In order to counter the impact of stores closure during the lockdown, we focussed on conserving cash and maintaining a stable liquidity position.

In terms of our marketing efforts, apart from the tech based innovations mentioned earlier, we successfully launched our bridal collection Riwayat and the affordable diamond jewellery collection Sitara. Our brand ambassador Ms. Sara Ali Khan will feature in more campaigns, thus endorsing the brand across India.

### Customer Connect and becoming Future-Ready

We place great emphasis on customer connect, direct and transparent communication, and prompt customer service. In order to serve our customers better, we have been allocating more towards investments in technology and thereby remaining connected with them at all times. Our E-shop, which will soon be live, will enable us reach customers currently outside our geographical presence. Our emphasis is on marketing and branding initiatives to widen the customer base and reinforce the 'TBZ' brand in India.

Our range of affordable, yet intricate, diamond jewellery at lower price points will help the brand connect with uninitiated customers and also enable fulfil the aspirations of Gen Next to own an exquisite piece of the TBZ range of jewellery. With these strategic initiatives coupled with our pipeline of designer collections, we are confident of recording higher eyeballs and footfalls, thereby increasing our customer base, which will help generate higher revenues.

### Moving forward

While we remain very hopeful that the effects of the pandemic shall gradually wear off and complete normalcy will be restored sooner than later, we expect revenues to pick up gradually as the year progresses. With a brand that is agile, we are confident of emerging unscathed from the current challenging times.

Once the pandemic subsides, we expect gold to be amongst the first of the asset classes to witness consumer appetite. We are looking forward to the forthcoming wedding season this year. With several weddings having been postponed during the lockdown, the upcoming season will witness a significant

pent-up demand for jewellery. During times of uncertainty, consumers' migration to brands gets accelerated and we are confident that with TBZ being amongst the most preferred retail jeweller in India, we will witness customer buy-in, despite uncertain gold prices.

The advent of the festive season will also increase revenue generating opportunities. With contemporary designs, customer-friendly tech interventions and a well-trained and motivated sales team, we remain well poised to take advantage of the rebound in consumer buying in the months to come. These competitive advantages also give us the capabilities to face the turbulent times and witness sustainable and profitable growth as the market situation improves.

### Concluding remarks

Going forward, our focus will remain on consolidating our position, creating value and achieving profitable growth. We remain steadfast in our commitment to follow a customer centric business philosophy to generate the highest value for our stakeholders. As we progress into FY2021, we have embarked on an exciting journey in the face of unprecedented adversities with a commitment to set industry benchmarks through best-in-class designs and to delight our customers and keep up with the changing trends.

We aim to leverage our expertise to drive customer-friendly innovations and communication. We shall remain dedicated to design jewellery that is exquisite, yet affordable and easily accessible to the country's youth, to satiate their aspirations as well as meet the demands and expectations of the discerning buyers.

Cost optimisation, enhanced productivity and increasing margins will continue to be our area of focus. We shall continue our strategy of right sizing our inventory to sustain profitability amidst the prevailing economic downturns. Further, we shall augment our virtual presence by making strategic investments in technology and through our marketing and branding campaigns.

Safety of our customers and employees will always be accorded the highest priority. Investing in learning & development of our employees and facilitating training opportunities for them will ensure organisational agility and adaptability, amidst an increasingly competitive business landscape.

Before I conclude, I take this opportunity to express my sincere gratitude and appreciation of the constant support of our shareholders and other stakeholders, our customers and our dedicated team.

Best Regards,

**Shrikant Zaveri**

Chairman & Managing Director

## Our Esteemed Board

**Our Board comprises highly renowned professionals drawn from diverse fields. Our Directors bring with them a wide range of skills and experience, which enhances the Board's decision making process.**

The brief profile of your Company's Board of Directors is as under:

◆ **Mr. Shrikant Zaveri**

(Chairman & Managing Director)

Mr. Shrikant Zaveri is a doyen of the Indian Gems and Jewellery Industry and is one of the most respected personalities of the Gems and Jewellery Industry in India. He has a rich experience of more than thirty eight years in the Gems and Jewellery industry. He has completed his education up to matriculation. He took over as the managing partner of the business in 2001. He continued his forefather's business with one flagship store at Zaveri Bazar, and given his immense efforts, your Company as on 31<sup>st</sup> March, 2020 has thirty nine stores, out of which thirty six are Company's own stores and three are franchisee stores, in twenty seven cities and thirteen states across India.

He is discharging the additional responsibility of Chief Executive Officer of your Company.

Mr. Zaveri was the founding member and chairman of the Gems and Jewellery Trade Federation. He has been awarded the Retail Jewellery Award for lifetime achievement in the year 2007. He also won the Retail Leadership Award from the Asia Retail Congress in the year 2013.

With his considerable wealth of experience, Mr. Shrikant Zaveri brings great value and insight to the Board of TBZ.

◆ **Ms. Binaisha Zaveri**

(Whole-time Director)

Ms. Binaisha Zaveri holds a bachelor's degree in marketing and finance from the Stern School of Business, New York. She joined the business in 2004 and has an experience of more than sixteen years. She is involved in all aspects of the business including human capital management, operations, finance, business development. She has been actively involved and has been a key player in the opening of new stores.

◆ **Ms. Raashi Zaveri**

(Whole-time Director)

Ms. Raashi Zaveri holds a bachelor's degree in finance and entrepreneurship from the Kelly School of Business, Indiana University and is a graduate gemologist from the Gemological Institute of America. She joined the business in 2008 and has an experience of more than twelve years. She is involved in the management of your Company's marketing, enterprise resource planning systems and is actively engaged in accounting, designing, merchandising and general corporate management.

**◆ Mr. Kamlesh Vikamsey**

(Independent Director)

Mr. Kamlesh Vikamsey has a bachelor's degree in commerce from the University of Mumbai and is a qualified Chartered Accountant. He has more than thirty seven years of experience in Accounting, Finance, Taxation, Corporate and Advisory services. He is Chairperson of the Audit Advisory Committee of United Nations Children's Fund (UNICEF) and the Independent Management Advisory Committee (IMAC) of International Telecommunication Union (ITU) and member of the Audit Committee of World Meteorological Organization (WMO).

He was Chairperson & Member of the External Audit Committee (EAC) of International Monetary Fund (IMF) from 2015 to 2018 and the Audit Advisory Committee of the United Nations Development Programme (UNDP) from 2010 to 2015. He was the President of the Confederation of Asian and Pacific Accountants (CAPA) from 2007 to 2009. He was a Board Member of the International Federation of Accountants (IFAC) from 2005 to 2008. He was the President of the Institute of Chartered Accountants of India (ICAI) during 2005-06. He was Chairman of Centre of Excellence on Education, Training and CPD of South Asian Federation of Accountants (SAFA – An Apex Body of SAARC) from 2005 to 2007. He has served as a member of various advisory and expert committees at national and international levels, including as a member of the expert committee constituted by the Central Government for the promotion of the Gems and Jewellery industry in 2007 and was a member of the Accounting Standards Committee of SEBI during 2005-06.

Mr. Vikamsey joined the TBZ Board on 26<sup>th</sup> August, 2010 and has given valued contribution to the Board of Directors. He is Chairman of the Audit Committee and member of the Nomination and Remuneration Committee. He has brought to bear upon these Committees, his vast and varied experience gained from his profession and as Director on the numerous companies on whose Board he serves.

**◆ Mr. Ajay Mehta**

(Independent Director)

Mr. Ajay Mehta has a bachelor's degree in science from University of Mumbai and a master's degree in chemical engineering from the University of Texas, USA. He has over thirty five years of experience with chemical, petrochemical, fertiliser, manufacturing and investment companies. He is presently a non-Executive Director in Deepak Nitrite Limited and a Managing Director of Deepak Novochem Technologies Limited. He is a member of the executive Committee of Mahratta Chamber of Commerce, Industries and Agriculture and various other developmental institutions and social organisations.

Mr. Mehta joined the TBZ Board on 14<sup>th</sup> December, 2010 and has given valued contribution to the Board of Directors. He is the Chairman of the Nomination and Remuneration Committee and the Stakeholders Relationship Committee and a member of the Audit Committee, the Corporate Social Responsibility Committee (CSR Committee) and the Risk Management Committee. He has brought to these Committees, his vast and varied experience gained from his profession and as Director on the numerous companies on whose Board he serves.

**◆ Mr. Sanjay Asher**

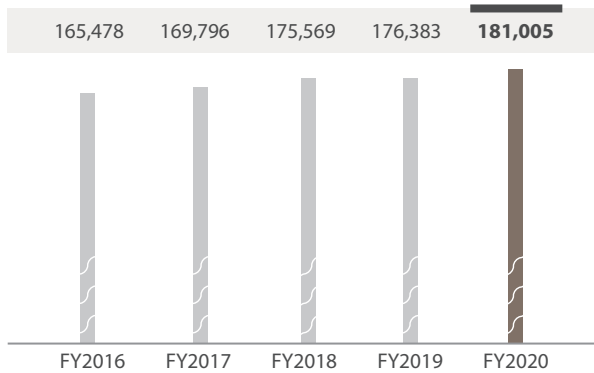
(Independent Director)

Mr. Sanjay Asher has a bachelor's degree in commerce and a bachelor's degree in law from the University of Bombay. He has been a practising advocate since 1991, and was admitted as a solicitor in 1993. He is also a qualified chartered accountant. He has over twenty eight years of experience in the field of law and corporate matters. He is presently a senior partner with M/s. Crawford Bayley and Co. which is India's oldest law firm, established in 1830. He specialises in the fields of corporate law and commercial law, cross-border mergers and acquisitions, joint ventures, mergers and acquisitions and capitals markets.

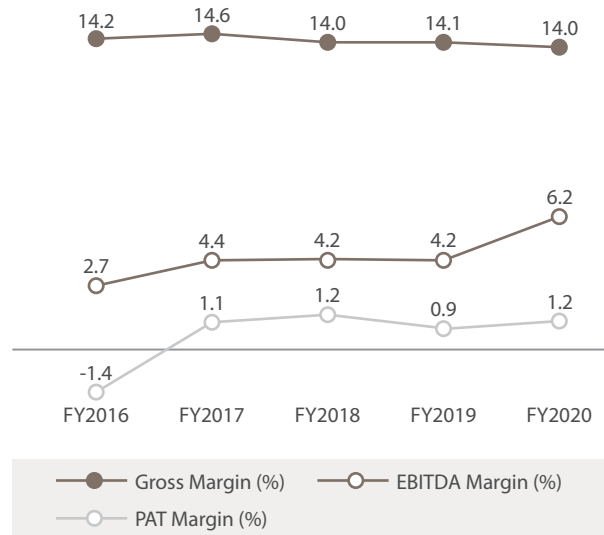
Mr. Asher joined the TBZ Board on 14<sup>th</sup> December, 2010. He is a member of the Nomination and Remuneration Committee.

# Our Performance Scorecard

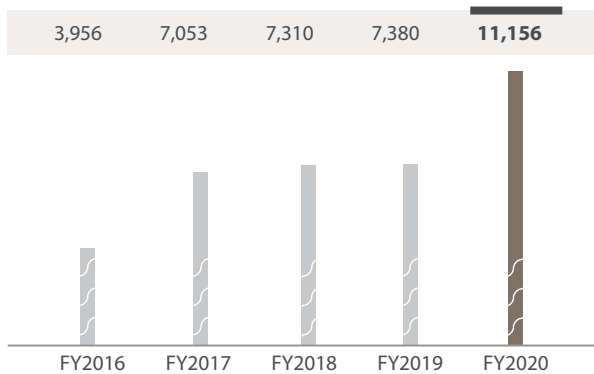
## Operating Income (₹ Lakhs)



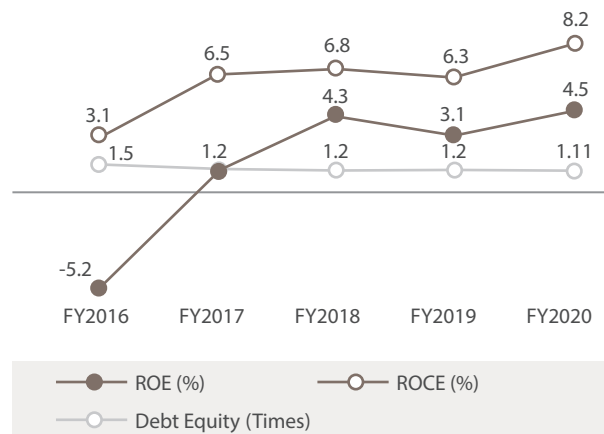
## Margins (%)



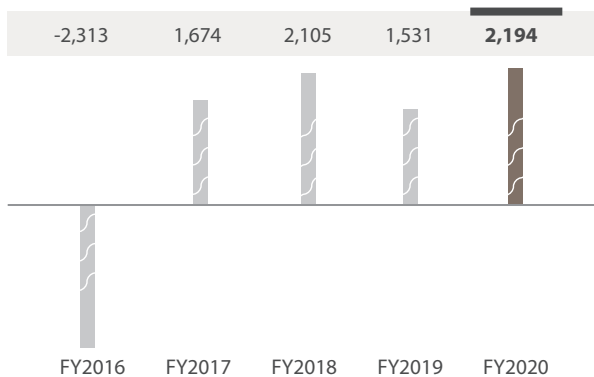
## EBITDA (₹ Lakhs)



## Leverage and Returns (%)

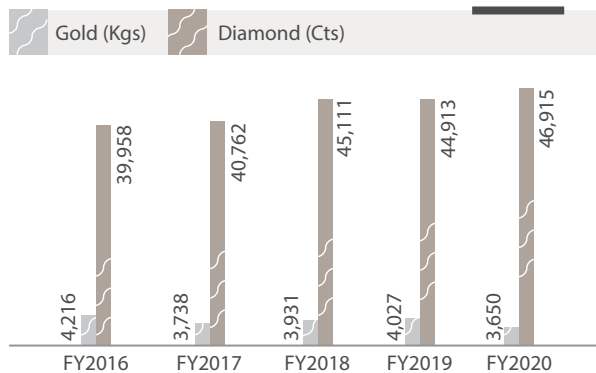


## PAT (₹ Lakhs)

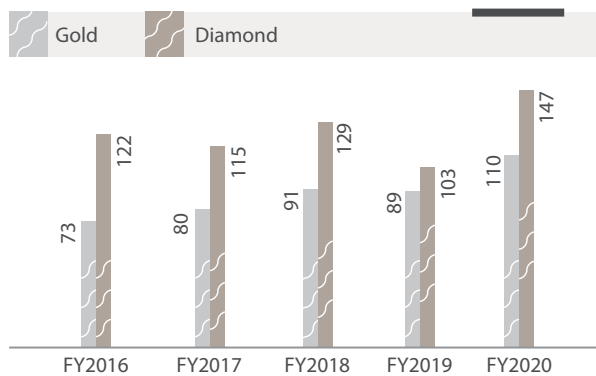


# Operational Highlights

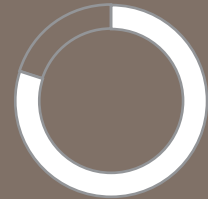
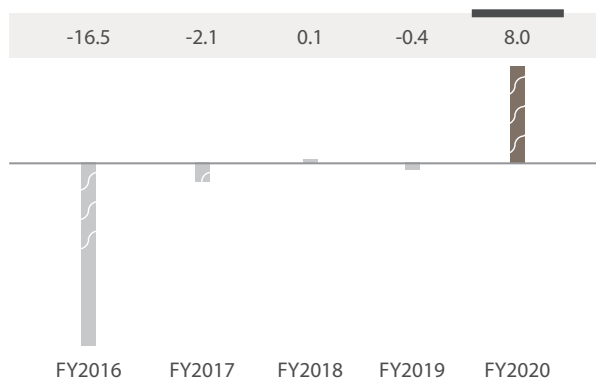
## Gold and diamond volumes (₹ Lakhs)



## Average ticket size (₹ '000)



## Same store sales value growth (%)



80%

Average conversion ratio of customer footfalls



₹ 1.59 Lakh/Sq. Ft.

Average revenue across stores per annum

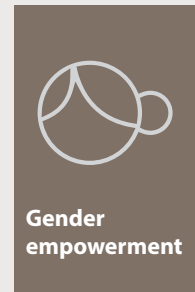
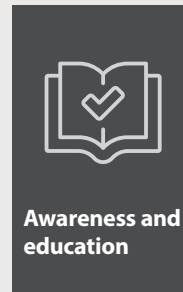
# Building **An Inclusive Society**

**We are committed to making a difference in the lives of people. Our commitment is built on a deeply ingrained sense of social responsibility among our employees, and the recognition that the company grows stronger by helping to advance local communities and individual lives.**

At TBZ, social development is our utmost priority. We remain committed to fulfil our corporate social responsibilities sincerely by taking into consideration the safety and security of women and empowering them and strengthening the communities. Our CSR principles direct our CSR initiatives and reaffirms our commitment to promoting them.

As a Company, we strive to connect with people, and invest in opportunities that accelerate problem solving, inspiring them to work towards women empowerment and advance positive social change by partnering with multiple stakeholders.

### Key focus areas in CSR



### Our CSR projects

#### I. PROJECT PANKHI

**21,357**

Number of women impacted

**22**

Number of survivors who received support through telephonic counselling

**1,949**

Number of women counselled

**3,853**

Number of counselling sessions conducted

**58.7%**

Increase in reporting of cases since last year

**135%**

Increase in number of outreach sessions

### Scaled operations to

Delhi



Bihar



Karnataka



Kerala



Telangana



Maharashtra



The project aims at offering counselling and rehabilitation services to the victims of domestic violence through the central helpline Pankhi, in accordance with The Protection of Women from Domestic Violence Act, 2005.

### 1. Running community centres



The project was implemented at 11 locations during the year, benefiting 1,949 clients. Of these, 58.9% cases were registered directly to the community organisations, while the remaining 41.04% unregistered cases were referred by the NGO staff, former clients, helpline and through campaigns. A total of 89 of these were converted into registered cases.

# 3,373

Individual sessions conducted

# 462

Joint counselling sessions conducted between survivors of violence and perpetrators

# 800

Number of sessions devoted to follow-up of unregistered cases





# Building **An Inclusive Society**



## 2. Awareness raising events and campaigns



Awareness programmes were conducted on gender-based violence and the help available through these sessions. Awareness sessions were conducted in collaboration with CEAT, Raychem RPG foundation, Teach for India and MAVIM in Mumbai. The showroom staff of TBZ at Mumbai, Pune and Patna were equipped to handle issues of women approaching to seek help.

### People reached out through programmes

#### Outreach sessions

SOUTH	MY CHOICES TRUST		3,507	Intervention (n) = <b>19,408</b>
	CAP		1,568	
	MAHILA DAKSHITA SAMITI		668	
WEST	PANKHI		616	
	ASHA		1,681	
	BCC		4,873	
	AWAG		1,064	
	BSS		1,158	
	SMS		2,172	
NORTH	BVHA		235	
	SHANTI SAHYOG		257	
	SPID		1,609	

#### Women's Day Campaign:-

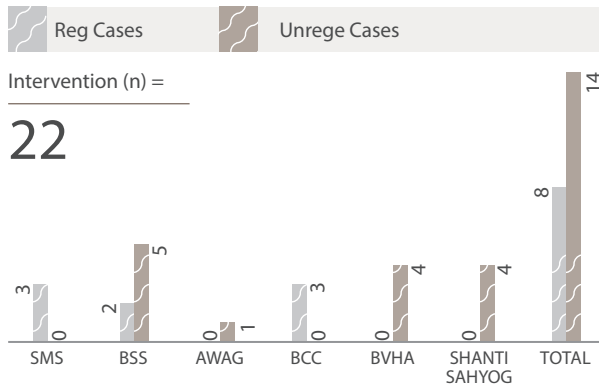
As part of these awareness campaigns, an organisation called WeMore Solutions conducted a session on menstrual hygiene for women. All the partner organisations also conducted similar programmes on International Women's Day at the respective institutions. A self-defence training workshop was also conducted for our female employees.

### 3. Pankhi Helpline



A total of 1,620 calls were received during the year, and the assistance provided differed in the case of each survivor from telephonic counselling to police and legal help, rehabilitation, and more. Particularly within a few days of COVID lockdown, the National Commission of Women (NCW) noted a drastic rise in the number of complaints on domestic violence. The partner NGOs conducted follow-up sessions with these victims of domestic violence.

#### Cases reported through the Helpline



### 4. Pankhi Social Media



We are making use of the social media to create visibility on the issues of domestic violence by way of articles, photos and posters and also to showcase our programmes and outcomes.

14,797

Number of people reached out through Facebook platform

65%

Percentage of women in outreach of people

499

Number of followers on Facebook

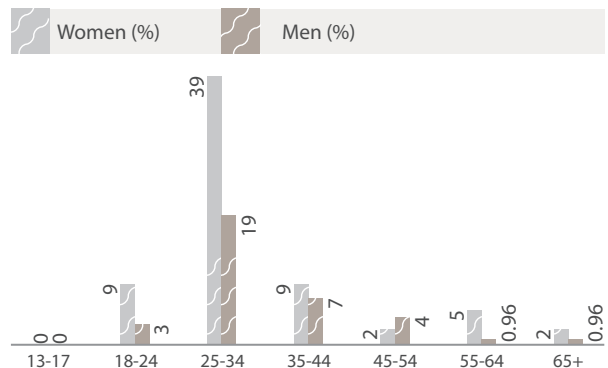
491

Number of people who liked Project Pankhi page on Facebook

131

Number of followers on Instagram page

#### Age distribution on Facebook



# Building **An Inclusive Society**

## II. PROJECT PAPERBOAT



The Paperboat Project, started is an in-house mentorship programme which gives individuals an opportunity to design the future of young children as their mentor, teacher and a playful friend. As a part of this programme, a CSR Day was conducted at the corporate office, in which employees were motivated to volunteer and mentor the under-privileged children studying in municipal schools of Worli and Colaba areas in the Mumbai district. A total of 14 employees are actively participating in these initiatives. During the year, three sessions were conducted at each municipal school in Worli and Colaba.

## III. PROJECT BREAST CANCER AWARENESS AND AID



We have collaborated with the Cancer Patients Aid Association, Mumbai and Pune, which works on the concept of Total Management, from the time the disease is diagnosed, through treatment and family support, and finally, till rehabilitation. We are a part of the Breast Cancer Awareness and Aid Program, which aims towards financial assistance and medical treatment.

**1,290**

Number of women directly impacted through the project



As per our scope, we interpret and impart education on the illness to the patient and their family members. We extend our guidance, counselling and emotional support by way of institutional, hospital and home visits to help them come to terms with the illness and to infuse a ray of hope and an optimistic attitude into the patients.

Till date, we have conducted four HPV and Breast Cancer Detection camps in the underprivileged areas, and also made arrangements for prosthesis and ambulances. Social rehabilitation of the patient is also handled by the partner organisations.



## IV. EMPLOYEE GIVING AND OTHER INITIATIVES



### 1. World Environment Day

The employees were encouraged to plant more saplings.

Every employee on 5<sup>th</sup> June, 2019 - World Environment Day received a Tulsi seeded paper. With this Green Initiative, our employees were encouraged to plant more trees/saplings.



### 2. Children's Day

Employees provided stationery items to human trafficking victims being home-schooled at a Shelter Home in Vasai, Maharashtra.



### 3. Wellness Wednesdays and Thoughtful Thursdays

This is an employee engagement initiative in collaboration with visually impaired therapists from Kanchan Kaya Naturopathy Centre. This was aimed at helping these therapists earn a living and support them to build a client network.



### 4. The Joy of Giving

The week was celebrated in December, where employees purchased merchandise showcased by NGOs like Srugna, Aseema and Kshitij.



### 5. Wish Tree Initiative

A Child Help Foundation was celebrated at the corporate office, which consisted of lists of wishes of under-privileged children (who were compelled to discontinue education owing to financial crunch) and young HIV+ residents of Desire Society Shelter Home (who are in need of protein supplements).

## Awards & Recognition



### **Best Bracelet Design Award**

at The 9<sup>th</sup> Edition of JJS-IJ Jewellers Choice Design Awards 2019



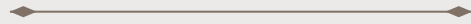
### **“Contemporary Diamond Jewellery Award” and “Treasure of The Ocean”**

GJC's National Jewellery Award 2018



### **“Diamond Vivah Jewellery of the Year”**

Retail Jeweller India Awards - 2018



### **“India's Most Preferred Jewellery Brand”**

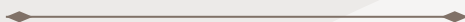
UBM India - 2017





**“Best Ring Design Over  
₹ 2,50,000”**

JJS-IJ Jewellers Choice Design Awards - 2016



**“Diamond Jewellery  
of the Year”**

12<sup>th</sup> Gemfields Retail Jeweller India Awards - 2016



**“Best Necklace Design  
Award – 2016”**

JJS-IJ Jewellers’ Choice Design Award – 2016



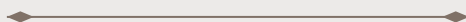
**“TV Campaign  
of the Year”**

12<sup>th</sup> Gemfields Retail Jeweller India Awards - 2016



**“Asia’s Most Popular  
Brands – 2014”**

World Consulting & Research Corporation (WCRC) - 2014



# Our Collections

Sitara



Divya



Sway



Sunshine



Switch



Noor



Tatva



Blush



# Management Discussion & Analysis

## Global Economy

The global economy grew by 2.9% in 2019, as against 3.6% in 2018, as per the estimates from the International Monetary Fund (IMF). This subdued growth is a consequence of elevated trade barriers, Brexit-related concerns, geopolitical tensions, tighter financial conditions and policy uncertainty across advanced economies and emerging markets. Despite the early headwinds, conditions eased since the beginning of 2020 with positive developments in US-China trade negotiations, a successful Brexit and continued monetary easing.

## Impact of COVID-19

The worldwide outbreak of the COVID-19 pandemic in the first quarter of 2020 posed fresh challenges to global economies and their activities. It spread with alarming speed, infecting millions, and bringing economic activity to a near standstill, as countries imposed stringent restrictions on movement to halt the spread of the virus. It plunged the world economy into a recession, worse than the global financial crisis witnessed a decade ago.

## Future outlook

As a result of the pandemic and the lockdown, along with other containment measures, the global economy is likely to contract by 4.9% in 2020 – the steepest slowdown since the Great Depression of the 1930s. Central banks across the world eased monetary policies to mitigate the effects of the pandemic and stabilise financial markets. In addition, a series of stimulus packages were announced by major developed and developing economies and financial institutions to limit the economic damage. Even as economic activity resumes gradually, consumer behaviours will change as a result of continued social distancing and uncertainty about how the pandemic will evolve. However, the IMF predicts that a combination of global monetary and fiscal actions will aid global growth to bounce back to 5.4% in 2021.

(Source: IMF World Economic Outlook, June 2020)

## Indian Economy

India's Gross Domestic Product (GDP) slowed down to 4.2% in FY 2019-20 as against 6.1% growth clocked in FY 2018-19. Primary factors responsible for the deceleration in growth included global economic slowdown, subdued consumption and private investment, and liquidity constraints in the non-banking finance sector. The unexpected outbreak of COVID-19 in the first quarter of 2020 created unprecedented challenges for the Indian economy. Growing spread of the virus, social distancing

measures and fears among consumers and businesses rose dramatically in India. Steps taken to contain the spread, such as the nationwide lockdown stalled economic activity and are expected to impact livelihoods, earnings, savings, consumption and investment.

The COVID-19 pandemic led to significant growth downgrades for the Indian economy in the coming year. The IMF has forecasted the Indian economy to contract by 4.5% in FY 2020-21 with potential downsides. Growth is, however, expected to recover to 6% in FY 2021-22, buoyed by fiscal and monetary stimulus to limit the economic fallout.

## Support measures to battle COVID crisis

Policymakers have been implementing substantial fiscal and monetary measures to support the economy in a post-COVID scenario. On the fiscal front, the government rolled out a ₹ 1.7 trillion relief package for India's marginalised population to help them tackle the challenges caused by the pandemic. Further, a mammoth ₹ 20 lakh crore special economic and comprehensive package, equivalent to 10% of India's GDP, under the 'Atmanirbhar Bharat Abhiyan' was announced to help the economy tide over the crisis.

The Reserve Bank of India, too, slashed the key repo rate by a cumulative 115 bps to 4.0% and reverse repo rate by 155 bps to 3.35% since the beginning of the crisis to maintain financial stability. In addition, it allowed commercial banks and non-bank finance companies to offer to their customers a three-month moratorium on payment of instalments on their loans. Further, in May 2020, it allowed further extension of the moratorium period by another three months to 31<sup>st</sup> August, 2020. Several commercial banks were encouraged to offer Emergency Credit Lines at modest interest rates to their customers in order to support the liquidity crunch faced by them.

## Future outlook

The long-term growth outlook of the country continues to remain positive. Key reformative policies including Goods and Services Tax (GST), Insolvency and Bankruptcy Code (IBC), Foreign Direct Investment (FDI) liberalisation, among others, have amplified the fundamentals of the Indian economy. Recent measures such as corporate tax rate cuts, front-loaded infrastructure investment programmes, and bank recapitalisation are likely to drive growth. Particularly, reduced tax rates for individuals will put more disposable money in the hands of taxpayers and propel spending and consumption.



## Indian Gems & Jewellery Industry

The gems and jewellery industry plays a vital role in the Indian economy and contributes a major share to the total foreign reserves of the country. The sector contributes around 7% to India's GDP and 15% to the total merchandise exports. One of the fastest growing and largest sectors, it contributes around 29% to the global jewellery consumption. The industry is home to over 3,00,000 businesses, and is recognised for generating employment opportunities for millions of people. Currently, the sector employs 4.6 million people and is expected to be providing employment to over 8.2 million people by 2022.

(Source: IBEF Report on Gems & Jewellery Sector)

India's cost competitiveness, highly skilled talent pool, ideal geographic location, and use of modern technologies gives the country a distinctive edge. Government is increasingly focussing on making India a hub for the global jewellery market. According to the Gems & Jewellery Export Promotion Council (GJEPC), India has emerged as the world's largest cutting and polishing centre for diamonds, with 75% of the world's polished diamonds exported from the country. Presently, 14 out of every 15 diamonds sold across the world are processed in India. UAE, US, Russia, Singapore, Hong Kong, Latin America, and China are the major importers of Indian jewellery.

## Challenges faced due to COVID-19

The coronavirus outbreak, initially in China, and thereafter in the rest of the world, created fresh challenges for the Indian gems & jewellery industry. The outbreak stalled manufacturing and trading activities, and led to cancellation of business events, deferment of committed orders, and reduced demand in the sector. The prevalence of the global crisis and worldwide restrictions on travel and trade has severely impacted exports of gems and jewellery.

Stringent containment efforts and nationwide lockdown in India dampened consumer sentiment and drastically reduced spending on jewellery. Nonetheless, GJEPC has been recommending various measures to mitigate the impact of the crisis on the sector. It has approached the government with a series of recommendations that will assist the industry in tackling the global challenges:

- Setting up of ₹ 50 crore corpus towards welfare measures
- Liaising with trade bodies and organisations
- Conducting virtual B2B meets between buyers and sellers of gems and jewellery products

In addition, relief measures sought such as customs duty reduction, additional interest subvention, extension of loan

maturity and interest payment, among others, will enable the industry to tide over the challenges amidst the crisis.

(Source: GJEPC)

## Gems & Jewellery Trade

### Exports

According to data from GJEPC, gross exports of gems and jewellery stood at USD 36 billion in FY 2019-20 as against USD 40 billion in the previous year, marking a decline of 10%. Decline in exports is attributable to domestic as well as global challenges including the rise in import duty on cut and polished diamonds and gemstones, tightening of lending by banks, US-China tariff wars, withdrawal of Generalised System of Preferences (GSP) by the US, and dip in global demand on account of the pandemic. UAE, US, and Hong Kong continue to be the biggest export destinations of the Indian gems and jewellery. Exports of cut and polished diamonds declined 22% to USD 18.7 billion from USD 23.8 billion in the previous year. Gold jewellery exports stood at USD 11.99 billion as against USD 11.78 billion in FY 2018-19, registering a moderate growth of 1.8%.

### Imports

India's total gems and jewellery imports stood at USD 24 billion in FY 2019-20, registering a decline of 6% from the previous year. Imports of rough diamonds contracted 17% to USD 12.6 billion, indicating subdued demand for cut and polished diamonds. Meanwhile, gold imports fell 14% to USD 28.2 billion from USD 32.8 billion in the previous year.

(Source: GJEPC)

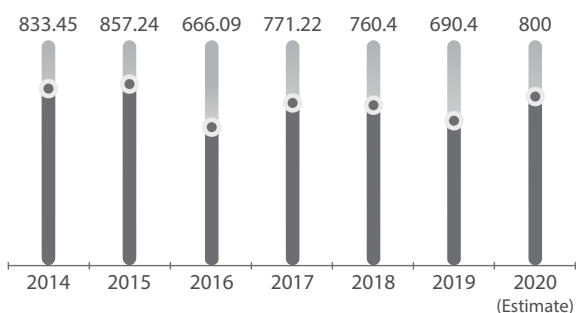
### Demand for Gold

According to the World Gold Council (WGC), India's gold demand in CY 2019 dropped 9% to 690.4 tonnes from 760.4 tonnes in CY 2018. Higher domestic gold prices and weak economic sentiment dented gold purchases. Demand in the first half jumped significantly, largely due to record central bank buying and healthy exchange-traded fund (ETF) inflows. Strong wedding season and healthy festival sales boosted demand before the price rise brought it to a virtual standstill. In the second half, demand remained tepid on account of muted consumer sentiment and a surge in domestic prices. Investment demand received respite during Dhanteras and the ensuing wedding season, as gold clearly proved to be the best performing asset in 2019.

Demand for gold in 2020 is seen exclusively being supported by investment demand. The global pandemic has fuelled safe-haven investment demand, thereby offsetting marked weakness in consumer demand. Traditionally seen as a store of wealth, gold sales in India tumbled as lockdowns, job losses, and weak economic growth curbed discretionary spending. Meanwhile, rural demand, which significantly

drives Indian gold demand, is focussed on monsoons and agriculture. As per WGC estimates, India's gold demand is expected to be in the range of 700-800 tonnes in CY 2020. Demand is likely to benefit from widespread stimulus measures from central banks amidst the global crisis. Investors have been flocking to gold, which is seen as a safe bet in times of crisis and uncertainty. This could offset the negative effect of lower consumer demand going forward.

### India's Rising Demand for Gold (in Tonnes)



(Source: World Gold Council, <https://www.livemint.com/market/commodities/why-gold-prices-are-rising-despite-weak-demand-at-jewellery-shops-11593919058223.html>)

### India's Organised Jewellery Industry

The jewellery industry has been witnessing changes in consumer preferences due to adoption of western lifestyles and rising demand for new and innovative designs. Given the favourable demographics and greater spending propensity in India, a larger number of people are today preferring branded and high-quality jewellery. Increasing penetration of organised jewellers implies exclusive collection of pioneering and authentic products. Further, mandatory hallmarking of gold jewellery strengthens consumer confidence and creates a level playing field for organised jewellery players. Organised jewellery manufacturers are focussed on making higher branding and marketing investments to increase their reach and market share and cater to the fast-growing retail industry.

### Domestic Regulatory Scenario

Recent Reform Measures:

September 2019	Reduction in corporate tax rate from 30% to 25%
November 2019	Revision in BIS Hallmarking Scheme
December 2019	Amendments in Insolvency and Bankruptcy Code to streamline resolution process
February 2020	Revision in income tax rates without exemptions

### Key Growth Drivers

Growing demand for jewellery in the domestic market has been a combination of multiple factors including rapid urbanisation, favourable demographics, increasing income levels, higher affluence, and evolving consumer preferences. Gold jewellery has been central to the Indian culture, and is considered a store of value, a symbol of wealth and status, and a vital part of weddings, festivals, and other special occasions.

### Rising demand for jewellery

With women getting more educated and informed, they are highly attracted to modern and branded jewellery, rather than conventional jewellery designs. Women are getting more affluent and aspirational. Moreover, jewellery is increasingly being viewed as a fashion accessory. Young working women, modern housewives, and rural women prefer innovative jewellery for regular wear, festivals, or other occasions. Besides, growth in branded jewellery is also being driven by young brand-conscious and digitally connected customers with higher income levels and increased awareness.

### High emotional and cultural value

In India, gold carries a high perceived value and a deep emotional quotient. Gifting of gold jewellery in celebrations, weddings, and festivals is considered auspicious in Indian culture. Gold jewellery is also popular amongst the rural populace as it reinforces closeness of relationships. Moreover, gold is also considered to be a safe and secure investment, while at the same time serves the cultural function of displaying wealth.

### Stable asset class

Gold has historically proved to be a safe haven and a stable asset class, providing high returns over a long period of time, despite investing not leading to steady income generation. In times of market fall, people are known to transfer investment to gold as it gives stability and security, being a tangible asset.

### Growing demand for fashion jewellery

Demand for fashion jewellery has been growing significantly and will continue to rise in the coming years. Younger generation and millennials treat fashion jewellery as a style statement. With increasing affordability, jewellery is enthusiastically accepted by people belonging to all strata of the society. Rising gold and silver prices and increasing availability of unique designs are further adding to the popularity of fashion jewellery.

### Growing E-Commerce sales

Jewellery industry is seen growing with technology advancement and proliferation of e-commerce. Growth in

online shopping, ease of availability, attractive offers, and increasing popularity of affordable jewellery is compelling jewellery players to tap e-commerce platforms. Online sales are expected to account for 1% to 2% of the fine jewellery market by 2021-22, driven by burgeoning internet penetration, greater convenience, and easy availability of affordable jewellery.

**Government support**

Given its massive growth potential and contribution, the government has been focussing on adopting favourable policies and initiatives to promote investments and support growth of gems and jewellery industry. Measures like Make in India, Brand India, establishment of Common Facility Centres (CFCs) and setting up India’s largest jewellery park in Mumbai will provide a huge thrust to the industry.

**Threats and Concerns**

**Liquidity issues**

Owing to its highly capital-intensive nature and long working capital cycle, finance is the lifeline of the gems and jewellery industry. Non-availability of finance may adversely impact the sales and profitability of the jewellery players. Consistent economic slowdown, financial defaults, and liquidity constraints have been forcing lenders to curtail lending to the sector, which has compressed the growth of the jewellery industry.

**Volatile regulatory environment**

The jewellery industry is susceptible to frequent changes in the regulatory environment and market conditions. Regulatory challenges and unfavourable government policies may impact the industry performance.

**Weak consumer sentiment**

The ripple effects of the COVID-19 pandemic are being felt in the gems and jewellery sector. With recession in almost every developed economy across the world and widespread job losses, consumers have adopted a conservative approach in spending and consumption. The complete shutdown of stores and shipments during the national lockdown has further impacted the sector. Against this backdrop, the biggest challenge for the industry will be to restore consumer confidence once the pandemic abates and crisis is resolved.

**Industry Outlook**

Despite short- and medium-term challenges, the outlook for gems and jewellery industry appears positive. Growing fears of the virus’ spread have resulted in stringent lockdowns worldwide, which led to cancellations and delay of orders and shipments, reduced footfalls at the stores, and subdued

consumer demand. Nonetheless, with easing of lockdowns and gradual reopening of jewellery stores, there is expected to be a pick-up in consumer sentiment.

Further, measures such as tax rebates for the middle class and farmers, corporate tax cuts, reduction in GST rates for job work services in gems and jewellery, will augur well for the sector. Favourable monsoon, higher crop prices and farm income, along with growing consciousness of branded jewellery will boost demand for jewellery in rural India.

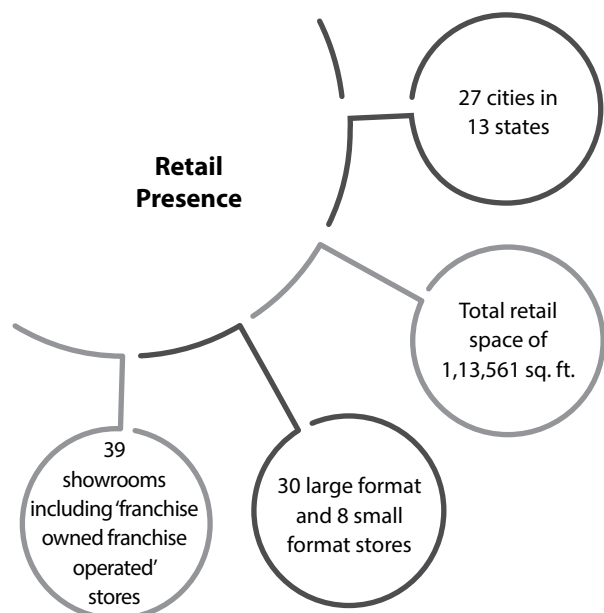
(Source: GJEPC, IBEF)

**Company Overview**

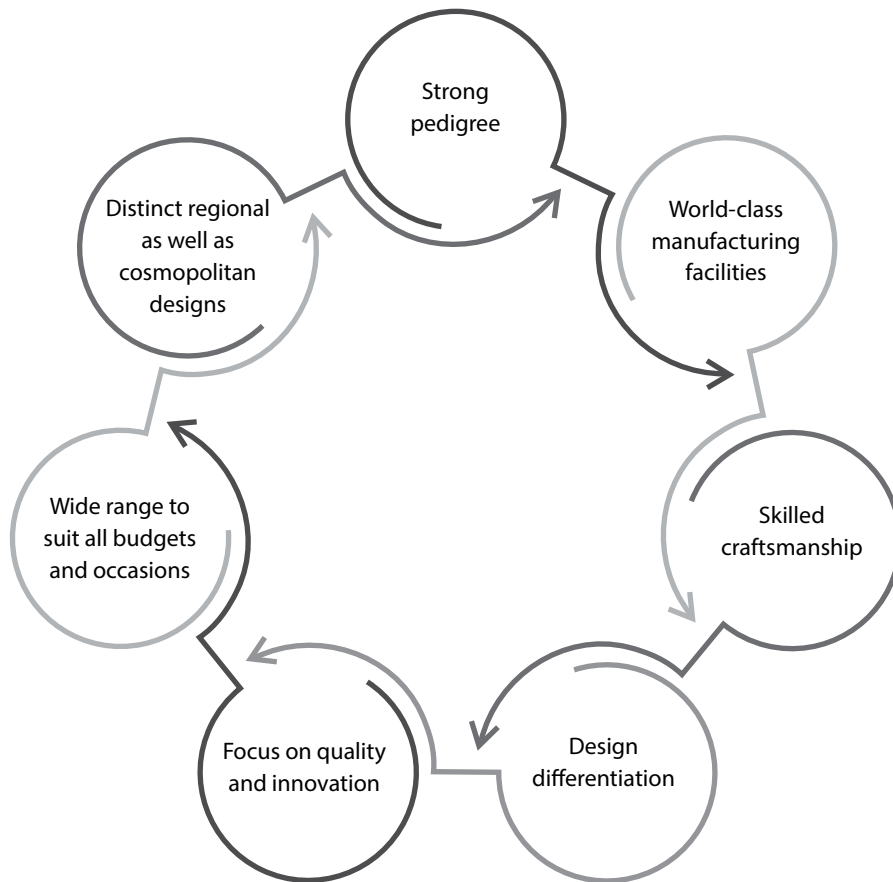
Tribhovandas Bhimji Zaveri Ltd (TBZ – The Original) hereinafter also referred to as the Company or TBZ) is a leading player in the organised jewellery market. With a strong legacy of over 150 years of delivering stunning and innovative jewellery designs, the Company has emerged as one of the leading retail jewellery brands in India.

Founded and professionally led by a strong management, the Company is currently spearheaded by the fifth generation of the family. It was the first jeweller in India to offer buy-back guarantees for jewellery purchased through its stores in 1938. Inspired by its legacy and by staying true to the values of trust, quality and craftsmanship, the Company has carved a niche in the jewellery industry. It has a well-spread retail presence across the country. The Company abides by good corporate governance practices and ensures transparency in its operations to deliver highest value to stakeholders.

**Strong Retail Presence**

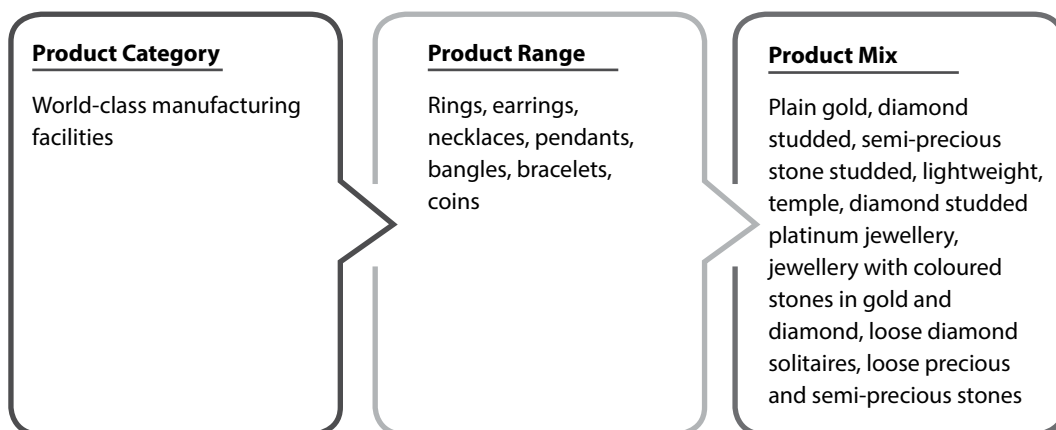


## Competitive Advantages



## Product Portfolio

The Company's ability to create exquisite and unmatched jewellery is attributed to the creative excellence of its designers and craftsmen. The design team of the Company has a rich understanding of the evolving preferences of the customers as well as market trends. The aesthetically designed pieces find the perfect blend of contemporary and traditional tastes. The Company has become a trendsetter in jewellery designing. The jewellery designed by the brand transcends to the hearts of customers and enables them to develop an emotional connect with the Company.



## Key Strengths

### Strong Brand Value

Backed by its rich legacy spanning over one-and-a-half centuries, the Company has become one of the most preferred and trusted jewellery brands. The brand's identity has been amplified by its vast network, which has made it a household name in most homes. Consistent branding and marketing activities along with focussed customer engagement has strengthened the brand positioning of TBZ and helped it build trustworthy relationships. Further, the Company is actively leveraging digital media channels to expand its reach beyond the traditional households to the youth and millennials on social media.

### Exemplary Designs and Quality Consciousness

TBZ - The Original brand stands for its impeccable and unique designs. Customer-centricity is paramount to the Company, the basis of which is perfection, skilled, and exquisite craftsmanship in designs. The Company has earned a formidable position in the industry for creating innovative, exemplary, and intricately crafted designs, which suit the diverse customer preferences across different parts of the country.

- An efficient team of 29 highly skilled and creative designers, including 14 exclusive CAD designers
- 8-10 new designs launched each year in line with evolving trends
- Stringent quality methods and standards to monitor purity, value, and finish of each product
- High value diamond jewellery production done in-house, benchmarked to the highest quality standards

### Preferred Wedding Jeweller

Indian weddings are known for their scale and magnificence and are incomplete without jewellery. Wedding jewellery purchases are a mandatory expense incurred by most families. For generations, TBZ has earned the trust and loyalty of such families who have been patronising it over several generations. Approximately, 60% of the total revenue of the Company is generated from wedding-related jewellery purchases. This uncompromising affinity among customers places the Company amongst the most preferred wedding jewellers.

### Customer Relationships

Further, the Company intends to increase its retail revenue by increasing footfalls at its stores. The retail staff are well-trained and always remain sensitive to the buying habits of the customers. They ensure turning each customer visit at TBZ store into a unique and memorable experience.

### Manufacturing Competence

The Company has a state-of-the-art manufacturing facility at Kandivali in Mumbai spread over 24,000 sq. ft. with an annual production capacity of 2,00,000 carats of diamond jewellery on a dual basis. The facility is also equipped to refine 4,000 kg of gold and manufacture 4,500 kg of gold jewellery components. In addition, a major portion of gold jewellery manufacturing is outsourced to around 150 trusted and loyal vendors, who have been associated with the Company for decades. These vendors are known for their expertise in crafting regional handmade jewellery designs.

### Skilled Craftsmanship

Over the years, the Company has forged endearing relationships with its customers and skilled craftsmen. The Company leverages the creative ingenuity of its designers and artisans along with modern research and computer-aided designs to deliver products that suit the latest trends and consumer preferences. It also makes regular investments in training designers and mapping international trends to keep up with the evolving fashion styles. This ensures designers and craftsmen are well versed with the updated local and global trends before producing newer products and launching exclusive collections each year.

### Ethical Sourcing

The Company sources diamonds from conflict-free and ethical sources such as DTC (Diamond Trading Company) dealers and ensures adherence to Responsible Jewellery Council (RJC) guidelines. Gold is procured in the form of bullion from bullion dealers, banks, and through purchase and exchange of old jewellery.

### Delightful Shopping Experience

Besides the eye-catching, beautiful, and premium quality jewellery offerings, TBZ's large and attractively designed stores are instrumental in enhancing the buying experience of customers. The jewellery is effectively put on display in stores to attract customers with its unique appeal. The Company also ensures that personalised attention is given to each customer by its dedicated retail teams. The Company embraces a customer-centric business philosophy to generate the highest value for its stakeholders.

### Prudent Inventory Management

At TBZ, judicious inventory management is one of the most important factors for business success. The Company makes concerted efforts to right size the inventory for both gold and diamond segments and promote fresh designs which are new and suit customer expectations. Along with

design excellence, robust manufacturing, and pleasant shopping experience, efficient inventory management is imperative to manage working capital requirement and achieve higher margins.

### Research & Development

Superior research and development capabilities enable the Company to constantly innovate its offerings and keep up with the latest trends. Leveraging new and best-in-class technology into manufacturing and refining processes gives the Company a distinct edge in terms of design, service, and quality in the highly competitive jewellery industry.

### Operational Highlights of FY 2020

- Achieved same store sales growth (SSSG) of around 8% from April 2019 - February 2020. The onset of the COVID-19 pandemic and the subsequent nationwide lockdown impacted the revenue and earnings of the Company in the fourth quarter as the corporate offices, retail stores, and manufacturing facilities were closed from 17<sup>th</sup> March to 1<sup>st</sup> June, 2020
- Leveraged technology to ensure customer safety during the lockdown by providing shopping at home via video call, personalised digital brochures, and one-to-one consultation facilities
- Launched online version of jewellery purchasing scheme 'Kalpavruksha' to ensure higher conversion and increased access during the lockdown period
- Introduced 'Safe to Shop' campaigns by leveraging digital media to reach out to existing as well as new customers post relaxations in lockdown
- Launched affordable diamond jewellery collection
- Launched bridal collection range, Riwayat with Bollywood actress, Sara Ali Khan who is the Brand Ambassador

### Financial Performance in FY 2020

The Company's total operating revenue in FY 2020 stood at ₹ 1,81,005.26 lakhs as against ₹ 1,76,382.65 lakhs in FY 2019, registering a growth of 3%.

	FY 2020	FY 2019
	(₹ in Lakhs)	(₹ in Lakhs)
Net Sales	1,80,986.62	1,76,358.11
Total Income from Operations	1,81,005.26	1,76,382.65
Gross Profit	25,353.29	24,892.68
EBITDA	11,156.03	7,380.03

	FY 2020	FY 2019
	(₹ in Lakhs)	(₹ in Lakhs)
Depreciation	3,199.67	991.91
Finance costs	5,611.28	4,637.20
PBT	2,887.09	2,311.40
Tax	693.44	780.82
PAT	2,193.65	1,530.58
Gross margin	14.01%	14.11%
EBITDA margin	6.16%	4.18%
Basic Earnings Per Share (EPS)	3.29	2.29
Dividend Per Share (₹)	1.75	0.75
Net Worth	49,185.01	49,413.87
Short-term borrowings (including working capital loans)	54,785.64	60,542.73
Inventory	1,19,093.17	1,18,692.91
Debtors	300.42	2,586.18
Net Block	17,064.53	10,752.55
Cash and Bank Balance	4,107.11	3,971.85

### Gross Profit

The Company's Gross Profit increased by 1.85% from ₹ 24,892.68 lakhs in FY 2019 to ₹ 25,353.29 lakhs in FY 2020. The Company was able to retain its margins at 14%, the same level as last year despite a challenging environment.

### EBITDA

The EBITDA margin of the Company increased to 6.16% from 4.18% in the previous year. Overall EBITDA of the Company stood at ₹ 11,156.03 lakhs as against ₹ 7,380.03 lakhs in the previous year. Lower marketing spends and other cost control initiatives led to an increase in EBITDA margin.

### Profit After Tax (PAT)

Profit After Tax (PAT) increased by 43.32% to ₹ 2,193.65 lakhs in FY 2020 compared to ₹ 1,530.58 lakhs in FY 2019.

### Net Worth

The Company's Net Worth stood at ₹ 49,185.01 lakhs as on 31<sup>st</sup> March, 2020, as against ₹ 49,413.87 lakhs as on 31<sup>st</sup> March, 2019, reflecting a decline of 0.46%.

### Reserves

Total Reserves of the Company grew from ₹ 42,740.81 lakhs as on 31<sup>st</sup> March, 2019 to ₹ 42,511.95 lakhs as on 31<sup>st</sup> March, 2020.

## Borrowings

The Company's Total Debt stood at ₹ 54,834.96 lakhs as on 31<sup>st</sup> March, 2020, as against ₹ 60,544.08 lakhs as on 31<sup>st</sup> March, 2019. Debt/Equity Ratio was 1.11 during the same period, compared to 1.21 as at 31<sup>st</sup> March, 2019.

## Significant Changes in Key Financial Ratios

Key Financial Ratios	Formula Used	FY 2020	FY 2019	Reason
Interest Coverage Ratio	EBIT/Finance Cost	1.51	1.50	No significant change
Current Ratio	Current Assets/Current Liabilities	1.40	1.40	No significant change
Debt Equity Ratio	Net Debt/Total Equity	1.11	1.21	No significant change
Return on Net Worth (%)	PAT/Net Worth	4.46%	3.10%	Higher RONW attributed to higher PAT for the current year
Operating Profit Margin (%)	EBIT/Revenue from operations	4.70%	3.94%	Higher EBIT attributed to higher profit margin in current year
Net Profit Margin (%)	PAT/Revenue from operations	1.21%	0.87%	Better sales realisation and cost efficiency

## How we battled the COVID-19 pandemic

The lockdowns and restrictions imposed due to the COVID-19 pandemic posed severe challenges to the business. The Company's operations were hit substantially from 17<sup>th</sup> March, 2020, onwards. Corporate offices, retail store operations, and manufacturing facilities were shut during the period from 17<sup>th</sup> March, 2020 to 1<sup>st</sup> June, 2020, which affected the revenue generation, cash flows, and financial performance of the Company during the fourth quarter of FY 2020. The Company suffered a substantial impact in revenues for March 2020, particularly due to loss of revenues on the occasion of Gudi Padwa and other regional festivals in different parts of the country as well as the build-up towards Akshaya Tritiya.

## Ensuring judicious cost management

During the lockdown, the Company maintained an enhanced focus on protecting liquidity and ensuring adequacy of cash flows. Towards this, it took several cost control measures and rationalised its inventory to eliminate any possibility of stress on its cash flows, thereby maintaining a stable and comfortable liquidity position. The Company also began the process of rationalising its manpower to bring down operational costs.

## Gradual reopening of stores

With the gradual lifting of the lockdown restrictions in the country, the Company reopened most of its stores with effect from 1<sup>st</sup> week of June, 2020, (barring those located within containment zones) after implementing thorough and well-rehearsed safety protocols and social distancing norms as prescribed by the authorities. The Company's corporate office employees continue to work from home.

## Management Outlook

The post-COVID world will present huge opportunity for gems and jewellery players. In the wake of the pandemic, the sector is witnessing a clear shift towards digital and omni-channel play. Digital and remote buying has become the new norm. Interactive video shopping and online orders backed by quick visits to stores for product pick-up has gained traction. Gems and jewellery players need to redefine their strategies and introduce innovative, technology-driven solutions to adapt to the new digital driven behaviour of customers. It will also enable the sector to revive consumer sentiment and meet future challenges.

During these unprecedented times, TBZ continues to focus on providing the safest and most comfortable shopping experience to each customer. Towards this, it has undertaken various notable initiatives including personalised digital shopping; store visits by online appointments; online access to Kalpavruksha scheme; safe to shop campaigns, amongst others, to embrace the changing consumer behaviour. The Company remains confident that its sharp focus on contemporary designs, consumer-friendly technology interventions, along with a well-trained sales team will enable it to capitalise on the buoyancy expected in consumer sentiments in the coming months.

Apart from its forte in wedding jewellery, the Company has been actively focussing on affordable diamond jewellery as well as occasion-based light weight jewellery to drive increased margins and profitability. TBZ believes that the upcoming festive season along with the new wedding season will lead to increased customer footfalls and higher revenue as the year progresses. Going forward, a key focal area is also on strengthening retail presence by strategically opening stores in an asset-light manner. The Company's strategy of optimal use and rationalisation of inventories will enhance its profitability and enable it to maintain a stable liquidity position.

In spite of the short-term challenges and disruptions caused by the pandemic, the long-term outlook of the industry remains optimistic. The strategic initiatives adopted by the Company will help it navigate through the rough seas and emerge as a stronger and agile brand poised for sustainable growth in the years to come.

## Risks and Concerns

### Economic Risk

Challenging macroeconomic environment further impacted by the rapid spread and severity of COVID-19, trade wars, unstable geopolitical conditions, and weak consumer sentiments may impact the jewellery industry.

### Mitigation

The long-term prospects of the jewellery industry remain good & dynamic. Favourable demographics, rapid urbanisation, higher affluence, greater spending propensity, and evolving consumer aspirations & preferences for brands have been boosting demand for innovative and affordable

jewellery. Further, given its tremendous growth potential and contribution, the government has been considering favourable policies to promote industry growth.

### Margin Risk

Fluctuations in commodity prices and adverse regulatory changes may pose a threat to the Company's margins and profitability.

### Mitigation

The Company has a judicious strategy in place to combat the risk of operational inefficiencies and margin pressure. Strong thrust on cost optimisation, expansion of presence through asset-light franchisee model, inventory procurement through higher exposure to gold loan schemes, and establishing long-term relationships with suppliers for bulk purchases enables the Company to effectively mitigate the challenges of volatile markets.

### Competition Risk

The jewellery industry is susceptible to stiff competition from the rising presence of unorganised players. This may impact the growth and market share of the organised players.

### Mitigation

Strong brand value, impeccable track record, distinctive and high-quality products, and customer-centricity has enabled the Company to establish its position as a leading and trusted jewellery brand in India. Moreover, the Company makes sustained investments in marketing and branding activities to enhance the appeal of its brands and reach out to a larger customer base.

### Raw Material Risk

Failure to source raw materials at lower prices and on time may adversely impact the Company's production capability and profitability.

### Mitigation

The Company's dedicated and talented team coupled with a well-framed central procurement policy ensures prudent inventory management. Leveraging the gold loan scheme and healthy relationships with leading suppliers of polished diamonds facilitates the Company to procure inventory at competitive rates.



## Human Resources

Employees are the most important assets of the Company. The knowledge, skills, experience, diversity, and creativity of its employees enables the Company to create a niche for itself. Training & Development of human resources is vital to the Company as it is engaged in the business of jewellery retailing. Therefore, the retail teams are periodically trained and groomed to engage with customers in a professional and cordial manner to enhance the customer experience.

The HR strategy of the Company is aimed at building a conducive and inspiring work environment, wherein employees can grow both professionally and personally. Regular skill training and development programmes are conducted to boost employee morale and hone their capabilities. Its rich talent pool enables the Company to cater to evolving customer aspirations and maintain a distinct edge in the marketplace. As on 31<sup>st</sup> March, 2020, the Company had a total of 1,172 employees.

In the light of the unprecedented COVID-19 pandemic, the Company adopted a “work from home” policy to ensure employee safety. Technology was leveraged and remote working facilities was extended by the Company.

## Internal Controls

The Company has well-defined internal control systems commensurate with the size, nature, and complexity of its business operations. This internal control framework ensures

proper recording and reporting of transactions, compliance with the regulatory requirements, safeguarding of assets and prevention of frauds/errors. The Company has appointed a reputed audit firm to conduct its internal audit. The audit firm is responsible for monitoring the internal controls and suggesting measures for strengthening the internal controls. Any observations or deviations are, thereafter, reported to the Management and Audit Committee for their prompt action. In addition, the Company constantly invests in advanced information technology systems to ensure data security and confidentiality.

## Cautionary Statement

This document contains forward-looking statements about expected future events, financial and operating results of the Company. These forward-looking statements are based on assumptions and the Company does not guarantee the fulfilment of the same. These statements may be subject to risks and uncertainties. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management’s discussion and analysis of TBZ Limited’s Annual Report 2019-20.

# Notice

**Notice is hereby given that the Thirteenth Annual General Meeting of the Members of Tribhovandas Bhimji Zaveri Limited will be held on Wednesday, 30<sup>th</sup> September, 2020 at 11.30 a.m. IST through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following businesses:**

## ORDINARY BUSINESS:

1. To receive, consider, approve and adopt:
  - (a) Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 together with the Reports of the Board of Directors and the Auditors thereon; and
  - (b) Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 together with the Report of the Auditors thereon.
2. To confirmation of payment of Interim Dividend:  
To confirm the payment of Interim Dividend of ₹ 1 (Rupee One only) per equity share, (i.e. 10%) of Face Value of ₹ 10 (Rupees Ten only) each, for the Financial Year 2019-20.
3. To appoint a Director in place of Ms. Raashi Zaveri (DIN: - 00713688), who retires by rotation at this Annual General Meeting, in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re-appointment.

## SPECIAL BUSINESS

4. Appointment of Statutory Auditor to fill casual vacancy:

To consider the appointment of M/s. Chaturvedi & Shah LLP, Chartered Accountants (ICAI Firm Registration No. 101720W/W100355) as Statutory Auditors of the Company effective 17<sup>th</sup> August, 2020 till the conclusion of Thirteenth Annual General Meeting arising out of the casual vacancy caused by the resignation of M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration No. 324982E / E300003) and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139(8) of the Companies Act, 2013 read with the applicable Rules of the Companies (Audit and

Auditors) Rules, 2014, as amended from time to time, and all other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and upon recommendation of the Audit Committee and Board of Directors, M/s. Chaturvedi & Shah LLP, Chartered Accountants (ICAI Firm Registration No. 101720W/W100355), be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration No. 324982E / E300003).

**RESOLVED FURTHER THAT** M/s. Chaturvedi & Shah LLP, Chartered Accountants (ICAI Firm Registration No. 101720W/W100355), be and are hereby appointed as Statutory Auditors of the Company from 17<sup>th</sup> August, 2020, until the conclusion of the ensuing 13<sup>th</sup> Annual General Meeting of the Company, at a remuneration as may be mutually agreed to, between the Board of Directors and M/s. Chaturvedi & Shah LLP, plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them.”

5. Appointment of Statutory Auditor:

To consider the appointment of M/s. Chaturvedi & Shah LLP, Chartered Accountants (ICAI Firm Registration No. 101720W/W100355) as Statutory Auditors of the Company for a continuous period of five years and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to provisions of Sections 139, 142 and all other applicable provisions of the Companies Act, 2013 read with the applicable Rules of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, and all other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof, for the time being in force), and upon recommendation of the Audit Committee and Board of Directors, M/s. Chaturvedi & Shah LLP, Chartered Accountants (ICAI Firm Registration No. 101720W/W100355), be and are hereby appointed as the Statutory Auditors of the Company for a continuous term of five (05) consecutive years to hold office from the conclusion of ensuing 13<sup>th</sup> Annual General Meeting till the conclusion of the 18<sup>th</sup> Annual General Meeting, at a remuneration as may be

mutually agreed to, between the Board of Directors and M/s. Chaturvedi & Shah LLP, plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them."

6. To consider re-appointment of Mr. Shrikant Zaveri (DIN: 00263725) as Chairman & Managing Director of the Company and fixing terms of appointment and remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Sections 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, and such other consents and approvals as may be necessary, consent of the members be and hereby accorded for reappointment of Mr. Shrikant Zaveri (DIN: 00263725) as Chairman & Managing Director of the Company for a period of 5 (Five) years with effect from 1<sup>st</sup> January, 2021 (i.e. from 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2025) on the terms and conditions as detailed in the explanatory statement attached hereto and the draft salary agreement for the said appointment and fixing of the remuneration for 3 (Three) years with effect from 1<sup>st</sup> January, 2021 (i.e. from 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2023) with authority to the Board of Directors to alter and vary the remuneration within the limits fixed by the members and/ or the terms and conditions of the said re-appointment and / or salary agreement, as and when required, in such manner as may be agreed to between the Board of Directors and Mr. Shrikant Zaveri.

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Shrikant Zaveri, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 read with Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time and all other applicable provisions of the Companies Act, 2013, or any amendment thereto or any re-enactment thereof.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Director(s) or Chief Financial Officer or Company Secretary of the Company to give effect to the aforesaid resolution and matters incidental thereto."

- 7 To consider re-appointment of Ms. Binaisha Zaveri (DIN: 00263657) as Whole-time Director of the Company and fixing terms of appointment and remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Sections 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, and such other consents and approvals as may be necessary, consent of the members be and hereby accorded for reappointment of Ms. Binaisha Zaveri (DIN: 00263657) as Whole-time Director of the Company for a period of 5 (Five) years with effect from 1<sup>st</sup> January, 2021 (i.e. from 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2025) on the terms and conditions as detailed in the explanatory statement attached hereto and the draft salary agreement for the said appointment and fixing of the remuneration for 3 (Three) years with effect from 1<sup>st</sup> January, 2021 (i.e. from 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2023) with authority to the Board of Directors to alter and vary the remuneration within the limits fixed by the members and/ or the terms and conditions of the said re-appointment and / or salary agreement, as and when required, in such manner as may be agreed to between the Board of Directors and Ms. Binaisha Zaveri.

**RESOLVED FURTHER THAT** the remuneration payable to Ms. Binaisha Zaveri, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 read with Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time and all other applicable provisions of the Companies Act, 2013, or any amendment thereto or any re-enactment thereof.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Director(s) or Chief Financial Officer or Company Secretary of the Company to give effect to the aforesaid resolution and matters incidental thereto."

8. To consider re-appointment of Ms. Raashi Zaveri (DIN: 00713688) as Whole-time Director of the Company and fixing terms of appointment and remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to Sections 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, and such other consents and approvals as may be necessary, consent of the members be and hereby accorded for reappointment of Ms. Raashi Zaveri (DIN: 00713688) as Whole-time Director of the Company for a period of 5 (Five) years with effect from 1<sup>st</sup> January, 2021 (i.e. from 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2025) on the terms and conditions as detailed in the explanatory statement attached hereto and the draft salary agreement for the said appointment and fixing of the remuneration for 3 (Three) years with effect from 1<sup>st</sup> January, 2021 (i.e. from 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2023) with authority to the Board of Directors to alter and vary the remuneration within the limits fixed by the members and/ or the terms and conditions of the said re-appointment and / or salary agreement, as and when required, in such manner as may be agreed to between the Board of Directors and Ms. Raashi Zaveri.

**RESOLVED FURTHER THAT** the remuneration payable to Ms. Raashi Zaveri, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 read with Schedule

V of the Companies Act, 2013 or such other limits as may be prescribed from time to time and all other applicable provisions of the Companies Act, 2013, or any amendment thereto or any re-enactment thereof.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Director(s) or Chief Financial Officer or Company Secretary of the Company to give effect to the aforesaid resolution and matters incidental thereto.”

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**

Date: 17<sup>th</sup> August, 2020

Place: Mumbai

**Shrikant Zaveri**

**Chairman & Managing Director**

**(DIN: 00263725)**

**Registered Office:**

241 / 43, Zaveri Bazar,

Mumbai - 400 002, India.

CIN: L27205MH2007PLC172598

Tel. No. 022 – 4046 5000/ 01

Email: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com)

Web: [www.tbztheoriginal.com](http://www.tbztheoriginal.com)

## GENERAL NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the business in respect of the Special Business to be transacted at the Annual General Meeting as set out in item nos. 4, 5, 6, 7 and 8 of the Notice, is annexed hereto. Details under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) of Institute of Company Secretaries of India, in respect to the Director retiring by rotation and seeking re-appointment and to consider re-appointment of Mr. Shrikant Zaveri, Chairman & Managing Director, Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors of the Company and fixing terms of appointment and remuneration at the ensuing Annual General Meeting as set out in item nos. 3, 6, 7 and 8 of the Notice, are also annexed.
2. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing lockdown restrictions on the movement of people at several places in the country, the Ministry of Corporate Affairs (MCA), vide its General Circular

No. 20/2020 dated 5<sup>th</sup> May, 2020 read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020 and General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 and other Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 13<sup>th</sup> AGM of the Company shall be being convened and conducted through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

3. The Company has enabled the Members to participate at the 13<sup>th</sup> AGM through VC / OAVM facility provided by KFin Technologies Private Limited, Registrar and Share Transfer Agents of the Company. The instructions for participations by Members are given in the Notice. Participation at AGM through VC / OAVM shall be allowed on first-come-first-served basis.
4. In terms of the MCA Circulars, the physical attendance of Members has been dispensed with and there is no

requirement of appointment of proxies. Accordingly, the facility for appointment of Proxy by the Members under Section 105 of the Companies Act, 2013 will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. Since the AGM of the Company will be held through VC / OAVM, the Route Map for AGM venue is not annexed to this Notice.

5. Corporate Members intending their authorized representative to attend the Meeting through VC / OAVM, pursuant to Section 113 of the Companies Act, 2013, are requested to access the link <https://evoting.karvy.com> and upload a certified copy of the relevant Board Resolution together with specimen signatures of their authorized representatives to attend and vote at the Meeting through VC / OAVM.
6. The documents referred to in the proposed resolution(s) are available for inspection through electronic mode. Members are requested to write to the Company on [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com). The documents referred to in the proposed resolution(s) are available for inspection by the Members of the Company on the website of the Company [www.tbztheoriginal.com](http://www.tbztheoriginal.com) till the conclusion of 13<sup>th</sup> Annual General Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, 24<sup>th</sup> September, 2020 to Wednesday, 30<sup>th</sup> September, 2020** (both days inclusive).
8. Share transfer documents and all other correspondence relating thereto, should be addressed to the Registrar and Share Transfer Agent (R & T Agent) of the Company, KFin Technologies Private Limited (Formally known as Karvy Fintech Private Limited) at Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032. Tel No: +91 (040) 6716 1500; Fax No: +91 (040) 2300 1153 or a toll-free number 1800 3454 001. E-Mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). Website Add.: [www.kfintech.com](http://www.kfintech.com).
9. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, changes of address, change of name, email address, contact numbers etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Share Transfer Agents, KFin Technologies Private Limited (KFinTech) to provide efficient and better services.
  - Members holding shares in physical form are requested to intimate such changes to KFinTech.
10. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desired to avail of this facility may send their nomination in the prescribed Form No. SH.13 duly filled in to the office of KFin Technologies Private Limited, Registrar and Share Transfer Agent of the Company. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, required to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
12. The Equity Shares of the Company are listed on the following Stock Exchanges in India w.e.f. 9<sup>th</sup> May, 2012:
  - BSE Limited  
25, Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai – 400 001.
  - National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra Kurla Complex, Bandra (East),  
Mumbai – 400 051.

The Company has paid the applicable annual listing fees to each of the above Stock Exchanges for the financial year 2019–20.

The Company has also paid Annual Custodial Fees to Central Depositories Services Limited (CDSL) and National Securities Depositories Limited (NSDL) for the Financial Year 2020–21.
13. Non-Resident Members are requested to inform the Company immediately about:
  - (a) The Change in the Residential Status on return to India for permanent settlement;
  - (b) The Particulars of NRE Bank Account maintained in India with complete name and address of the bank, if not furnished earlier.
14. The Company has designated an exclusive e-mail ID called [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com) for redressal of Members' complaint/ grievances. In case you have any

- queries/ complaints or grievances, then please write to us at [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com).
15. Members are requested to intimate to the Company, queries if any, regarding the accounts at least 10 days before the Annual General Meeting to enable the Management to keep the information ready at the Meeting. The queries may be send through email at [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com) or addressed to: Company Secretary, Tribhovandas Bhimji Zaveri Limited, 1106 to 1121, 11<sup>th</sup> Floor, West Wing, Tulsiani Chambers, 212, Backbay Reclamation, Free Press Journal Road, Nariman Point, Mumbai - 400 021. (Email: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com)).
  16. Pursuant to MCA Circulars and SEBI Circular, Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, Notice of the 13<sup>th</sup> AGM and the Annual Report for 2019-20 is being sent through electronic mode to all the Members whose E-mail IDs are registered with the Company / Depository Participants for communication purposes. For Members who have not registered their E-mail IDs with the Company/ Depository Participants, are requested to register their email ids with their respective Depository Participant on immediate basis for receiving Annual Report 2019-20 in electronic mode only. Members holding shares in physical mode and wishing to register / update their E-mail ID to receive the Annual Report and other documents in electronic mode are requested to fill the form "Consent for Receiving Documents in Electronic Form" {which is forming part of this Annual Report and is also available on the website of the Company ([www.tbztheoriginal.com](http://www.tbztheoriginal.com))} and send the same to our Registrar and Share Transfer Agents viz., KFin Technologies Private Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032.  
  
To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with KFin Technologies Private Limited/ their respective Depository Participants.
  17. In case of joint holders, attending the meeting, only such joint holder, who is higher in the order of names, will be entitled to vote at the meeting.
  18. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013, and the relevant documents referred to in the Notice will be available electronically for inspection by the Members during the AGM.
  19. In terms of the provisions of Section 124 and other applicable provisions of the Companies Act, 2013, the amount of dividend not encashed or claimed within seven years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Accordingly, the unclaimed dividend in respect of Financial Year 2012-13 is due for transfer to the said Fund in September, 2020. Members who have not yet encashed their dividend warrant(s) pertaining to the dividend for the Financial Year 2012-13 onwards, are requested to lodge their claims with the Company for the same.  
  
Attention of Members is invited to the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 amended from time to time, which inter alia requires the Company to transfer the equity shares on which the dividend has remained unpaid or unclaimed for a continuous period of seven years, to a special Demat account of Investor Education and Protection Fund Authority ("IEPF Authority"). The dividend/shares, once transferred to the said Demat account of the IEPF Authority can be claimed after following due procedure prescribed under the said IEPF Rules by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).
  20. Members are requested to contact M/s. KFin Technologies Private Limited/ Secretarial Department of the Company for encashing the unclaimed dividends standing to the credit of their account. The detailed dividend history and due dates for transfer to IEPF are available on 'Investor Folder' on the website of the Company at [www.tbztheoriginal.com](http://www.tbztheoriginal.com).
  21. Members may utilize the facility extended by the Registrar and Share Transfer Agent for redressal of queries. Members may visit <https://evoting.karvy.com> and click on Members option for query registration through free identity registration process.
  22. Electronic copy of the Notice of the 13<sup>th</sup> Annual General Meeting along with Annual Report 2019-20 of the Company inter alia indicating the process and manner of e-voting is being send to all the Members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes. For Members who have not registered their email address, are requested to register their email addresses with their respective Depository Participant on immediate basis to get the Notice of the 13<sup>th</sup> Annual General Meeting of the Company along with the Annual Report 2019-20 in electronic mode only.

23. In compliance with the MCA Circulars and SEBI Circular No SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may also note that the Notice of the 13<sup>th</sup> Annual General Meeting and the Annual Report 2019-20 will also be available on the Company's website at [www.tbztheoriginal.com](http://www.tbztheoriginal.com), the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively and on the website of Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited ("KFintech") at <http://evoting.karvy.com>, for their download. For any communication, the Members may also send request to the Company's investor email id: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com).

**24. Procedure for joining the 13<sup>th</sup> AGM through VC/OAVM:**

- (i) KFin Technologies Private Limited (KFintech) will be providing facility for voting through remote e-Voting, for participation in the 13<sup>th</sup> AGM through VC/OAVM facility and e-Voting during the 13<sup>th</sup> AGM.
- (ii) Members may note that the VC/OAVM facility, allows participation of at least 1,000 Members on a first-come-first-served basis
- (iii) Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by KFin Technologies Private Limited at <https://emeetings.kfintech.com> by using their remote e-voting login credentials. The link for the AGM will be available in the shareholders'/ members' login where the "Event" and the "Name of the Company" can be selected.

Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned below in the Notice.

- (iv) Members are encouraged to join the Meeting using Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge or Mozilla Firefox 22.
- (v) Members will be required to grant access to the web-cam to enable two-way video conferencing.
- (vi) Members are advised to use stable Wi-Fi or LAN connection to participate at the AGM through VC in a smooth manner. Participants may experience

audio/video loss due to fluctuation in their respective networks.

(vii) Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <http://emeetings.kfintech.com> and click on the 'Speaker Registration' option available on the screen after log in. The Speaker option would be open during Friday, 25<sup>th</sup> September, 2020 (at 9.00 a.m. IST) to Monday, 28<sup>th</sup> September, 2020 (at 5.00 p.m. IST). Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

(viii) The facility for joining the AGM shall open 15 minutes before the scheduled time for commencement of the AGM and shall be closed after the expiry of 15 minutes after such schedule time.

(ix) Members who need assistance before or during the AGM, can contact KFintech on [emeeting@kfintech.com](mailto:emeeting@kfintech.com) or call on 1800-425-8998 /1800-345-4001. Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.

(x) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

**25. Voting Instruction:**

The Company is providing remote e-voting to all the Members for voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the Annual General Meeting (AGM) ("remote e-voting") will be provided by the KFin Technologies Private Limited ('KFintech').

The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in the Notice are considered and voted upon at the Meeting and may be used for voting only by the members holding shares as on the cutoff date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.

A Member can opt only one mode to vote either through remote e-voting or e-voting at AGM. If Member casts vote through both modes, then only vote cast through remote e-voting will prevail. Members who

have not cast their vote through remote e-voting shall be allowed to vote through e-voting system during the AGM.

The Members who have cast their vote by remote e-voting prior to the AGM shall not be entitled to cast their vote again at the 13<sup>th</sup> AGM, however, such Members will be entitled to attend/ participate in the AGM through VC / OAVM.

Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 [(including any statutory modification(s) or re-enactment thereof for the time being in force), as amended by the Companies (Management and Administration) Amendment Rules, 2015] and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Members can exercise right to vote at the 13<sup>th</sup> AGM by electronic means and the business may be transacted through remote e-voting facility made available by Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited ('KFinTech'). The remote e-voting facility is available at the link <https://evoting.karvy.com>.

**The instructions for remote e-voting are as under:**

A. Members whose e-mail ID(s) are registered with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited ('KFinTech')/ Depository Participants (NSDL/ CDSL). The procedure to vote electronically is as under:

- (I) Click on the PDF file sent to you in the e-mail by the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited (KFinTech). The file will prompt for a password. Kindly input your Client ID or Folio No. as may be applicable in the box prompted for password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that this password is an initial password and for security purpose needs to be changed while doing first time login.
- (II) Launch internet browser by typing the following URL: <https://evoting.karvy.com>.
- (III) Click on Member – Login.
- (IV) Enter user ID and password as initial password /PIN noted in step (I) above. Click login.
- (V) The Password Change Menu will appear on your screen. Change the password/ PIN with new password of your choice with minimum 8 digits/characters or combination thereof.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (VI) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
  - (VII) Select the "EVEN" (e-voting Event Number) of Tribhovandas Bhimji Zaveri Limited.
  - (VIII) Now you are ready for e-voting as Cast Vote page opens.
  - (IX) Cast your vote by selecting an appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (X) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (XI) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (XII) Corporate/ Institutional Members (i.e. other than individuals, HUFs, NRIs etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [pramodshah361@gmail.com](mailto:pramodshah361@gmail.com), with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com).
  - (XIII) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the Downloads section of <https://evoting.karvy.com>. Alternatively, you can also contact on [evoting@karvy.com](mailto:evoting@karvy.com) for any queries or grievances connected with remote e-voting service.
- B. In case of the Member whose e-mail ID(s) are not registered with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited (KFinTech) / Depositories, the procedure to vote electronically is as under:
- (i) Initial password is provided in the following format in the E-voting instruction letter sent along with the Annual Report:
- |                                    |         |              |
|------------------------------------|---------|--------------|
| EVEN<br>(E-voting Event<br>Number) | USER ID | PASSWORD/PIN |
|------------------------------------|---------|--------------|
- (ii) Please follow all steps from Sr. No. (II) to Sr. No. (XIII) of note 25(A) above, to cast vote.

**Voting at the Annual General Meeting:**

Those Members, who are present in the Meeting through VC and have not cast their vote on resolutions



through remote e-voting, can vote through e-voting at the Meeting. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting. However, those Members are not entitled to cast their vote again at the Meeting.

A Member can opt for only single mode of voting i.e. through remote e-voting or voting at the AGM. If a Member casts votes by both modes i.e. voting at AGM and remote e-voting, voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

#### Other Instructions:

If you are already registered with Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited (KFintech) for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

- (i) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- (ii) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. Wednesday, 23<sup>rd</sup> September, 2020 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through e-voting.
- (iii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of e-voting for all those Members who are present at the AGM but have not cast their votes by availing remote e-voting facility.
- (iv) In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (KFintech Website) or at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) and [evoting@kfintech.com](mailto:evoting@kfintech.com) or phone no. 040-6716 2222 or call KFin's toll free No. 1-800-3454-001 for any further clarifications.
- (v) The remote e-voting period shall commence on **Friday, 25<sup>th</sup> September, 2020 (9.00 a.m. IST) and ends on Tuesday, 29<sup>th</sup> September, 2020 (5.00 p.m. IST)**. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of **Wednesday, 23<sup>rd</sup> September, 2020**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by KFin Technologies Private Limited for voting

thereafter. Once the vote on a resolution is cast by the Member, Member shall not be allowed to change it subsequently. Electronic voting shall not be allowed beyond the aforesaid date and time.

- (vi) The voting rights of the Members shall be in proportion to their shares of the paid-up Equity Shares capital of the Company as on the cut-off date of **Wednesday, 23<sup>rd</sup> September, 2020**.
- (vii) In case a person has become a Member of the Company after dispatch of the AGM Notice but on or before the cut-off date for e-voting i.e., **Wednesday, 23<sup>rd</sup> September, 2020**, or has registered his/her/its e-mail address after dispatch of the AGM Notice, he/she/it may obtain the User ID and Password in the manner as mentioned below:
  - (a) If the mobile number of the Member is registered against Folio No./DP ID Client ID, the Member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
 

Example for NSDL -	MYEPWD <SPACE> IN12345612345678
Example for CDSL -	MYEPWD <SPACE> 1402345612345678
Example for Physical-	MYEPWD <SPACE> XXXX1234567890
  - (b) If e-mail address or mobile number of the Member is registered against Folio No./ DP ID Client ID, then on the home page of <https://evoting.karvy.com> the Member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - (c) Member may call KFintech toll free number 1800- 3454-001 for any assistance.
  - (d) Member may send an e-mail request to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). However, KFintech shall endeavour to send User ID and Password to those new Members whose e-mail ids are available.
- (viii) Mr. Pramod Shah, Partner of M/s. Pramod S. Shah & Associates, Practicing Company Secretaries (Membership No. FCS 334) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process is conducted in a fair and transparent manner.
- (ix) The scrutinizer shall, immediately after the conclusion of voting at the 13<sup>th</sup> AGM, first count the votes casted at the meeting and thereafter

unlock the votes cast through remote e-voting in presence of at least two (2) witnesses not in the employment of the Company and make within a period not exceeding three (3) days from conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman & Managing Director of the Company or person authorized by him of the Company.

- (x) The results shall be declared after receiving consolidated Scrutinizer's Report from the Scrutinizer. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.tbztheoriginal.com](http://www.tbztheoriginal.com) and on the websites of Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited (KFinTech) <https://evoting.karvy.com> immediately after the declaration of the results by the Chairman & Managing Director or person authorized by him, on or before 2<sup>nd</sup> October, 2020, and forwarded to BSE Limited and National Stock

Exchange of India Limited, where the shares of the Company are listed.

- (xi) The resolution shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient and valid votes through a compilation of voting results (i.e. remote e-voting along with the voting held at the AGM).

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**

Date: 17<sup>th</sup> August, 2020

Place: Mumbai

**Shrikant Zaveri**  
**Chairman & Managing Director**  
**(DIN: 00263725)**

**Registered Office:**

241 / 43, Zaveri Bazar,

Mumbai - 400 002, India.

CIN: L27205MH2007PLC172598

Tel. No. 022 – 4046 5000/ 01

Email: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com)

Web: [www.tbztheoriginal.com](http://www.tbztheoriginal.com)

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (THE 'ACT')**

As required under Section 102 of the Companies Act, 2013 (The 'Act'), the following explanatory statement sets out material facts relating to business mentioned under Item Nos. 4, 5, 6, 7 and 8 of the accompanying Notice and should be read as forming part of the Notice.

#### **Item No. 4**

**Appointment of Statutory Auditor to fill Casual Vacancy {To consider the appointment of M/s. Chaturvedi & Shah LLP, Chartered Accountants (ICAI Firm Registration No. 101720W/W100355) as Statutory Auditors of the Company effective 17<sup>th</sup> August, 2020 till the conclusion of Thirteenth Annual General Meeting arising out of the casual vacancy caused by the resignation of M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration No. 324982E / E300003)}:**

M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration No.324982E / E300003), were appointed as Statutory Auditors of the Company at its 11<sup>th</sup> Annual General Meeting of the Company held on 31<sup>st</sup> July, 2018, for a term of consecutive five years commencing from the conclusion of 11<sup>th</sup> Annual General Meeting of the Company until the conclusion of 16<sup>th</sup> Annual General Meeting of the Company. However, they have resigned on 12<sup>th</sup> August, 2020 stating that "Management of the Company had proposed significant reduction in the Audit Fees (pursuant to austerity drive undertaken by the Company as a result of COVID-19)

which was not commensurate with the time and efforts involved in the audit and their responsibilities as Auditors. Accordingly, they have resigned as Statutory Auditors of the Company."

M/s. S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration No.324982E / E300003), before resigning have completed audit for the quarter ended as on 30<sup>th</sup> June, 2020 and had issued Limited Review Report for unaudited Standalone and Consolidated Accounts for the June, 2020 quarter, in compliance with the SEBI Circular CIR/CFD/CMD1/114/2019 dated as on 18<sup>th</sup> October, 2019.

The members of the Audit Committee have taken into account the experience and expertise of M/s. Chaturvedi & Shah LLP, Chartered Accountants (ICAI Firm Registration No. 101720W/W100355), as Statutory Auditor of the Company and recommended them to the Board for appointment to fill casual vacancy caused by resignation from 17<sup>th</sup> August, 2020 until the conclusion of the ensuing thirteenth Annual General Meeting of the Company.

In accordance with the provisions of Section 139(8) of the Companies Act, 2013, the casual vacancy caused by the resignation of the Statutory Auditors i.e. M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration No.324982E / E300003) shall be filed by the Board within a period of thirty days and such appointment shall also be approved by the members of the Company within three months of the recommendation of the Board.

Accordingly, in compliance with provisions of Section 139(8) and all other applicable provisions of the Companies Act, 2013 read with the applicable rules of the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors of the Company on the recommendation of the Audit Committee, at their Meetings held on 17<sup>th</sup> August, 2020, have appointed M/s. Chaturvedi & Shah LLP, Chartered Accountants (ICAI Firm Registration No. 101720W/W100355), as the Statutory Auditors of the Company to fill the casual vacancy caused by the said resignation of M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration No.324982E / E300003), from 17<sup>th</sup> August, 2020 until the conclusion of the ensuing thirteenth Annual General Meeting of the Company, at a remuneration as may be mutually agreed to, between the Board of Directors and M/s. Chaturvedi & Shah LLP, plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them, and recommended for the approval of Members by way of Ordinary Resolution at the ensuing thirteenth Annual General Meeting of the Company.

In regards to appointment of Statutory Auditors referred to in Item no. 4 and 5 of the Notice, the brief profile of the Auditors is as under:

M/s. Chaturvedi & Shah LLP (ICAI Firm Registration No. 101720W/W100355), is one of the leading firms of Chartered Accountants in India. Founded in 1967, it has Head Office in Mumbai and branch at Bengaluru. M/s. Chaturvedi & Shah LLP is a member of Nexia International, which is ranked amongst the top 10 network of independent accounting and consulting firms. The firm has vast experience of handling large corporate clients across different industries providing assurance services, company law matters, corporate and financial restructuring, valuations, corporate inspections on behalf of regulators and monitoring projects on behalf of the Financial Institutions and bankers. They provide partner-led services and ensure that clients are always able to reach senior people and decision makers as and when they need to.

The Company has received letter of eligibility for the aforesaid appointment as statutory auditors in compliance with provisions of Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 from M/s. Chaturvedi & Shah LLP, Chartered Accountants (ICAI Firm Registration No. 101720W/W100355), to the effect that their appointment, if made, shall be in accordance with the conditions prescribed and that they are eligible to hold office as Statutory Auditors of the Company and they have consented to act as statutory auditors of the Company to fill casual vacancy caused by

resignation of M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration No.324982E / E300003), i.e. w.e.f. 17<sup>th</sup> August, 2020 until the conclusion of ensuing 13<sup>th</sup> Annual General Meeting of the Company.

Accordingly, consent of the members is being sought for appointment of Statutory Auditors as per the proposal contained in the Resolution set out at item no. 4 of the Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives, are concerned or interested financially or otherwise, in this Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for the approval of the Members.

#### **Item No. 5**

#### **Appointment of Statutory Auditors for a period of Five Years {To consider appointment of M/s. Chaturvedi & Shah LLP, Chartered Accountants (ICAI Firm Registration No. 101720W/W100355) as Statutory Auditors of the Company for a continuous period of five years}:**

M/s. Chaturvedi & Shah LLP, Chartered Accountants (ICAI Firm Registration No. 101720W/W100355), appointed as Statutory Auditors of the Company to fill casual vacancy caused by resignation w.e.f. 17<sup>th</sup> August, 2020 until the conclusion of 13<sup>th</sup> Annual General Meeting of the Company.

Accordingly, in compliance with provisions of Sections 139, 142 and all other applicable provisions of the Companies Act, 2013 read with the applicable rules of the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors of the Company on the recommendation of the Audit Committee, at their Meetings held on 17<sup>th</sup> August, 2020, and subject to the approval of members in the 13<sup>th</sup> AGM has decided to appoint M/s. Chaturvedi & Shah LLP, Chartered Accountants (ICAI Firm Registration No. 101720W/W100355), as the Statutory Auditors of the Company, for a continuous period of five years commencing from the conclusion of 13<sup>th</sup> Annual General Meeting of the Company until the conclusion of 18<sup>th</sup> Annual General Meeting of the Company (i.e. for the FY 2020-21 until FY 2024-25), at a remuneration as may be mutually agreed to, between the Board of Directors and M/s. Chaturvedi & Shah LLP, plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them, and recommended for the approval of Members by way of Ordinary Resolution at the ensuing thirteenth Annual General Meeting of the Company.

The Company has received letter of eligibility for the aforesaid appointment as statutory auditors in compliance with provisions of Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 from M/s. Chaturvedi & Shah LLP, Chartered Accountants (ICAI Firm Registration No. 101720W/W100355), to give effect that their appointment, if made, shall be in accordance with the conditions prescribed and that they are eligible to hold office as Statutory Auditors of the Company and they have consented to act as statutory auditors of the Company for a continuous period of five years, i.e. from conclusion of ensuing 13<sup>th</sup> Annual General Meeting of the Company until the conclusion of 18<sup>th</sup> Annual General Meeting of the Company (i.e. for the FY 2020-21 until FY 2024-25).

Accordingly, consent of the members is being sought for appointment of Statutory Auditors as per the proposal contained in the Resolution set out at item no. 5 of the Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives, are concerned or interested financially or otherwise, in this Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for the approval of the Members.

#### **Item No. 6:**

#### **To consider re-appointment of Mr. Shrikant Zaveri (DIN: 00263725) as Chairman & Managing Director of the Company and fixing terms of appointment and remuneration**

The proposal for the reappointment of Mr. Shrikant Zaveri (DIN: 00263725) as Chairman & Managing Director of the Company will be placed before the members. The members are informed that, Mr. Shrikant Zaveri has spearheaded the Company since its incorporation as a private limited company and even much before that, when it was in existence as a Partnership firm. Mr. Zaveri has contributed immensely for the past more than 38 years, towards the growth of TBZ's business and it has been primarily to his untiring efforts and absolute dedication, that has brought the Company to its current position of strength, scale and peerless reputation.

The members are further informed that the previous term of appointment of Mr. Shrikant Zaveri (DIN: 00263725), Chairman & Managing Director of the Company as per the approval of Members by way of Special Resolution at the 9<sup>th</sup> Annual General Meeting dated 19<sup>th</sup> September, 2016 was for the period of five years from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2020 and his remuneration was approved by the said Special Resolution for the period of three years

i.e. from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2018. Further, the remuneration was fixed for the period of two years i.e. from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020 as per the approval of Members by way of Special Resolution at the eleventh Annual General Meeting of the Company dated 31<sup>st</sup> July, 2018. The Board has decided about the said re-appointment, based on the recommendation of Nomination and Remuneration Committee and subject to the approval of the members of the Company.

Mr. Shrikant Zaveri is not disqualified from being re-appointed as a Director or Managing Director in terms of Section 164 of the Companies Act, 2013. He has communicated his willingness to be re-appointed and has given his consent to act as Managing Director of the Company and satisfies all the conditions of Section 196(3) of the Companies Act, 2013 and Part-I of Schedule V thereof and hence, is eligible for re-appointment.

The details of Mr. Shrikant Zaveri as required under the provision to the Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and provision of Secretarial Standards 2 are provided in Annexure – I to this Notice. A brief profile of Mr. Shrikant Zaveri is as follows:

Mr. Shrikant Zaveri is a doyen of the Indian Gems and Jewellery Industry and is one of the most respected personalities of the Gems and Jewellery Industry in India. He has a rich experience of more than thirty eight years in the Gems and Jewellery industry. He has completed his education upto matriculation. He took over as the managing partner of the business in 2001. He continued his forefather's business with one flagship store at Zaveri Bazar, and given his immense efforts, your Company as on 31<sup>st</sup> March, 2020 has thirty nine stores, out of which thirty six are Company's own stores and three are franchisee stores, in twenty seven cities and thirteen states across India. He is discharging the additional responsibility of Chief Executive Officer of your Company. Mr. Zaveri was the founding member and chairman of the Gems and Jewellery Trade Federation. He has been awarded the Retail Jewellery Award for lifetime achievement in the year 2007. He also won the Retail Leadership Award from the Asia Retail Congress in the year 2013. With his considerable wealth of experience, Mr. Shrikant Zaveri brings great value and insight to the Board of TBZ.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee at their meeting held on 24<sup>th</sup> June, 2020 and subject to the approval of the Members by way of Special Resolution at the thirteenth Annual General Meeting of the Company has approved the re-appointment of Mr. Shrikant Zaveri (DIN: 00263725) as Chairman & Managing Director of the Company for the

period of five (5) years, i.e. from 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2025 and also fixed terms of his appointment for the said period of his appointment. The Board has also fixed the remuneration of Mr. Shrikant Zaveri (DIN: 00263725), Chairman & Managing Director of the Company for the period of three (3) years, i.e. from 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2023. The re-appointment of Mr. Shrikant Zaveri (DIN: 00263725) as Chairman & Managing Director of the Company is not liable to retire by rotation.

The remuneration structure and terms and conditions of his remuneration are set out hereunder:

1. **Period of Remuneration:** From 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2023 (3 years)

2. **Remuneration:**

a) **Basic Salary:**

From 1<sup>st</sup> January, 2021 to 31<sup>st</sup> March, 2021 - ₹ **6,050,000 (Rupees Sixty Lakhs Fifty Thousand only)** per month.

₹ **6,050,000 (Rupees Sixty Lakhs Fifty Thousand only)** per month beginning from 1<sup>st</sup> January, 2021 with an annual increment upto 20% from 1<sup>st</sup> April, 2021, as may be decided by the Board of Directors of the Company from time to time.

b) **Commission:**

Such remuneration by way of Commission, in addition to the salary, calculated with reference to the net profit of the Company in any particular financial year, as may be determined by the Board of Directors of the Company at the end of the financial year, subject to the provisions of Sections 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013. The exact amount payable, if any, shall be decided by the Board of Directors based on certain performance criteria and shall be payable only after the Annual Accounts of the Company have been approved by the Board of Directors and adopted by the members.

c) **Reimbursement:**

The Company shall reimburse Mr. Shrikant Zaveri (DIN: 00263725), Chairman & Managing Director all the actual expenses incurred wholly, necessarily, and exclusively for and on behalf of the Company and / or incurred in performance of duties of the Company.

3. **Minimum Remuneration:**

Notwithstanding anything to the contrary contained herein, where in any financial year, during the continuation of the tenure of Mr. Shrikant Zaveri (DIN: 00263725) as a Chairman & Managing Director, the Company has no profits or its profits are inadequate, Mr. Shrikant Zaveri shall be entitled to receive remuneration including commission, if any, subject to the provision of Sections 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 or as may be prescribed by the Central Government from time to time.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Sections 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013, as amended and as in force from time to time.

It is to be understood and noted that, the above proposed remuneration, if approved by the Members, shall be in the nature of an enabling resolution and the Members shall be giving an authority to the Board to fix and pay the actual amount of remuneration within the above proposed maximum limits specified by the Members. The Board shall decide and pay the remuneration after taking into consideration, the available profits of the Company.

It is to be further stated, that in the 11<sup>th</sup> AGM of the Company held on 31<sup>st</sup> July, 2018, by way of Special Resolution, the Members have approved the maximum remuneration payable to Mr. Shrikant Zaveri from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020, at a basic salary of ₹ 6,050,000/- per month (₹ 72,600,000/- per annum) from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> March, 2019, with an annual increment upto 20% from 1<sup>st</sup> April, 2019, with an authority to the Board to decide and pay the actual amount of remuneration within the above stated maximum limits specified by the Members.

Based on the above authority and as recommended by the Nomination and Remuneration Committee, the Board has approved and paid a remuneration to Mr Shrikant Zaveri (DIN: 00263725), Chairman & Managing Director of the Company, as stated below, during the past two financial years:

**Remuneration paid to Mr. Shrikant Zaveri (DIN: 00263725), Chairman & Managing Director over the period of past two financial years:**

Particulars	2019 - 2020	2018 - 2019
Mr. Shrikant Zaveri	₹ 24,000,000	₹ 24,000,000

All other terms and conditions of his appointment as may be mentioned in the draft salary Agreement to be entered into by and between the Company and Mr. Shrikant Zaveri (DIN: 00263725), Chairman & Managing Director of the Company, initialled by the Company Secretary for the purpose of identification, is available for inspection by the Members of the Company on the website of the Company [www.tbztheoriginal.com](http://www.tbztheoriginal.com) till the conclusion of 13<sup>th</sup> AGM.

In accordance with the provisions of Sections 196, 197, 198 & all other applicable provisions of the Act, read with Schedule V to the said Act, the proposed re-appointment and the terms of appointment and remuneration payable to Mr. Shrikant Zaveri (DIN: 00263725), Chairman & Managing Director require approval of members by passing Special Resolution. Hence, the members are requested to pass the Special Resolution accordingly.

Except, Mr. Shrikant Zaveri himself and Ms. Binaisha Zaveri and Ms. Raashi Zaveri being his relatives, no other Directors and Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for the approval of the Members.

#### Item No. 7

##### **To consider re-appointment of Ms. Binaisha Zaveri (DIN: 00263657) as Whole-time Director of the Company and fixing terms of appointment and remuneration**

The proposal for the reappointment of Ms. Binaisha Zaveri (DIN: 00263657) as Whole-time Director of the Company will be placed before the members. The members are informed that, Ms. Binaisha Zaveri has been associated with the Company since its incorporation as a private limited company and even before that, when it was in existence as a Partnership firm. She has since been contributing immensely towards various aspects of the Company's business, its growth & in firmly securing its position as one of the best known retail jewellery brands in the country.

The members are further informed that the previous term of appointment of Ms. Binaisha Zaveri (DIN: 00263657), Whole-time Director of the Company as per the approval of Members by way of Special Resolution at the 9<sup>th</sup> Annual General Meeting dated 19<sup>th</sup> September, 2016 was for the period of five years from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2020 and her remuneration was approved by the said Special Resolution for the period of three years i.e. from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2018. Further, the remuneration was fixed for the period of two years i.e. from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020 as per the approval of Members by way of Special Resolution at the eleventh Annual General Meeting of the Company dated 31<sup>st</sup> July, 2018. The Board

has decided about the said re-appointment, based on the recommendation of Nomination and Remuneration Committee and subject to the approval of the members of the Company.

Ms. Binaisha Zaveri is not disqualified from being re-appointed as a Director or Whole-time Director in terms of Section 164 of the Companies Act, 2013. She has communicated her willingness to be re-appointed and has given her consent to act as Whole-time Director of the Company and satisfies all the conditions of Section 196(3) of the Companies Act, 2013 and Part-I of Schedule V thereof and hence, is eligible for re-appointment.

The details of Ms. Binaisha Zaveri as required under the provision to the Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and provision of Secretarial Standards 2 are provided in Annexure – I to this Notice. A brief profile of Ms. Binaisha Zaveri is as follows:

Ms. Binaisha Zaveri holds a bachelor's degree in marketing and finance from the Stern School of Business, New York. She joined the business in 2004 and has an experience of more than sixteen years. She is involved in all aspects of the business including human capital management, operations, finance, business development. She has been actively involved and has been a key player in the opening of new stores.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee at their meeting held on 24<sup>th</sup> June, 2020 and subject to the approval of the Members by way of Special Resolution at the thirteenth Annual General Meeting of the Company has approved the re-appointment of Ms. Binaisha Zaveri (DIN: 00263657) as Whole-time Director of the Company for the period of five (5) years, i.e. from 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2025 and also fixed terms of her appointment for the said period of her appointment. The Board has also fixed the remuneration of Ms. Binaisha Zaveri (DIN: 00263657), Whole-time Director of the Company for the period of three (3) years, i.e. from 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2023. The re-appointment of Ms. Binaisha Zaveri (DIN: 00263657) as Whole-time Director of the Company is liable to retire by rotation.

The remuneration structure and terms and conditions of her remuneration are set out hereunder:

1. **Period of Remuneration:** From 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2023 (3 years)
2. **Remuneration:**
  - a) **Basic Salary:**  
From 1<sup>st</sup> January, 2021 to 31<sup>st</sup> March, 2021 - ₹ **3,110,400 (Rupees Thirty One Lakhs Ten Thousand Four Hundred only)** per month.

₹ 3,110,400 (Rupees Thirty One Lakhs Ten Thousand Four Hundred only) per month beginning from 1<sup>st</sup> January, 2021 with an annual increment upto 20% from 1<sup>st</sup> April, 2021, as may be decided by the Board of Directors of the Company from time to time.

**b) Commission:**

Such remuneration by way of Commission, in addition to the salary, calculated with reference to the net profit of the Company in any particular financial year, as may be determined by the Board of Directors of the Company at the end of the financial year, subject to the provisions of Sections 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013. The exact amount payable, if any, shall be decided by the Board of Directors based on certain performance criteria and shall be payable only after the Annual Accounts of the Company have been approved by the Board of Directors and adopted by the members.

**c) Reimbursement:**

The Company shall reimburse Ms. Binaisha Zaveri (DIN: 00263657), Whole-time Director all the actual expenses incurred wholly, necessarily, and exclusively for and on behalf of the Company and / or incurred in performance of duties of the Company.

**3. Minimum Remuneration:**

Notwithstanding anything to the contrary contained herein, where in any financial year, during the continuation of the tenure of Ms. Binaisha Zaveri (DIN: 00263657) as a Whole-time Director, the Company has no profits or its profits are inadequate, Ms. Binaisha Zaveri shall be entitled to receive remuneration including commission, if any, subject to the provision of Sections 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 or as may be prescribed by the Central Government from time to time.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Sections 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013, as amended and as in force from time to time.

It is to be understood and noted that, the above proposed remuneration, if approved by the Members, shall be in the nature of an enabling resolution and the Members shall be giving an authority to the Board to fix and pay the actual

amount of remuneration within the above proposed maximum limits specified by the Members. The Board shall decide and pay the remuneration after taking into consideration, the available profits of the Company.

It is to be further stated, that in the 11<sup>th</sup> AGM of the Company held on 31<sup>st</sup> July, 2018, by way of Special Resolution, the Members have approved the maximum remuneration payable to Ms. Binaisha Zaveri from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020, at a basic salary of ₹ 3,110,400/- per month (i.e. ₹ 37,324,800/- per annum) from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> March, 2019, with an annual increment upto 20% from 1<sup>st</sup> April, 2019, with an authority to the Board to decide and pay the actual amount of remuneration within the above stated maximum limits specified by the Members.

Based on the above authority and as recommended by the Nomination and Remuneration Committee, the Board has approved and paid a remuneration to Ms. Binaisha Zaveri (DIN: 00263657), Whole-time Director of the Company, as stated below, during the past two financial years:

**Remuneration paid to Ms. Binaisha Zaveri (DIN: 00263657), Whole-time Director over the period of past two financial years:**

Particulars	2019 - 2020	2018 - 2019
Ms. Binaisha Zaveri	₹ 24,000,000	₹ 24,000,000

All other terms and conditions of her appointment as may be mentioned in the draft salary Agreement to be entered into by and between the Company and Ms. Binaisha Zaveri (DIN: 00263657), Whole-time Director of the Company, initialled by the Company Secretary for the purpose of identification is available for inspection by the Members of the Company on the website of the Company, i.e. [www.tbztheoriginal.com](http://www.tbztheoriginal.com) till the conclusion of 13<sup>th</sup> AGM.

In accordance with the provisions of Sections 196, 197, 198 & all other applicable provisions of the Act, read with Schedule V to the said Act, the proposed re-appointment and the terms of appointment and remuneration payable to Ms. Binaisha Zaveri (DIN: 00263657), Whole-time Director require approval of members by passing Special Resolution. Hence, the members are requested to pass the Special Resolution accordingly.

Except, Ms. Binaisha Zaveri herself and Mr. Shrikant Zaveri and Ms. Raashi Zaveri being her relatives, no other Directors and Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for the approval of the Members.

**Item No. 8****To consider re-appointment of Ms. Raashi Zaveri (DIN: 00713688) as Whole-time Director of the Company and fixing terms of appointment and remuneration**

The proposal for the reappointment of Ms. Raashi Zaveri (DIN: 00713688) as Whole-time Director of the Company will be placed before the members. The members are informed that, Ms. Raashi Zaveri has been one of the spearheads of the Company since 1<sup>st</sup> July, 2008, when it was a private limited company. She has since been contributing immensely towards various aspects of the Company's business, its growth & in firmly securing its position as one of the best known retail jewellery brands in the country.

The members are further informed that the previous term of appointment of Ms. Raashi Zaveri (DIN: 00713688), Whole-time Director of the Company as per the approval of Members by way of Special Resolution at the 9<sup>th</sup> Annual General Meeting dated 19<sup>th</sup> September, 2016 was for the period of five years from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2020 and her remuneration was approved by the said Special Resolution for the period of three years i.e. from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2018. Further, the remuneration was fixed for the period of two years i.e. from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020 as per the approval of Members by way of Special Resolution at the eleventh Annual General Meeting of the Company dated 31<sup>st</sup> July, 2018. The Board has decided about the said re-appointment, based on the recommendation of Nomination and Remuneration Committee and subject to the approval of the members of the Company.

Ms. Raashi Zaveri is not disqualified from being re-appointed as a Director or Whole-time Director in terms of Section 164 of the Companies Act, 2013. She has communicated her willingness to be re-appointed and has given her consent to act as Whole-time Director of the Company and satisfies all the conditions of Section 196(3) of the Companies Act, 2013 and Part-I of Schedule V thereof and hence, is eligible for re-appointment.

The details of Ms. Raashi Zaveri as required under the provision to the Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and provision of Secretarial Standards 2 are provided in Annexure – I to this Notice. A brief profile of Ms. Raashi Zaveri is as follows:

Ms. Raashi Zaveri holds a bachelor's degree in finance and entrepreneurship from the Kelly School of Business, Indiana University and is a graduate gemologist from the Gemological Institute of America. She joined the business in 2008 and has an experience of more than twelve years. She is involved in the management of your Company's

marketing, enterprise resource planning systems and is actively engaged in accounting, designing, merchandising and general corporate management.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee at their meeting held on 24<sup>th</sup> June, 2020 and subject to the approval of the Members by way of Special Resolution at the thirteenth Annual General Meeting of the Company has approved the re-appointment of Ms. Raashi Zaveri (DIN: 00713688) as Whole-time Director of the Company for the period of five (5) years, i.e. from 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2025 and also fixed terms of her appointment for the said period of her appointment. The Board has also fixed the remuneration of Ms. Raashi Zaveri (DIN: 00713688), Whole-time Director of the Company for the period of three (3) years, i.e. from 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2023. The re-appointment of Ms. Raashi Zaveri (DIN: 00713688) as Whole-time Director of the Company is liable to retire by rotation.

The remuneration structure and terms and conditions of her remuneration are set out hereunder:

1. **Period of Remuneration:** From 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2023 (3 years)

2. **Remuneration:**

a) **Basic Salary:**

From 1<sup>st</sup> January, 2021 to 31<sup>st</sup> March, 2021 - ₹ **3,110,400 (Rupees Thirty One Lakhs Ten Thousand Four Hundred only)** per month.

₹ **3,110,400 (Rupees Thirty One Lakhs Ten Thousand Four Hundred only)** per month beginning from 1<sup>st</sup> January, 2021 with annual increment upto 20% from 1<sup>st</sup> April, 2021, as may be decided by the Board of Directors of the Company from time to time.

b) **Commission:**

Such remuneration by way of Commission, in addition to the salary, calculated with reference to the net profit of the Company in any particular financial year, as may be determined by the Board of Directors of the Company at the end of the financial year, subject to the provisions of Sections 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013. The exact amount payable, if any, shall be decided by the Board of Directors based on certain performance criteria and shall be payable only after the Annual Accounts of the Company have been approved by the Board of Directors and adopted by the members.



**c) Reimbursement:**

The Company shall reimburse Ms. Raashi Zaveri (DIN: 00713688), Whole-time Director all the actual expenses incurred wholly, necessarily, and exclusively for and on behalf of the Company and / or incurred in performance of duties of the Company.

**3. Minimum Remuneration:**

Notwithstanding anything to the contrary contained herein, where in any financial year, during the continuation of the tenure of Ms. Raashi Zaveri (DIN: 00713688) as a Whole-time Director, the Company has no profits or its profits are inadequate, Ms. Raashi Zaveri shall be entitled to receive remuneration including commission, if any, subject to the provision of Sections 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 or as may be prescribed by the Central Government from time to time.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Sections 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013, as amended and as in force from time to time.

It is to be understood and noted that, the above proposed remuneration, if approved by the Members, shall be in the nature of an enabling resolution and the Members shall be giving an authority to the Board to fix and pay the actual amount of remuneration within the above proposed maximum limits specified by the Members. The Board shall decide and pay the remuneration after taking into consideration, the available profits of the Company.

It is to be further stated, that in the 11<sup>th</sup> AGM of the Company held on 31<sup>st</sup> July, 2018, by way of Special Resolution, the Members have approved the maximum remuneration payable to Ms. Raashi Zaveri from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020, at a basic salary of ₹ 3,110,400/- per month (i.e. ₹ 37,324,800/- per annum) from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> March, 2019, with an annual increment upto 20% from 1<sup>st</sup> April, 2019, with an authority to the Board to decide and pay the actual amount of remuneration within the above stated maximum limits specified by the Members.

Based on the above authority and as recommended by the Nomination and Remuneration Committee, the Board has approved and paid a remuneration to Ms. Raashi Zaveri (DIN: 00713688), Whole-time Director of the Company, as stated below, during the past two financial years:

**Remuneration paid to Ms. Raashi Zaveri (DIN: 00713688), Whole-time Director over the period of past two financial years:**

Particulars	2019 - 2020	2018 - 2019
Ms. Raashi Zaveri	₹ 24,000,000	₹ 24,000,000

All other terms and conditions of her appointment as may be mentioned in the draft salary Agreement to be entered into by and between the Company and Ms. Raashi Zaveri (DIN: 00713688), Whole-time Director of the Company, initialled by the Company Secretary for the purpose of identification, is available for inspection by the Members of the Company on the website of the Company, i.e. [www.tbztheoriginal.com](http://www.tbztheoriginal.com) till the conclusion of 13<sup>th</sup> AGM.

In accordance with the provisions of Sections 196, 197, 198 & all other applicable provisions of the Act, read with Schedule V to the said Act, the proposed re-appointment and the terms of appointment and remuneration payable to Ms. Raashi Zaveri (DIN: 00713688), Whole-time Director require approval of members by passing Special Resolution. Hence, the members are requested to pass the Special Resolution accordingly.

Except, Ms. Raashi Zaveri herself and Mr. Shrikant Zaveri and Ms. Binaisha Zaveri being her relatives, no other Directors and Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for the approval of the Members.

**Following Statement as required under Schedule V of the Companies Act, 2013 are common for all Directors which is forming part of Item Nos. 6 to 8:**

**Schedule V Part II of Companies Act, 2013**

**I General Information:**

**1. Nature of Industry:**

**Tribhovandas Bhimji Zaveri** is an established and iconic brand since 1864 and is in the business of retail jewellery business over a period of 156 years, with a flagship showroom at Zaveri Bazar, Mumbai. As on date of the financial year ended 31<sup>st</sup> March, 2020, your Company has thirty nine (39) showrooms spread across India, in twenty seven (27) cities across thirteen (13) states. Your Company has thirty six (36) own showrooms and three (03) franchise showroom. Your Company primarily sells gold jewellery and diamond-studded jewellery, apart from that your Company also sells platinum jewellery, jadau jewellery and silverware. The design and manufacture of our products are done either in-house or by third parties.

We offer our customers a wide variety of jewellery from across India in order to cater to regional tastes. We also customize jewellery for individual needs. We offer our jewellery across different price points so as to maximize our potential customer base.

Our over 156 years' history is proof of our sustainability in diverse conditions and the trust that the customers have in the quality and purity of our products. This is enhanced by the fact that we offer a buy-back guarantee on our jewellery, subject to certain conditions. This buy-back guarantee was introduced way back in 1931 and we were the first retail jeweller in India to do so.

We have a dedicated design team who can create the finest and most exquisite pieces of jewellery to suit any occasion, be it a grand wedding or the numerous festive occasions that are celebrated in India or an everyday wear jewellery piece that complements the working or business woman. We have a range of men's

jewellery collections to cater to their preferences. All our designers are focused on developing new products and designs that meet customers' requirements as design uniqueness and differentiation distinguishes TBZ – The Original as a brand from other players in the industry.

## 2. Date or expected date of commencement of commercial production / History of your Company:

Tribhovandas Bhimji Zaveri Limited, was formed as private limited company on 24<sup>th</sup> July, 2007 by conversion of the partnership firm Tribhovandas Bhimji Zaveri under Part IX of the Companies Act, 1956 whereby the partners of the partnership firm became Members with the shareholdings as agreed amongst the partners. Your Company has been converted to a public limited company w.e.f. 3<sup>rd</sup> December, 2010. Your Company successfully completed its Initial Public Offer (IPO) during the Financial Year 2012 – 2013 of ₹ 20,000 Lakhs by fresh issue of 16,666,667 Equity Shares.

## 3. Financial performance based on given indicators:

### Financial performance for last five years:

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
Revenue	1,81,005.26	1,76,382.65	1,75,568.51	1,70,024.20	1,65,477.72
Gross Profit (GP)	25,353.29	24,892.68	24,609.98	24,838.43	23,527.30
Gross Profit in %	14.01%	14.11%	14.02%	14.61%	14.22%
(Loss)/Profit Before Tax (PBT)	2,887.09	2,311.40	3,190.45	1,662.77	(2,159.60)
(Loss)/ Profit After Tax (PAT)	2,193.65	1,530.58	2,105.48	1,853.12	(2,312.98)
Shareholder Funds	49,185.01	49,413.87	48,667.11	46,096.43	44,243.31

## 4. Export performance and net foreign collaborations:

Your Company does not have foreign collaboration agreement.

The export turnover/ performance of your Company as follows:

Year	Total Value (₹ in Lakhs)
2015-16	443.42
2016-17	NIL
2017-18	144.04
2018-19	NIL
2019-20	NIL

## 5. Foreign investments or collaborations, if any:

Your Company does not have any foreign investments or collaborations.

## II Information about the Appointee:

### 1. Background Details (Brief Profile)-

#### Shrikant Zaveri, Chairman & Managing Director

Mr. Shrikant Zaveri is a doyen of the Indian Gems and Jewellery Industry and is one of the most respected personalities of the Gems and Jewellery Industry in

India. He has a rich experience of more than thirty eight years in the Gems and Jewellery industry. He has completed his education upto matriculation. He took over as the managing partner of the business in 2001. He continued his forefather's business with one flagship store at Zaveri Bazar, and given his immense efforts, your Company as on 31<sup>st</sup> March, 2020 has thirty nine stores, out of which thirty six are Company's own stores and three are franchisee stores, in twenty seven cities and thirteen states across India.

He is discharging the additional responsibility of Chief Executive Officer of your Company.

Mr. Zaveri was the founding member and chairman of the Gems and Jewellery Trade Federation. He has been awarded the Retail Jewellery Award for lifetime achievement in the year 2007. He also won the Retail Leadership Award from the Asia Retail Congress in the year 2013.

With his considerable wealth of experience, Mr. Shrikant Zaveri brings great value and insight to the Board of TBZ.

**Binaisha Zaveri, Whole-time Director**

Ms. Binaisha Zaveri holds a bachelor's degree in marketing and finance from the Stern School of Business, New York. She joined the business in 2004 and has an experience of more than sixteen years. She is involved in all aspects of the business including human capital management, operations, finance, business development. She has been actively involved and has been a key player in the opening of new stores.

**Raashi Zaveri, Whole-time Director**

Ms. Raashi Zaveri holds a bachelor's degree in finance and entrepreneurship from the Kelly School of Business, Indiana University and is a graduate gemologist from the Gemological Institute of America. She joined the business in 2008 and has an experience of more than twelve years. She is involved in the management of your Company's marketing, enterprise resource planning systems and is actively engaged in accounting, designing, merchandising and general corporate management.

**2. Past remunerations:**

Particulars	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
<b>Salary including commission</b>					
Mr. Shrikant Zaveri	₹ 24,000,000	₹ 24,000,000	₹ 24,000,000	₹ 18,000,000	₹ 12,000,000
Ms. Binaisha Zaveri	₹ 24,000,000	₹ 24,000,000	₹ 24,000,000	₹ 18,000,000	₹ 3,600,000
Ms. Raashi Zaveri	₹ 24,000,000	₹ 24,000,000	₹ 24,000,000	₹ 18,000,000	₹ 3,600,000

**3. Recognition or Awards:**

Mr. Shrikant Zaveri, Chairman & Managing Director won the following Awards:

Retail Jeweller Awards 2007 – Life Time Achievement Award (Retail),

Asia Retail Congress - Retail Leadership Award in 2013.

**Raashi Zaveri, Whole-time Director**

- She is the Whole-time Director of your Company since 2008 and she is handling accounting, merchandising and general corporate management function of your Company and has successfully implemented Oracle E-business suite for your Company. She is B.Sc. in Finance & Entrepreneurship from Kelly School of Business, Indiana University, USA thus having the required qualification to look after the finance & accounting, merchandising and general corporate management. She is a Graduate Gemologist from GIA, thus have a requisite qualification to hold the position of the director of a Gem & Jewellery Company.

**4. Job profile and suitability**

**Shrikant Zaveri, Chairman & Managing Director**

- With the vast experience in the field of Jewellery industry for over three decades and since he has been managing the overall affairs of the partnership firm in the past as managing partner he is the right person to be appointed as Managing Director of your Company and he is managing overall affairs of the Company. On retirement of Chief Executive Officer of your Company w.e.f. 10<sup>th</sup> September, 2015, Mr. Zaveri, with immediate effect has taken charge of Chief Executive Officer of your Company and is discharging all duties and role of Chief Executive Officer of your Company.

**Binaisha Zaveri, Whole-time Director**

- She is the Whole-time Director of your Company and is successfully administrating the functioning of TBZ with particular emphasis on human capital management, operations, finance, business development, marketing and merchandising functions. She is B.Sc. in Marketing & Finance from Stern School of Business, New York University thus having the required qualification to look after the human resource and marketing. She was also the partner in the partnership firm prior to conversion into private limited company under part IX of Companies Act, 1956.

**5. Remuneration proposed:**

**Mr. Shrikant Zaveri, Chairman & Managing Director:**

For details of remuneration refer to Item No. 6 of the Explanatory Statement under Section 102 of the Companies Act, 2013 forming part of this Notice of this Annual General Meeting.

**Ms. Binaisha Zaveri, Whole-time Director:**

For details of remuneration refer to Item No. 7 of the Explanatory Statement under Section 102 of the Companies Act, 2013 forming part of this Notice of this Annual General Meeting.

**Ms. Raashi Zaveri, Whole-time Director:**

For details of remuneration refer to Item No. 8 of the Explanatory Statement under Section 102 of the Companies Act, 2013 forming part of this Notice of this Annual General Meeting.

**6. Comparative remuneration profile with respect to industry, size of your Company, profile of the position and person**

In comparison to the remuneration profile of similar companies in the industry and commensurate with the size of your Company for a similar kind of profile of the person, the remuneration proposed is at par for an Executive Director(s).

**7. Pecuniary relationship directly or indirectly with your Company, or relationship with the managerial personnel, if any**

Mr. Shrikant Zaveri, Chairman & Managing Director of your Company and Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors of your Company, being father and daughters respectively, are related to each other. They are also promoter of the Company.

Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors of your Company being sisters, are related to each other.

**III. Other information:**

**1. Reason for inadequacy of profits –**

Due to COVID 19, which has been declared by WHO as a Global Pandemic and having resulted in innumerable loss of lives and being extremely contagious in nature (easy & quick human to human transmission), the Govt of India and all State Governments decided to implement a lockdown in a phased manner in Mumbai & Maharashtra and finally nationwide i.e. all over the country. This led to all non - essential business establishments and services being shut down by the respective Governments. TBZ being a retail jewellery company and hence falling in the category of non-essential goods or services, was also required to shut down all its stores & other establishments. This lockdown and restrictions imposed due to COVID – 19 pandemics posed severe challenges to the business. The Company's operations were hit substantially from 17<sup>th</sup> March, 2020, onwards. Corporate offices, Retail store operations and Manufacturing facilities were fully shut during the period from 17<sup>th</sup> March, 2020 till 31<sup>st</sup> March, 2020 (and stretched beyond that date, well into the Q1 of FY21 too). The Company suffered a substantial impact on revenues for March 2020, particularly due to loss of revenues on the occasion of Gudi Padwa & other regional festivals in different parts of the country as well as the build-up towards Akshaya Tritiya. This had an adverse impact on the Q4 & FY20 Earnings/Profits of the Company. The challenging

macroeconomic environment and weak consumer sentiments and a sharp and constant increase in Gold Prices during FY20, particularly during Q4 of FY20 also impacted the demand for jewellery and resulted in lower revenue generation and profitability of the Company.

**2. Steps taken or proposed to be taken for improvement / Expected increase in productivity and profits in measurable terms –**

In these unprecedented circumstances as explained above, your Company has continued to focus on providing the safest, best & most convenient retail shopping experience to every customer by taking various initiatives during the lockdown as well as after the lockdown restrictions have been lifted. The Company is following the directives of the local authorities with complete adherence to all safety precautions as prescribed by them. During the lockdown period, the Company invested in and leveraged technology to counter the changes in consumer behaviour due to Covid 19 with focus on providing them with Shopping at the Home video, Social media based communication and One on One consultations with customers. The Company has also made its jewellery purchasing offer called Kalpavruksha completely online to ensure higher conversion and increased access during this period. The focus is on ensuring that customers have online access to the brand. The company is focusing on 'affordable diamonds' campaign and other festive/occasion-based campaigns as per region. The company expects that the weddings that were postponed due to the lockdown, the upcoming festive season along with the new wedding season will all contribute to higher revenues and increased customer base as the year progresses. The Company is confident that with its approach of focusing on Contemporary designs, Consumer-friendly tech interventions and a well-trained and motivated sales team, it is well-positioned to take advantage of the rebound in consumer buying in the months to come. In order to protect liquidity and ensure adequacy of cash flows, the Company has taken several significant cost efficiency measures & rationalised its inventory to eliminate any possibility of stress on its cash flows, thereby maintaining a stable and comfortable liquidity position. Your Company shall come out of the shadow of this pandemic as a brand that is agile, lean and poised for sustainable growth in years to come.

Your Company has taken adequate steps to rationalize its inventory in terms of right sizing it and the benefits of the same shall accrue over the current financial year and beyond. It has maintained strict control on its operating expenses. It has taken measures to reduce the debt cost by procuring its Gold requirements through the Gold on Loan model. This measure also ensures that the metal is protected from price volatility by way of a natural hedge process.

The above statement annexed with the notice is disclosed pursuant to the provisions of Sections 196, 197 and all other applicable provisions of the Companies Act, 2013 ('the Act') and Rules made thereunder read with Part II of Schedule V of the

Companies Act, 2013 forming part of Item Nos. 6 to 8 of the Notice.

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**

Date: 17<sup>th</sup> August, 2020  
Place: Mumbai

**Shrikant Zaveri**  
**Chairman & Managing Director**  
**(DIN: 00263725)**

**Registered Office:**

241 / 43, Zaveri Bazar,  
Mumbai - 400 002, India.  
CIN: L27205MH2007PLC172598  
Tel. No. 022 – 4046 5000/ 01  
Email: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com)  
Web: [www.tbztheoriginal.com](http://www.tbztheoriginal.com)

## Annexure – I to the Notice

### Disclosure pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 (SS 2) on General Meeting issued by the Institute of Company Secretaries of India, in order of the items mentioned in the Notice

Details of Directors retiring by rotation, seeking re-appointment at 13<sup>th</sup> Annual General Meeting pursuant to Regulation 36(3) of SEBI(LODR), Regulations, 2015 and Secretarial Standard 2 (SS 2) on General Meeting and for change in term of appointment at the 13<sup>th</sup> Annual General Meeting:

<b>Name of the Director</b>	<b>Mr. Shrikant Zaveri</b>	<b>Ms. Binaisha Zaveri</b>	<b>Ms. Raashi Zaveri</b>
<b>Category</b>	Chairman & Managing Director	Whole-time Director	Whole-time Director
<b>Date of Birth</b>	07.12.1959	28.12.1982	26.12.1986
<b>Date of First Appointment on the Board</b>	24.07.2007	24.07.2007	01.07.2008
<b>Qualification</b>	Matriculation	Bachelor's degree in Marketing and Finance from Stern School of Business, New York.	Bachelor's degree in Finance and entrepreneurship from Kelly School of Business, Indiana University and is a Graduate Gemologist from Gemological Institute of America
<b>Expertise in specific functional area</b>	Rich experience of more than 38 years in Retail Jewellery Business	Experience in human capital management, operations, finance, business development, marketing and merchandising.	Company's Enterprise Resource Planning Systems and actively engaged in accounting, merchandising & general corporate management.
<b>No. of Meeting of the Board attended during the year</b>	6 of 6	6 of 6	6 of 6
<b>Directorships held in other Public Companies as on 31<sup>st</sup> March, 2020 (excluding foreign Companies and Section 8 companies)</b>	Tribhovandas Bhimji Zaveri (Bombay) Limited (wholly owned subsidiary of the Company)	Tribhovandas Bhimji Zaveri (Bombay) Limited (wholly owned subsidiary of the Company)	Tribhovandas Bhimji Zaveri (Bombay) Limited (wholly owned subsidiary of the Company)
<b>Chairmanships/ Memberships of the Committees of the Board of Directors of the Company as on 31<sup>st</sup> March, 2020</b>	Audit Committee - Member Stakeholders Relationship Committee – Member	Stakeholders Relationship Committee - Member	Stakeholders Relationship Committee - Member
<b>Chairmanships/ Memberships of the Committees of other Public Companies as on 31<sup>st</sup> March, 2020</b>			
<b>a) Audit Committee</b>	NIL	NIL	NIL
<b>b) Stakeholders Relationship Committee</b>	NIL	NIL	NIL

<b>Name of the Director</b>	<b>Mr. Shrikant Zaveri</b>	<b>Ms. Binaisha Zaveri</b>	<b>Ms. Raashi Zaveri</b>
<b>Disclosure of Relationship between Directors inter-se</b>	Ms. Binaisha Zaveri & Ms. Raashi Zaveri both are daughters	Mr. Shrikant Zaveri is father and Ms. Raashi Zaveri is sister	Mr. Shrikant Zaveri is father and Ms. Binaisha Zaveri is sister
<b>Nos. of Shares held in the Company</b>	33,402,275	5,285,000	4,572,500

Note: Pursuant to Regulation 26(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, only two Committees, viz. Audit Committee and Stakeholders Relationship Committee have been considered.

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**

**Shrikant Zaveri**  
**Chairman & Managing Director**  
**(DIN: 00263725)**

Date: 17<sup>th</sup> August, 2020  
Place: Mumbai

**Registered Office:**

241 / 43, Zaveri Bazar,  
Mumbai - 400 002, India.  
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Web: [www.tbztheoriginal.com](http://www.tbztheoriginal.com)

# Directors' Report

To,  
**The Members of**  
**Tribhovandas Bhimji Zaveri Limited,**

Your Directors are pleased to present the Thirteenth Annual Report on the business and operations of your Company together with the audited financial statements and Auditor's Report for the financial year ended 31<sup>st</sup> March, 2020:

## Financial Results:

The financial performance of your Company for the financial year ended 31<sup>st</sup> March, 2020 is summarized below:

Particulars	Standalone Financials	
	31-Mar-20	31-Mar-19
	(₹ in Lacs)	(₹ in Lacs)
Revenue from operations	1,81,005.26	1,76,382.65
Earnings before Finance Cost, Depreciation and Amortization	11,156.03	7,380.03
Add: Other Income	542.01	560.48
Less: Finance Cost	5,611.28	4,637.20
Less: Depreciation and Amortization expenses	3,199.67	991.91
<b>Net Profit before Exceptional items &amp; Taxes</b>	<b>2,887.09</b>	<b>2,311.40</b>
Add: Exceptional items	-	-
<b>Net Profit for the year before Taxes</b>	<b>2,887.09</b>	<b>2,311.40</b>
<b>Less: Provision for Taxes</b>		
Current Tax / MAT	857.00	992.00
MAT Credit	-	-
Deferred Tax charge	(163.56)	(211.18)
Provision pertaining to earlier years	-	-
<b>Profit for the year</b>	<b>2,193.65</b>	<b>1,530.58</b>
Add/(less): Other Comprehensive income	(95.88)	(112.06)
<b>Total Comprehensive income for the year</b>	<b>2,097.77</b>	<b>1,418.52</b>
Add/(less): Balance Brought Forward from Previous Year	24,547.99	23,801.23
Add/(less): Opening provision for Franchisee sales return	-	(68.40)
Add/Less: Opening impact of IndAS 116	(918.80)	-
Add/(less): Dividend for the year ended 31 March, 2020	(1,407.83)	(603.35)
<b>Surplus Available for Appropriation</b>	<b>24,319.13</b>	<b>24,547.99</b>
<b>Appropriations:</b>		
Transfer to General Reserve	-	-
<b>Total Appropriations</b>	<b>-</b>	<b>-</b>
<b>Surplus Available after Appropriation</b>	<b>24,319.13</b>	<b>24,547.99</b>
Add: Balance in Security Premium Account	16,791.35	16,791.35
Add: Balance General Reserve	1,401.47	1,401.47
Add: Balance Capital Reserve	-	-
<b>Balance carried forward to Balance Sheet</b>	<b>42,511.95</b>	<b>42,740.81</b>



### Financial Performance:

Your Company has reported profit during the financial year 2019-20. Revenue from operations increased by 2.62% to 181,005.26 Lacs from ₹ 176,382.65 Lacs in the previous financial year. The profit before tax increased by 19.94% to ₹ 2,887.09 Lacs, while net profit after tax increased by 30.23% to ₹ 2,193.65 Lacs.

The Gross Profit Margin for the financial year 2019-20 has decreased to 14.01% as compared to 14.11% in the previous financial year. In the absolute term the Gross Profit has increased to ₹ 25,353.29 Lacs as compared to ₹ 24,892.68 Lacs during the previous financial year.

The EBITDA for the financial year 2019-20 has increased to 6.16% as compared to 4.18% in the previous financial year.

### Impact of Covid-19:

The Company's operations were hit substantially from 17<sup>th</sup> March, 2020, onwards. Corporate office, Retail store operations and Manufacturing facilities were fully shut during the period from 17<sup>th</sup> March, 2020, to 1<sup>st</sup> June, 2020, which affected the revenue generation, cash flows and financial performance of the Company during Q4 of FY 20 and Q1 of FY 21.

Safety of employees has been of utmost importance and highest priority and therefore the Company adopted a "Work from Home" policy for all its employees right from the 3<sup>rd</sup> week of March, 2020. Technology has been fully leveraged and all critical back end operations were successfully managed remotely.

With the gradual/phase wise lifting of the lockdown restrictions in the country, the Company has reopened most of its stores with effect from 1<sup>st</sup> week of June, 2020, (barring those located within Containment Zones) after establishing thorough and well-rehearsed safety protocols as mandated by and strictly as per the restricted timings/schedules laid down by the Authorities. The Company's corporate office employees continue to work from home.

In these unprecedented circumstances, the Company has continued to focus on providing the safest, best & most convenient retail shopping experience to every customer by taking various initiatives during the lockdown as well as after the lockdown restrictions have been lifted. The Company is following the directives of the local authorities with complete adherence to all safety precautions as prescribed by them. During the lockdown period, the Company invested in and leveraged technology to counter the changes in consumer behaviour due to Covid 19 with focus on providing them with Shopping at the Home video, Social media based communication and One on One consultations

with customers. The Company has also made its jewellery purchasing offer called Kalpavruksha completely online to ensure higher conversion and increased access during this period. The focus was on ensuring that customers had online access to the brand. Currently customers are encouraged to visit stores by booking appointment online to ensure that they do not have to wait too long due to social distancing protocols and also to ensure focussed attention to their requirements.

Standing by its core commitment, your Company is navigating through these unprecedented times by building stronger and deeper relationships with consumers. Your Company is supporting various Government Initiatives and helping communities around to fight the pandemic.

Detailed information on the same has been included under the Management Discussion & Analysis report forming part of this Annual Report.

### Dividend:

The Board of Directors at its Meeting held on 11<sup>th</sup> March, 2020, have declared an Interim Dividend of ₹ 1 (Rupee One only) per Equity Share of face value of ₹ 10 (Rupees Ten only) each which represent 10% Interim Dividend on Equity Capital of your Company for the financial year 2019-20. The total outgo for the current financial year Interim Dividend amounts ₹ 80,447,969 (Rupees Eight Crores Four Lacs Forty Seven Thousand Nine Hundred Sixty Nine only) including dividend distribution tax of ₹ 13,717,349 (Rupees One Crore Thirty Seven Lacs Seventeen Thousand Three Hundred Forty Nine only), against the final dividend of ₹ 0.75 (Seventy Five Paise Only) per equity share of face value of ₹ 10 each, i.e. 7.50% for the previous financial year ended 31<sup>st</sup> March, 2019 and the total outgo of ₹ 60,335,976 (Rupees Six Crores Three Lacs Thirty Five Thousand Nine Hundred Seventy Six only) including dividend distribution tax of ₹ 10,288,011 (Rupees One Crore Two Lacs Eighty Eight Thousand Eleven only) for the previous financial year ended 31<sup>st</sup> March, 2019. Your Company will pay the tax on dividend as per the provisions of the Income Tax Act, 1961. It is not proposed to transfer any amount to General Reserve for the year under review.

The payment of Interim Dividend was made through electronic mode on 26<sup>th</sup> March, 2020 to all the Equity Shareholders whose Bank Account details were available with your Company. However, your Company was not able to complete dispatch of Interim Dividend Warrants within the prescribed time limit on account of situation emerging out of outbreak of COVID-19 and the directives of Central / State Government for lockdown effective from 23<sup>rd</sup> March, 2020. Your Company through KFin Technologies Private Limited, Registrar and Share Transfer Agent has dispatched dividend warrants through post in the second week of June 2020. If any Member has not received the dividend warrant due

to current lockdown situation on account of COVID-19 pandemic, they can kindly write to us and we shall make the necessary arrangements on priority.

Your Directors have not recommended any Final Dividend for the financial year ended 31<sup>st</sup> March, 2020.

#### **Changes in nature of business, if any:**

During the financial year 2019-20, there was no change in nature of business of your Company.

#### **Material Changes and Commitments:**

There have been no material changes and commitments since the close of the financial year i.e. 31<sup>st</sup> March, 2020 till the date of signing of this Directors' Report, affecting the financial position of your Company.

#### **Changes in Authorised Share Capital:**

During the financial year 2019-20 there was no change in the Authorised Share Capital of your Company.

#### **Changes in Paid-up Share Capital:**

During the financial year 2019-20 there was no change in the Paid-up Share Capital of your Company.

#### **Wholly Owned Subsidiary Company:**

As required under Rule 8(1) of the Companies (Accounts) Rules, 2014, the Board's Report has been prepared on the basis of standalone financial statements and a report on performance and financial position of the wholly owned subsidiary included in the consolidated financial statements is presented and is stated in this report.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of your Company, containing therein its standalone and the consolidated financial statements has been placed on the website of your Company, [www.tbztheoriginal.com](http://www.tbztheoriginal.com). Further, as per fourth proviso of the said section, audited annual accounts of the subsidiary company has also been placed on the website of your Company, [www.tbztheoriginal.com](http://www.tbztheoriginal.com). Members interested in obtaining a copy of the audited annual accounts of the wholly owned subsidiary company may write to the Company Secretary at your Company's corporate office or email to [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com).

Your Company has constituted "Policy on Determining Material Subsidiaries" in accordance with the Regulation 16(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy will be used to determine the material subsidiaries of your Company and to provide governance framework for such subsidiaries. As per the Policy and as per the requirements of the provisions of the Companies Act,

2013 and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 none of the wholly owned subsidiary companies are material subsidiary company of your Company. The Policy on determining material subsidiaries is available on your Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)) at the below link: [https://www.tbztheoriginal.com/storage/TBZ-Material%20Subsidiary%20Policy\(1.4.19\).pdf](https://www.tbztheoriginal.com/storage/TBZ-Material%20Subsidiary%20Policy(1.4.19).pdf).

As per the requirements of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the audited consolidated financial statements of your Company incorporating its wholly owned subsidiary company is prepared in accordance with applicable Indian Accounting Standards (Ind AS) are enclosed herewith.

For the year under review, i.e. as on 31<sup>st</sup> March, 2020, your Company has one wholly owned subsidiary company namely; Tribhovandas Bhimji Zaveri (Bombay) Limited.

#### **Tribhovandas Bhimji Zaveri (Bombay) Limited**

Tribhovandas Bhimji Zaveri (Bombay) Limited is operating its manufacturing activities from 106, Kandivali Industrial Estate, Charkop, Kandivali (West), Mumbai – 400 067. The said property is taken on Leave & License basis from your Company (i.e. holding company).

Tribhovandas Bhimji Zaveri (Bombay) Limited, during the financial year 2019-20, has reported a total revenue of ₹ 1,631.45 Lacs and has incurred loss of ₹ 24.96 Lacs.

#### **Performance of wholly owned subsidiary company:**

Pursuant to provisions of Section 129(3) of the Companies Act, 2013 ('the Act'), a statement containing salient features of Financial Statements of wholly owned subsidiary company in Form AOC-1 is annexed as 'Annexure – A'.

Your Company does not have any Associate or Joint Venture Companies. Your Company has adopted a Policy for determining the criteria of material subsidiaries which can be viewed on your Company's website at [www.tbztheoriginal.com](http://www.tbztheoriginal.com).

#### **Performance / State of Company's Affairs:**

As on 31<sup>st</sup> March, 2020, your Company was operating from thirty nine stores in twenty seven cities and thirteen states, out of which your Company has thirty six owned stores and three franchise stores and your Company has one Corporate Office at Tulsiani Chambers, Nariman Point.

#### **Recent Development(s):**

During the year under review your Company has shut down its two stores at Nagpur, Maharashtra and at Ludhiana,

Punjab and one franchise store at Bhopal, Madhya Pradesh which brings the total number of stores to thirty nine, out of which thirty six are owned stores and three are franchise stores, in twenty seven cities and thirteen states as on 31<sup>st</sup> March, 2020. Post 31<sup>st</sup> March, 2020 and as on signing of this Report, your Company has shut down its two own stores at Bandra, Mumbai and Jamnagar, Gujarat, which brings the total number of stores to thirty seven, out of which thirty four are your Company's own stores and three are franchise stores, in twenty seven cities and thirteen states as on date of signing of this report.

### Awards & Recognition:

During the year under review your Company has won following awards:

Year	Awards
2020	'Best Bracelet Design' award given at the 9 <sup>th</sup> edition of JJS-IJ Jewellers Choice Design Awards 2019
2020	Excellence in Design – Gold Jewellery- Ring 'award given at Retail Jewellers Guild Awards 2019

### New Products Launch:

Your Company focused on launching affordable and contemporary ranges starting from this new collection for today's modern woman. Your Company has launched twelve new products during financial year 2019-20 which are:

- Sitara:** Young, delicate & an adorable collection with breezy & fresh designs for the millennial women on the go. Magnificent designs at surprisingly affordable prices. TBZ merges its classic fine-tuned craftsmanship of diamonds with allure and magnificence to create truly captivating & affordable jewellery for today's modern woman.
- Trinity:** Elegant and refined –this beautiful collection of pendants & earrings fuses expert craftsmanship with imaginative design & fine diamonds in all 3 colours of gold, rose, yellow & white. Trendy & stylish crafted for experimental millennial.
- Liva:** For the first time a collection that blends style & extravagance. A special collection of earrings is an artful composition of delicate designs with keenness on details to add precision. Perfect for any occasion an epitome of poise and charm available at unbelievable prices for the multifaceted women.
- Sunshine:** For the first time, ever in the history of TBZ a collection that features a special design that uses natural yellow diamonds encircled by white diamonds. An innovative collection that showcases the endless possibilities that comes with superior stone-setting techniques and precise hand-carving skills.
- Sway:** Dazzling and radiant collection of cocktail earrings for the contemporary women. Timeless & unique designs perfect to mark the most significant occasions in your life. Unique designs which are surprisingly affordable.
- Maya:** Mingle in, yet stand out in the crowd. Be trendy, the unique design and floating diamond setting for minimalism & modernity. Simple & elegant can be worn to a workplace or a party.
- Switch:** A collection designed for any and every occasion from sunrise to sunset, from golden hours to boreal night lights which can match most styles and occasion. Each and every piece of this collection can be Switched from a ring to an earring.
- Tatva:** Masterpieces, enamelled to perfection. Traditional with a dash of bold charm. Tatva unifies the women of today with Indian customs and heritage. The earthy tone of gold, meticulously crafted in complex designs are astonishingly lightweight and highly wearable at weddings, festivities and daily wear too.
- Divya:** Heavenly masterpieces, inspires by the divine. Divinity & grace all come together in the Divya collection. Perceived & avidly created just like those masterworks which have defined art in every age and time. Traditional & contemporary design a must have for those with an appreciation of culture & heritage. Traditional & eloquent, its perfect collection for the life's most auspicious occasions.
- Blush:** Rose gold is one of the hottest additions to today's colour palette. Just the right touch of femininity and dazzle. A perfect daily wear to create a bold ambiance without being excessively over the top. For the adventurous women, we launched this distinctive light weight collection in rose gold for the very first time at our TBZ stores.
- Ananya:** A distinctive collection signifies the evolution of the art of making exclusive designs that can be worn on any occasion, firmly conserving its iconic position as a signifier of beauty.
- Moha:** Contemporary chic meets mesmerizing craftsmanship in Moha collection. The collection is both complex and imaginative, breaking the conventions of jewellery designing and has an inclusive appeal that's truly unique.

## Credit Rating

During the year under review your Company has carried out two Credit Ratings from Acuite Ratings & Research Limited (ACUITE) on 23<sup>rd</sup> July, 2019 and another from CRISIL Ratings on 21<sup>st</sup> November, 2019.

Acuite Ratings & Research Limited (ACUITE) has reviewed the Credit Rating on the bank loan facilities of your Company for the amount of ₹ 40 Crores and given ratings of 'ACUITE A- / Stable', vide; ACUITE Rating Letter dated 23<sup>rd</sup> July, 2019 which is stated as follows:

Total Rated Quantum of Bank Loan facilities	₹ 40 Crores
Long-Term Rating	ACUITE A- / (Stable)

CRISIL has reviewed the Credit Rating on the long-term bank facilities of your Company at 'CRISIL BBB+/ Stable' (Reaffirmed) vide letter Ref. No. TBZPL/235555/BLR/111946645 dated 21<sup>st</sup> November, 2019 which is stated as follows:

Total Bank Loan Facilities Rated	₹ 7,350 Million
Long-Term Rating	CRISIL BBB+/ Stable (Reaffirmed)

The details of the Credit Rating are available on your Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)) at the below links: [https://www.tbztheoriginal.com/storage/TBZ-Credit%20Rating\(23.7.19\).pdf](https://www.tbztheoriginal.com/storage/TBZ-Credit%20Rating(23.7.19).pdf).  
[https://www.tbztheoriginal.com/storage/TBZ\\_Credit\\_Rating\\_221119.pdf](https://www.tbztheoriginal.com/storage/TBZ_Credit_Rating_221119.pdf).

## Decrease in Inventories:

The inventory of your Company as on 31<sup>st</sup> March, 2020 has decreased by ₹ 3,432.24 Lacs as compared to the inventory on 31<sup>st</sup> March, 2019. The decrease in inventory is due to closure of two stores during the year as well as inventory rationalization.

## Operations:

The operations of your Company are elaborated in the annexed Management Discussion and Analysis Report.

## Hedge Accounting / Derivative Financial Instruments:

### Embedded Derivative:

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative cause some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified variable.

Your Company enters into purchase gold contract, in which the amount payable is not fixed based on gold price on the date of purchase, but instead is affected by changes in gold prices in future. Such transactions are entered to protect against the risk of gold price movement in the purchased gold. Accordingly, such unfixed payables (gold loan) are considered to have an embedded derivative. Your Company designates the gold price risk in such instruments as hedging instruments, with gold inventory considered to be the hedged item. The hedged risk is gold prices movement.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivative is measured at fair value, and changes there in are generally recognised in profit and loss.

At the inception of a hedge relationship, your Company formally designates and documents the hedge relationship to which your Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes your Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Commodity forward contract of NIL is outstanding as on 31<sup>st</sup> March, 2020 (31<sup>st</sup> March, 2019: NIL was outstanding). Hedging loss is ₹ NIL- as on 31<sup>st</sup> March, 2020 (31<sup>st</sup> March, 2019: NIL was outstanding).

## Related Party Transactions:

All contracts/ arrangements/ transactions entered by your Company during the financial year under review with related parties were in the ordinary course of business and on an arm's length basis and is in compliance with the applicable provisions of the Act and the Listing Regulations. During the year, there are no materially significant related party transactions entered by your Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of your Company at large. There were no materially significant Related Party Transactions made by your Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations.

All related party transactions are placed before the Audit Committee and before the Board for their approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and to the Board of Directors at their Board Meetings for their approval on a quarterly basis.

There are no material related party transactions which are not in ordinary course of business or which are not on arm's length basis and hence there is no information to be provided as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014. The details of transactions with related parties as required are provided in Form AOC-2 is annexed as '**Annexure – B**'.

The policy on Materiality on Related Party Transactions and manner of dealing with Related Party Transactions as approved by the Board is uploaded on your Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)) at the below link: [https://www.tbztheoriginal.com/storage/TBZ-Policy%20on%20Materiality%20and%20dealing%20with%20RPT\(2020\)Version3.pdf](https://www.tbztheoriginal.com/storage/TBZ-Policy%20on%20Materiality%20and%20dealing%20with%20RPT(2020)Version3.pdf).

None of the Independent Directors has any pecuniary relationships or transactions vis-a-vis your Company.

A statement of related party transactions pursuant to Indian Accounting Standard (Ind AS) - 24 forms a part of notes to accounts.

#### **Transfer to Reserves:**

During the year under review, your Company has transferred ₹ NIL to the General Reserve.

#### **Particulars of Loans given, Investments made, Guarantees given and Securities provided under Section 186 of the Companies Act, 2013:**

Particulars of loans given, investments made, guarantees given and securities provided covered under the provisions of Section 186 of the Companies Act, 2013, are given in the notes to the standalone financial statements provided in this Annual Report.

#### **Fixed Deposits / Deposits:**

During the year under review your Company has not accepted or invited any fixed deposits from the public and there were no outstanding fixed deposits from the public as on the Balance Sheet date.

Your Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

#### **Insurance:**

All the insurable interests of your Company including inventories, buildings, plant and machinery and liabilities are adequately insured.

#### **Corporate Social Responsibility (CSR) Initiatives:**

As part of its initiatives under Corporate Social Responsibility (CSR), the Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by your Company, which has been approved by the Board and are in accordance with Schedule VII of the Companies Act, 2013.

The CSR Policy is available on your Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)) at the below link: [https://www.tbztheoriginal.com/storage/TBZ-CSR%20Policy\(24.06.20\)Ver-2.1.pdf](https://www.tbztheoriginal.com/storage/TBZ-CSR%20Policy(24.06.20)Ver-2.1.pdf).

Your Company is committed towards the "Corporate Social Responsibility (CSR)" initiatives as per the requirement of Section 135 of the Companies Act, 2013 ("Act"). The details of the composition of the Corporate Social Responsibility (CSR) Committee are disclosed in the Corporate Governance Report forming part of this Annual Report.

As part of initiatives under "Corporate Social Responsibility (CSR)", for the financial year 2019-20, your Company has shortlisted the specific activities/ projects in the area of (a) 'Promoting Healthcare including Preventive Healthcare', which is falling under item (i) of Schedule VII of the Act; (b) 'Promoting Education' which is falling under item (ii) of Schedule VII of the Act and (c) 'Promoting gender equality and women's empowerment which is falling under item (iii) of Schedule VII of the Act. Your Company will also undertake other need based initiatives in compliance with Schedule VII to the Act.

As per Section 135 of the Companies Act, 2013, the total amount of CSR contribution which is required to be spend during the financial year 2019-20 is coming to ₹ **4,776,414 (Rupees Forty Seven Lacs Seventy Six Thousand Four Hundred Fourteen Only)**. Your Company has made total CSR contribution of ₹ **4,780,400 (Rupees Forty Seven Lacs Eighty Thousand Four Hundred Only)** for the financial year 2019-20. Your Company has complied with the requirement of the prescribed CSR Contribution to be made on CSR Activities for the financial year 2019-20. During the financial year 2019-20 there is no required CSR Contribution amount left unspent.

The total CSR contribution of ₹ **4,780,400 (Rupees Forty Seven Lacs Eighty Thousand Four Hundred Only)** were made to (1) Cancer Patient Aid Association (CPAA), Mumbai

& Pune for the total amount of ₹ 550,000 for Promoting Healthcare including Preventive Healthcare; (2) West Wind Association of ₹ 50,000 for Promotion of Education Activities; (3) Your Company has carried out CSR Activities for promoting gender equality and women's empowerment under its flagship project known as **"Pankhi Project"**. Your Company has made total CSR Contribution of ₹ 4,180,400 for the financial year 2019-20 under its flagship **"Pankhi Project"** and out of which ₹ 60,000 were incurred towards administrative expenses and balance ₹ 4,120,400 were made to various organisations such as: (a) Action for Self Help +Reliance +Hope +Awareness (ASHA) of ₹ 435,600 for providing family counseling under gender equality and empowerment of women; (b) Cultural Academy for Peace (CAP) of ₹ 435,600 for providing family counseling under gender equality and empowerment of women; (c) Baroda Citizen Council (BCC) of ₹ 435,600 for providing family counseling under gender equality and empowerment of women; (d) Ahmedabad Women's Action Group (AWAG) of ₹ 4,35,600 for providing family counseling under gender equality and empowerment of women; (e) Shanti Sahyog of ₹ 4,35,600 for providing family counseling under gender equality and empowerment of women; (f) Bihar Voluntary Health Association (BVHA) of ₹ 435,600 for providing family counseling under gender equality and empowerment of women; (g) Society for Participatory Integrated Development (SPID) of ₹ 435,600 for providing family counseling under gender equality and empowerment of women; (h) Mahila Dakshata Samiti of ₹ 435,600 for providing family counseling under gender equality and empowerment of women; (i) Her Choice Trust of ₹ 435,600 for providing family counseling under gender equality and empowerment of women; (j) Stree Mukti Sangathan (SMS) of ₹ 100,000 for providing family counseling under gender equality and empowerment of women; (k) Bharatiya Stree Shakti of ₹ 100,000 for providing family counseling under gender equality and empowerment of women. These NGO's/ organization carry out projects which are largely in accordance with schedule VII of the Companies Act, 2013.

Your Company is fully committed to make contributions towards CSR Activities of your Company as per the requirement of Section 135 of the Companies Act, 2013.

The Annual Report on CSR activities is annexed herewith as **"Annexure – C"**

### **Business Risk Management:**

SEBI has come out with the circular on the requirement of constitution of Risk Management Committee of the Board as per the requirement of the Listing Agreement (Regulations). As per SEBI Circular Reference No. SEBI/LAD-NRO/GN/2015-16/013 dated 2<sup>nd</sup> September, 2015 issued by Securities and Exchange Board of India (SEBI) and as per the requirement of Regulation 21(5) of the Securities and Exchange Board

of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 shall be applicable to top 100 companies by market capitalization as at the end of the immediate previous financial year which was substituted with top 500 companies by market capitalization as at the end of the immediate previous financial year as per the requirement of Regulation 21(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) (Amendment) Regulations, 2018.

Accordingly, constitution of Risk Management Committee is not compulsory for your Company. To identify elements of risk in different areas of operations and to follow better Corporate Governance in the true letter and spirit, your Company has voluntarily constituted the Risk Management Committee of the Board. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Annual Report.

Your Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

Your Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance your Company's competitive advantage. Risk Management Committee provides assistance to the Board of Directors in fulfilling its objective of controlling / monitoring various risks prevailing in the functioning of your Company in day to day life including the Gold Price Risk Management Policy of your Company as well as mitigating the risk on hedging in domestic as well as international market.

The key business risks identified by your Company and its mitigation plan are as under:

#### **(i) Gold Price Fluctuation Risk:**

Prices of gold keep on fluctuating and in last one year there were huge fluctuations observed in gold prices due to various international factors and stringent domestic government policies. To mitigate this risk of gold price fluctuation your Company has started doing hedging in domestic market to protect your Company from the gold price fluctuation. Your Company's endure is to maximize procurement of inventory on gold loan as well as procurement of gold bar under gold loan scheme from various banks which will also help to reduce risk of your Company due to gold price fluctuation and takes care of natural hedging.

#### **(ii) Competition Risks:**

The jewellery industry is becoming intensely competitive with few organized sectors and majority of unorganized sectors in local area, with the foray of

new entrants and many of the existing unorganized players adopting inorganic growth strategies. To mitigate this risk, your Company is leveraging on its expertise, experience and its created capacities to increase market share, enhance brand equity/ visibility and enlarge product portfolio and various tactical offers.

**Disclosure under Section 164(2) and confirmation of registration of Independent Directors with Independent Directors Databank:**

None of the Directors of your Company are disqualified from being appointed as Directors as specified under Section 164(2) of the Companies Act, 2013.

As required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have complied the registration with Independent Directors Databank.

**Directors:**

Mr. Shrikant Zaveri, Chairman & Managing Director of your Company is not liable to retire by rotation and Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors of your Company who are liable to retire by rotation; were all re-appointed by the Board of Directors of your Company on recommendation of the members of the Nomination & Remuneration Committee of your Company, for the period of five years from 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2025 and fixation of remuneration for the period of three years i.e. from 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2023, subject to the approval of members by way of a Special Resolution at the ensuing thirteenth Annual General Meeting of your Company and details of the same will be available in the Notice of Annual General Meeting forming part of the Annual Report.

In accordance with the provision of Section 152 and all other applicable provisions of the Companies Act, 2013, Independent Directors are not liable to retire by rotation and for the purpose of calculation of 'total number of Directors' who are liable to retire by rotation this shall not include Independent Directors. Mr. Shrikant Zaveri (DIN: 00263725), Chairman & Managing Director of your Company, is the Director not liable to retire by rotation. Ms. Binaisha Zaveri (DIN: 00263657) and Ms. Raashi Zaveri (DIN: 00713688), Whole-time Directors of your Company are the Directors who are liable to retire by rotation.

Ms. Raashi Zaveri (DIN: 00713688), Whole-time Director of your Company, retires by rotation at the 13<sup>th</sup> Annual General Meeting of your Company, and being eligible, offers herself for re-appointment.

Pursuant to Sections 149, 152 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 along with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the Independent Directors can hold office for a second term of five consecutive years on the Board of Directors of your Company. Mr. Kamlesh Vikamsey (DIN: 00059620), Mr. Ajay Mehta (DIN: 00028405) and Mr. Sanjay Asher (DIN: 00008221); Independent Directors of your Company were re-appointed for the second term of five consecutive years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024, at the 11<sup>th</sup> Annual General Meeting of your Company held on 31<sup>st</sup> July, 2018. Independent Directors shall not be liable to retire by rotation.

**Familiarization / Orientation Program of Independent Directors:**

Your Company has a program to familiarize Independent Directors with regard to their roles, rights, responsibilities in your Company, nature of the industry in which your Company operates, the business model of your Company, etc. The purpose of Familiarization Programme for Independent Directors is to provide insights into your Company to enable the Independent Directors to understand its business in depth and contribute significantly to your Company. Your Company has already carried out the familiarization programme for Independent Directors. The Familiarization Programme Imparted to Independent Directors in terms of Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is available on your Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)) at below link: [https://www.tbztheoriginal.com/storage/TBZ-Famili.Prog.-ID\(19-20\).pdf](https://www.tbztheoriginal.com/storage/TBZ-Famili.Prog.-ID(19-20).pdf).

**Independent Directors / Statement of declaration by Independent Directors under Section 149(7) of the Companies Act, 2013 and Regulations 16(1)(b) and 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and confirmation of registration with Independent Director's Database:**

The Independent Directors have given declarations to your Company under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence provided under Section 149(6) of the Companies Act, 2013 and Regulations 16(1)(b) and 25(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The Board of Directors of your Company confirms that the Independent Directors fulfil the conditions specified in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent of the management. List

of Key skills, expertise and core competencies of the Board is provided in the Corporate Governance Report forming part of this Annual Report.

The Board of Directors of your Company confirms that the Independent Directors have given their confirmation / declaration to your Company, that in terms of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, they have registered themselves with the Independent Director's database maintained by the Indian Institute of Corporate Affairs.

### Key Managerial Personnel:

Pursuant to provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 following persons are acting as Key Managerial Personnel of your Company:

1. Mr. Shrikant Zaveri, Chairman & Managing Director
2. Ms. Binaisha Zaveri, Whole-time Director
3. Ms. Raashi Zaveri, Whole-time Director
4. Mr. Saurav Banerjee, Chief Financial Officer (CFO)
5. Mr. Niraj Oza, Head - Legal & Company Secretary

Your Company does not have separate position of Chief Executive Officer (CEO), as all the responsibilities of Chief Executive Officer (CEO) has been discharged by Mr. Shrikant Zaveri, Chairman & Managing Director of your Company.

There has been no change in the Key Managerial Personnel of your Company, during the year ended 31<sup>st</sup> March, 2020.

### Annual Evaluation of Performance / Board Evaluation Criteria:

Your Company believes that systematic evaluation contributes significantly to improved performance at the three levels; organizational, Board and Individual Board Member. It encourages the leadership, team work, accountability, decision making, communication and efficiency of the Board. Evaluation also ensures teamwork by creating better understanding of Board dynamics, management relations and thinking as a group within the Board. The process includes multi layered evaluation based on well-defined criteria consisting of relevant parameters.

Pursuant to the applicable provisions of the Companies Act, 2013 and Regulations 17(10), 25(4) and all other applicable Regulation(s) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have carried out annual evaluation of its own performance, Board Committees, individual Directors, Chairperson of your Company.

As required under Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of your Company was also held on 13<sup>th</sup> February, 2020 to evaluate the performance of the Chairman, Non-Independent Directors and the Board as a whole and also to assess the quality, quantity and timeliness of flow of information between the management of your Company and the Board.

The performance of the Board / Committee was evaluated after seeking inputs from all the Directors / Committee members on the basis of the defined criteria including composition and structure effectiveness of meeting, information and functioning.

Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated, on the basis of following evaluation criteria:

- Relevant knowledge, expertise and experience.
- Devotion of time and attention to your Company's long term strategic issues.
- Discussing and endorsing your Company's strategy.
- Addressing the most relevant issues for your Company.
- Professional conduct, ethics and integrity.
- Understanding of duties, roles and function as Independent Director.

Your Directors have expressed satisfaction to the evaluation process.

The manner in which evaluation has been carried out has been explained in detail in the Corporate Governance Report, forming part of this Annual Report.

### Nomination, Remuneration and Evaluation Policy:

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management, their remuneration and their evaluation. In compliance with the provision of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy of your Company includes qualifications, positive attributes and independence of a director and policy relating to the remuneration of Directors, Key Managerial Personnel and other employees is framed with the object of attracting, retaining and motivating talent which is required to run your Company successfully. As per the requirement of Listing Regulations, the Nomination, Remuneration and Evaluation Policy is forming a part of Directors' Report as "Annexure – F".



The same is available on your Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)) at the below link: <https://www.tbztheoriginal.com/storage/TBZ-Nom,Remu.&Eval.Policy.pdf>

### **Board and Committee Meetings / Number of Meetings:**

A calendar of Board and Committee Meetings is prepared and circulated in advance to the Directors.

The Board of Directors met for six times during the year and members of the Audit Committee met four times during the year.

During the financial year 2019-20, six Board Meetings were convened and held on 14<sup>th</sup> May, 2019, 12<sup>th</sup> August, 2019, 25<sup>th</sup> September, 2019, 6<sup>th</sup> November, 2019, 13<sup>th</sup> February, 2020 and 11<sup>th</sup> March, 2020. Total four Audit Committee Meetings were convened and held on 14<sup>th</sup> May, 2019, 12<sup>th</sup> August, 2019, 6<sup>th</sup> November, 2019 and 13<sup>th</sup> February, 2020. The details of the meetings held and attended by Directors are shown in the Corporate Governance Report. The intervening gap between the two Meetings was less than one hundred and twenty days in compliance with the provisions of Section 173(1) of the Companies Act, 2013 and Regulation 17(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The required quorum as prescribed under Section 174(1) of the Companies Act, 2013, was present in all the Board and Committee meetings. During the year, a separate meeting of the Independent Directors was held on 13<sup>th</sup> February, 2020 without the attendance of non-independent directors and members of the management as per Regulation 25(3) of SEBI (Listing Obligation and Disclosure Requirements), 2015. All Independent Directors were present at the said meeting.

### **Directors' Responsibility Statement:**

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013:

- (a) that in preparation of the annual accounts for the Financial Year ended 31<sup>st</sup> March, 2020, the applicable Indian Accounting Standards (Ind AS) have been followed and there are no material departures;
- (b) that they 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 your Company at the end of the Financial Year ended 31<sup>st</sup> March, 2020 and of the profit of your Company for that date;

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

### **Review of Annual Accounts by Audit Committee:**

Financials of your Company for the financial year ended 31<sup>st</sup> March, 2020 were reviewed by the Audit Committee before being placed before the Board.

### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

The information as required under Section 134(3)(m) of the Companies Act, 2013 Rule 8 of the Companies (Accounts) Rules, 2014, for the financial year ended as on 31<sup>st</sup> March, 2020, are as under:

1. Part A & B pertaining to conservation of energy and technology absorption are not applicable to your Company.
2. Foreign Exchange earnings and outflow:
 

Earnings	- ₹ NIL
Outflow	- ₹ NIL

### **Significant and Material Orders passed against your Company by the Regulators or Courts or Tribunals:**

Pursuant to the requirement of Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014, it is confirmed that during the Financial Year under review, there are no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and your Company's operations in future.

### **Audit Committee:**

The Audit Committee comprises of two Independent Directors namely Mr. Kamlesh Vikamsey as Chairman of the Committee and Mr. Ajay Mehta as member of the

Committee and Mr. Shrikant Zaveri, Chairman & Managing Director of your Company as member of the Committee. All the recommendations made by the Audit Committee were accepted by the Board.

The Committee interalia reviews the Internal Control System and reports of Internal Auditors and compliance of various regulations. The Committee also reviews at length the Financial Statements before they are placed before the Board. The numbers of Audit Committee, its terms of reference, the meetings of the Audit Committee and attendance thereof of the members of the Committee is mentioned in the Corporate Governance Report.

### Vigil Mechanism / Whistle Blower Policy:

Your Company has adopted and established a vigil mechanism named "Whistle Blower Policy (WBP)" for directors and employees to report genuine concerns and to deal with instance of fraud and mismanagement, if any {in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 ('the Act') and Regulation 22 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015}. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also available on your Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)) at the below link: [https://www.tbztheoriginal.com/storage/TBZ-Whistle%20Blower%20Policy\(01.04.19\).pdf](https://www.tbztheoriginal.com/storage/TBZ-Whistle%20Blower%20Policy(01.04.19).pdf).

### Human Resources and Employee Relations:

Attracting, retaining and developing talent continued to be a focus area for your Company. The increased focus on capability enhancement and employee engagement had a positive impact on talent retention as reflected in the lower attrition levels. Your Company has total employee strength of 1,172 as on 31<sup>st</sup> March, 2020. Employee Relations continued to be cordial at all levels.

### Prevention of Sexual Harassment at workplace {Disclosure as required under Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013}:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various policies and practices. Your Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. Your Company has adopted a policy on Prevention of Sexual Harassment at Workplace which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior. An Internal Complaints Committee ("ICC") has been set up from the senior management (with women employees constituting the majority) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy. All employees (permanent, contractual, temporary, trainees) are covered under the policy.

Your Directors further state that during the year under review, there were no complaint /cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. {There was no complaint received from any employee during the financial year 2019-20 and hence no complaint is outstanding as on 31<sup>st</sup> March, 2020 for redressal}.

The status of cases/ complaint filed, disposed of and pending in respect of Sexual Harassment of Women at Workplace for the financial year ended as on 31<sup>st</sup> March, 2020 (i.e. from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020) as given below:

Opening Cases/ complaint as on 1 <sup>st</sup> April, 2019	Cases/ complaint filed during the year ended 31 <sup>st</sup> March, 2020	Cases/ complaint disposed of during the year ended 31 <sup>st</sup> March, 2020	Cases/ complaint pending as on 31 <sup>st</sup> March, 2020
NIL	NIL	NIL	NIL

### Particulars of Employees:

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report. (Refer "Annexure – G").

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014, a statement showing the names and other particulars of top ten employees are provided in the Annual Report. (Refer "Annexure – H").

### Extract of Annual Return:

In accordance with Sections 134(3)(a) & 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in the prescribed Form MGT - 9 is annexed herewith as "Annexure - E", which form part of this Report.

The Annual Return has been placed on your Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)) at the below link: [https://www.tbztheoriginal.com/storage/TBZ-Annual%20Return-MGT-7\(March%202019\).pdf](https://www.tbztheoriginal.com/storage/TBZ-Annual%20Return-MGT-7(March%202019).pdf).

### **Management Discussion and Analysis:**

Pursuant to Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations'), a detailed review of operations, performance and future outlook of your Company and its business is given in the Management Discussion and Analysis which forms part of this Report.

### **Corporate Governance:**

Your Company acknowledges its responsibilities to its Stakeholders and believes that Corporate Governance helps to achieve commitment and goals to enhance stakeholder's value by focusing towards all stakeholders. Your Company maintains highest level of transparency, accountability and good management practices through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal and ethical responsibilities. Your Company is committed to meeting the aspirations of all its stakeholders.

Your Company is fully committed to and continues to follow procedures and practices in conformity with the Code of Corporate Governance enshrined in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V and all other applicable Regulation(s) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A detailed report on Corporate Governance forms part of this Report. The Statutory Auditor's Certificate as per the requirements of Para E of Schedule V and all other applicable Regulation(s) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, on compliance with Corporate Governance requirements by your Company is attached to the Report on Corporate Governance.

### **General Shareholder Information:**

General Shareholder Information is given in Item No. VII of the Report of Corporate Governance forming part of the Annual Report.

### **Listing Fees:**

The Equity Shares of your Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). Your Company has paid the applicable listing fees to the above Stock Exchanges for the financial years 2019-20 and 2020-21. Your Company's shares are traded in dematerialized segment for all investors compulsorily

and your Company had entered into agreements with the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for custodial services.

### **Listing Agreement:**

The Securities and Exchange Board of India (SEBI), on 2<sup>nd</sup> September, 2015, issued Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital market to ensure better enforceability. The said regulations were effective from 1<sup>st</sup> December, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. Your Company entered into Listing Agreement with BSE Limited and the National Stock Exchange of India Limited during November, 2015.

### **Adequacy of Internal Financial Controls with reference to financial statements:**

Based on the framework of internal financial controls and compliance systems established and maintained by your Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the Audit Committee, the Board is of the opinion that your Company's internal financial controls were adequate and effective with reference to the financial statements for the financial year ended 31<sup>st</sup> March, 2020.

### **Internal Control Systems and their adequacy:**

The management continuously reviews the internal control systems and procedures for the efficient conduct of your Company's business. Your Company adheres to good practices with respect to transactions and financial reporting and ensures that all its assets are appropriately safeguarded and protected against losses. The Internal Auditor of your Company conducts the audit on regular basis and the Audit Committee actively reviews internal audit reports and effectiveness of internal control systems periodically.

During the year, the Internal Auditor performed comprehensive assessments at various locations and across all functional departments. The Audit Committee regularly reviews the audit findings and corrective measures taken thereon to ensure the efficacy of the Internal Control process. The system of Internal Control is structured to verify that financial and other documents are accurate in compiling financial reports and other data, and in maintaining transparency for individuals.

Internal Control Systems are implemented to safeguard your Company's assets from loss or damage, to keep constant

check on the cost structure, to prevent revenue leakages, to provide adequate financial and accounting controls and to implement Indian Accounting Standards (Ind AS).

### **Stakeholders Relationship:**

Stakeholders' relations have been cordial during the year. As a part of compliance, your Company has constituted Stakeholders Relationship Committee in compliance with the provisions of Section 178 of the Companies Act, 2013 and as per Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 to consider and resolve the grievances of security holders of your Company. There were no investors' grievances pending as on 31<sup>st</sup> March, 2020. A confirmation to this effect has been received from KFin Technologies Private Limited, Registrar and Share Transfer Agent of your Company.

### **Enhancing Shareholders Value:**

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

### **Participation in the Green Initiative:**

Your Company continues to wholeheartedly participate in the Green Initiative undertaken by the Ministry of Corporate Affairs (MCA) for correspondences by Corporate to its Members through electronic mode. All the Members are requested to join the said program by sending their preferred e-mail addresses to their Depository Participant.

In commitment to keep in line with the Green Initiative and going beyond it to create new green initiatives, electronic copy of the Annual Report along with Notice of 13<sup>th</sup> Annual General Meeting of your Company will be sent to all Members whose email addresses are registered with your Company/ Depository Participant(s). For members who have not registered their e-mail addresses, are requested to register the same with their respective Depository Participants. This year physical copies of Annual Report 2019-20 will not be sent to any of the member.

### **Employee Stock Option Scheme (ESOP):**

For the current financial year 2019-20, your Company do not have any open Employee Stock Option Scheme (ESOP) nor granted any fresh stock option to its employees.

### **Consolidated Financial Statements:**

Your Directors are pleased to enclose the Consolidated Financial Statements pursuant to Section 129(3) and all other applicable provisions of the Companies Act, 2013 and as per Regulation 33(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and prepared in accordance with the Indian Accounting Standards (Ind AS) – 110 and all other applicable Indian Accounting Standards (Ind AS) prescribed by the Institute of Chartered Accountants of India, in this regard.

### **Investor Education and Protection Fund (IEPF)**

In accordance with the applicable provisions of Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), all unclaimed dividends are required to be transferred by your Company to the IEPF, after completion of seven (7) years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority. The details relating to amount of dividend transferred to the IEPF during the FY 2019-20 and corresponding shares on which dividends were unclaimed for seven (7) consecutive years, are provided in the General Shareholders Information section of Corporate Governance report forming part of this Annual Report.

### **Disclosure on compliance with Secretarial Standards:**

Your Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India, have been complied with. Your Company has complied with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

### **Secretarial Auditor's Report:**

The Secretarial Audit was carried out by M/s. Pramod S. Shah & Associates, (PCS Registration No. 3804) for the Financial Year ended as on 31<sup>st</sup> March, 2020.

The Report given by the Secretarial Auditors is in Form 'MR – 3' annexed herewith as "**Annexure D**" and forms integral part of this Annual Report.

The Secretarial Audit Report is self-explanatory and do not call for any further comments. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

### Reporting of Fraud by Auditors:

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instances of frauds committed in your Company by its Officers or Employees to the Audit Committee and / or to the Board under Section 143(12) of the Companies Act, 2013 details of which needs to be mentioned in this Report.

### Statutory Auditors' Report:

The observations made in the Auditors' Report of M/s. S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration No.324982E / E300003), Chartered Accountants for the year ended 31<sup>st</sup> March, 2020, read together with the relevant notes thereon, are self-explanatory and hence do not call for any comment under Section 134 of the Companies Act, 2013.

The Auditors' Report to the Members does not contain any qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their Report. The Audit Report is enclosed with the financial statements forming part of this Annual Report.

### Statutory Auditors:

M/s. S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration No.324982E / E300003), were appointed as Statutory Auditors of your Company at its 11<sup>th</sup> Annual General Meeting of your Company held on 31<sup>st</sup> July, 2018, for a term of consecutive five years commencing from the conclusion of 11<sup>th</sup> Annual General Meeting of your Company upto the conclusion of 16<sup>th</sup> Annual General Meeting of your Company. However, they have resigned on 12<sup>th</sup> August, 2020 stating that "the management of the Company had proposed significant reduction in the Audit Fees (pursuant to austerity drive undertaken by the Company as a result of COVID-19) which was not commensurate with the time and efforts involved in the audit and their responsibilities as Auditors. Accordingly, they have resigned as Statutory Auditors of the Company."

M/s. S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration No.324982E / E300003), before resigning have completed audit for the quarter ended as on 30<sup>th</sup> June, 2020 and had issued Limited Review Report for unaudited Standalone and Consolidated Accounts for the June, 2020 quarter, in compliance with the SEBI Circular CIR/CFD/CMD1/114/2019 dated as on 18<sup>th</sup> October, 2019.

Your Company is in the process of evaluating few reputed Chartered Accountants firm to be appointed as Statutory Auditors of your Company to fill the casual vacancy caused by above resignation, from the date of appointment till the

conclusion of ensuing 13<sup>th</sup> Annual General Meeting of your Company as well as for the appointment for a continuous period of five years' from conclusion of 13<sup>th</sup> AGM till the conclusion of 18<sup>th</sup> AGM (i.e. from FY 2020-21 to FY 2024-25), both subject to the approval of members at the ensuing 13<sup>th</sup> Annual General Meeting of your Company.

### Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. Pramod S. Shah & Associates (PCS Registration No. 3804), a firm of Company Secretaries in Practice, Mumbai to undertake the Secretarial Audit of your Company for the year ended 31<sup>st</sup> March, 2020. The Board of Directors of your Company has appointed M/s. Pramod S. Shah & Associates, a firm of Company Secretaries in Practice, Mumbai to carry out Secretarial Audit of your Company for Financial Year 2020-21. The Secretarial Auditors have confirmed that, they are not disqualified to be appointed as the Secretarial Auditors of your Company for the year ending 31<sup>st</sup> March, 2021.

### Internal Auditors:

In compliance with the provisions of Section 138 of the Companies Act, 2013 read with rule 13 of Companies (Accounts) Rules, 2014 the Board of Directors on the recommendation of Audit Committee, the Board of Directors has appointed M/s. Deloitte Touche Tohmatsu India LLP (Firm Registration No. AAE-8458), Chartered Accountants as Internal Auditors of your Company for financial year 2020-21.

### General:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of your Company under any scheme.
- Neither the Managing Director nor the Whole-time Directors of your Company receive any remuneration or commission from any of its wholly owned subsidiaries.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

**Acknowledgement:**

Your Company has maintained healthy, cordial and harmonious industrial relations at all levels. Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment.

The Board place on record its appreciation for the support and co-operation your Company has been receiving from its investors, customers, vendors, bankers, financial institutions, business associates, Central & State Government authorities, Regulatory authorities and Stock Exchanges. Your Board looks forward for the long-term future with confidence, optimisms and full of opportunities.

**Cautionary Statement:**

Statement in the Board's Report and the Management Discussion and Analysis describing your Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence your Company's operations include global and domestic demand and supply conditions affecting selling price of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**

**Shrikant Zaveri**

Chairman & Managing Director  
(DIN: 00263725)

**Raashi Zaveri**

Whole-time Director  
(DIN: 00713688)

Date: 12<sup>th</sup> August, 2020

Place: Mumbai

**ANNEXURE - A**

**Form No. AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of Subsidiaries**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary is presented with amounts in ₹)

1. Name of the subsidiary	Tribhovandas Bhimji Zaveri (Bombay) Limited
2. Reporting period	31.03.2020 (same as of holding Company)
3. Reporting currency	INR
4. Share capital	502,000
5. Reserves & Surplus	(77,860,518)
6. Total Assets	67,887,131
7. Total Liabilities	133,784,293
8. Investments	113,456
9. Turnover	162,124,980
10. Profit / (Loss) before taxation	(24,96,043)
11. Provision for taxation	(1,462,022)
12. Profit / (Loss) after taxation	(1,034,021)
13. Proposed Dividend	NIL
14. % of shareholding	100% Shareholding

**Notes:**

1. Reporting period for the subsidiaries is same as that of the holding company i.e. 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020.
2. Names of subsidiaries which are yet to commence operations – NIL
3. Names of subsidiaries which have been liquidated or sold during the year – N.A.

Since your Company does not have any Associates or Joint Ventures, information pertaining to Part "B" to this form relating to Associates and Joint Ventures is not given.

For and on behalf of the Board of Directors of

**Tribhovandas Bhimji Zaveri Limited**

**Shrikant Zaveri**

Chairman & Managing Director  
(DIN: 00263725)

**Raashi Zaveri**

Whole-time Director  
(DIN: 00713688)

**Saurav Banerjee**

Chief Financial Officer

**Niraj Oza**

Head-Legal & Company Secretary  
(Membership No.: A20646)

Date: 12<sup>th</sup> August, 2020

Place: Mumbai

## ANNEXURE - B

## Form AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

### 1. Details of contracts or arrangements or transactions not at arm's length basis:

Tribhovandas Bhimji Zaveri Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which are not in ordinary course of business or at arm's length during the financial year 2019-20. The Company has laid down policies and processes / procedures so as to ensure compliance to the subject section in the Companies Act, 2013 and the corresponding Rules.

In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts / arrangements/transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- (f) Date(s) of approval by the Board: Not Applicable
- (g) Amount paid as advances, if any: Not Applicable
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable

### 2. Details of material contracts or arrangement or transactions at arm's length basis:

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts/arrangements/transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Date(s) of approval by the Board, if any: Not Applicable
- (f) Amount paid as advances, if any: Not Applicable

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**

**Shrikant Zaveri**  
Chairman & Managing Director  
(DIN: 00263725)

**Raashi Zaveri**  
Whole-time Director  
(DIN: 00713688)

Date: 12<sup>th</sup> August, 2020  
Place: Mumbai



# Annexure 'C' to Directors' Report

## Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2019-20

### 1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The policy on Corporate Social Responsibility (CSR) is adopted by your Company to align its philosophy to initiate measures and pursue socially useful programs with the objectives and activities of CSR envisaged and incorporated in the Companies Act, 2013 and the rules made thereunder. The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society.

Your Company's Corporate Social Responsibility Policy (CSR Policy) provides for carrying out CSR activities in the various area covered under Schedule VII of the Act, such as (a) 'Promoting Healthcare including Preventive Healthcare', which is falling under item (i) of Schedule VII of the Act; (b) 'Promoting Educational Activity including better infrastructure and amenities for the students' which is falling under item (ii) of Schedule VII of the Act and (c) 'Promoting gender equality and women's empowerment' which is falling under item (iii) of Schedule VII of the Act.

Your Company has made CSR Contribution to (1) Cancer Patient Aid Association (CPAA) of ₹ 550,000 for Promoting Healthcare including Preventive Healthcare; (2) West Wind Association of ₹ 50,000 for Promotion of Education Activities; (3) Under CSR Activity of your Company carries out CSR Activities for promoting gender equality and women's empowerment under its flagship project known as "**Pankhi Project**". Your Company has made total CSR Contribution of ₹ 4,180,400 for the financial year 2019-20 and out of which ₹ 60,000 was incurred towards administrative expenses and balance ₹ 4,120,400 made to various organisations such as: (a) Action for Self-Reliance+ Hope+ Awareness (ASHA) of ₹ 435,600 for providing family counseling ; (b) Cultural Academy for Peace (CAP) of ₹ 435,600 for providing family counseling; (c) Shanti Sahyog (SS) of ₹ 435,600 for providing family counseling; (d) Bihar Voluntary Health Association (BVHA) of ₹ 435,600 for providing family counseling; (e) Society for Participatory Integrated Development (SPID) of ₹ 435,600 for providing family counseling; (f) Mahila Dakshata Samiti (MDS) of ₹ 435,600 for providing family counseling; (g) Her Choices Trust of ₹ 435,600 for providing family counseling; (h) Baroda Citizen Council (BCC) of ₹ 435,600 for providing family counseling; (i) Ahmedabad Women's Action Group (AWAG) of ₹ 435,600 for providing family counseling; (j) Stree Mukti Sangathan (SMS) of ₹ 100,000 for providing family counseling; and (k) Bharatiya Stree Shakti (BSS) of ₹ 100,000 for providing family counseling. These NGO'S/ organization carry out projects which are largely in accordance with Schedule VII of the Companies Act, 2013.

The CSR spend may be carried out by way of donation to the corpus of the above organization or expenditure towards specific project being undertaken by any of the organization.

#### Web-link to the CSR Policy of your Company:

[https://www.tbztheoriginal.com/storage/TBZ-CSR%20Policy\(24.06.20\)Ver-2.1.pdf](https://www.tbztheoriginal.com/storage/TBZ-CSR%20Policy(24.06.20)Ver-2.1.pdf)

### 2. Composition of the CSR Committee

Mr. Shrikant Zaveri, Chairman (Chairman & Managing Director)  
Mr. Ajay Mehta, Member (Independent Director)  
Ms. Binaisha Zaveri, Member (Whole-time Director)  
Ms. Raashi Zaveri, Member (Whole-time Director)

### 3. Average net profit of the Company for last three financial years:

Average net profit: ₹ **238,820,693**

### 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

Your Company is required to spend ₹ 4,776,414 towards CSR activities.

### 5. Details of CSR spend for the financial year:

- a. Total amount spent for the financial year: ₹ **4,780,400**
- b. Amount unspent, if any: balance Amount ₹ **NIL**

**c. Manner in which the amount spent during the financial year 2019-20 is detailed below:**

Sr. No.	CSR Projects or Activities identified	Sector in which the Project is covered	Project or programs – Local area or other	Amount outlay (Budget) Project or Programs wise	Amount Spent on the project or programs Sub-heads	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency(*)
				1. Direct Expenditure on Projects or programs	2. Overheads		
			Locations District (State)	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
1	Cancer Patients Aid Association (CPAA) Providing medical and radiation treatment to poor cancer patient. {The CSR contribution made to 'Cancer Patients Aid Association' (CPAA) which is a registered charitable NGO, which is working towards the "Total Management of Cancer" as a disease. The CSR Contribution amount will be used by the CPAA for giving medical and radiation treatment to many poor cancer patients and for the cancer detection camps organized by NGO}.	Promoting Healthcare including Preventive Healthcare Clause (i)	Maharashtra (Mumbai & Pune)	5.50	5.50	5.50	5.50 Implementing Agency (1)
2	West Wind Association Promoting Educational Activities. {The CSR contribution made to West Wind Association will be used for the Promotion of Education including better infrastructure and amenities for the students}	Promoting Educational Activities including better infrastructure and amenities for the students Clause (ii)	Maharashtra (Mumbai)	0.50	0.50	0.50	0.50 Implementing Agency (2)
3	Pankhi Project towards prevention of domestic violence against women and children. TBZ driven helpline was initiated in Pankhi Project for counselling of victims of domestic violence. The activity is towards promoting gender equality and empowering women. The CSR contribution made to Mumbai-based non-profit making organization Baroda Citizen Council (BCC) for Baroda city and Ahmedabad Women's Action Group (AWAG) for Ahmedabad city. The CSR contribution will be used for protection of women under domestic violence and provide family counselling to the family of the victim.	Promoting gender equality and empowering women Clause (iii)	Maharashtra (Mumbai & Thane) Gujarat Baroda & Ahmedabad				Implementing Agency
(a)	Action for Self-Reliance+Hope+Awareness (ASHA);			4.356	4.356	4.356	4.356 (3)

Sr. No.	CSR Projects or Activities identified	Sector in which the Project is covered	Project or programs – Local area or other	Amount outlay (Budget) Project or Programs wise	Amount Spent on the project or programs Sub-heads	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency(*)
				1. Direct Expenditure on Projects or programs	2. Overheads		
			Locations District (State)	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
	(b) Cultural Academy for Peace (CAP);			4.356	4.356	4.356	4.356 (4)
	(c) Shanti Sahyog (SS);			4.356	4.356	4.356	4.356 (5)
	(d) Society for Participatory Integrated Development (SPID);			4.356	4.356	4.356	4.356 (6)
	(e) Bihar Voluntary Health Association (BVHA);			4.356	4.356	4.356	4.356 (7)
	(f) Mahila Dakshata Samiti (MDS);			4.356	4.356	4.356	4.356 (8)
	(g) Her Choices Trust (HCT);			4.356	4.356	4.356	4.356 (9)
	(h) Baroda Citizen Council (BCC);			4.356	4.356	4.356	4.356 (10)
	(i) Ahmedabad Women's Action Group (AWAG);			4.356	4.356	4.356	4.356 (11)
	(j) Stree Mukti Sangathan (SMS);			1.00	1.00	1.00	1.00 (12)
	(k) Bharatiya Stree Shakti (BSS);			1.00	1.00	1.00	1.00 (13)
	(l) Administrative Expenses/ Overheads			(2-0) 0.60	(2-0) 0.60	(2-0) 0.60	(2-0) 0.60
	<b>Total Amount</b>			<b>47.804</b>	<b>47.804</b>	<b>47.804</b>	<b>47.804</b>

(\*) Details of Implementing Agencies:

- (1) Cancer Patient Aid Association (CPAA);
- (2) West Wind Association;
- (3) Action for Self-Reliance+Hope+Awareness (ASHA);
- (4) Cultural Academy for Peace (CAP);
- (5) Shanti Sahyog (SS);
- (6) Society for Participatory Integrated Development (SPID);
- (7) Bihar Voluntary Health Association (BVHA);
- (8) Mahila Dakshata Samiti;
- (9) Her Choices Trust (HCT);
- (10) Baroda Citizen Council (BCC);
- (11) Ahmedabad Women's Action Group (AWAG);
- (12) Stree Mukti Sangathan (SMS); and
- (13) Bharatiya Stree Shakti (BSS)

During the financial year ended 31<sup>st</sup> March, 2020, your Company had spent amount in CSR activities undertaken in Mumbai, Thane and Pune in Maharashtra; and in Ahmedabad and Baroda in Gujarat where your Company's showrooms are located.

**6. In case if the Company has failed to spend the two percent of the average net profit of the last three financial years or any past thereof, the Company shall provide the reasons for not spending the amount in its Board Report**

Your Company has made required contributions in full towards CSR activities of your Company as per the requirement of Section 135 of the Companies Act, 2013 for the financial year 2019-20.

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company**

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

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

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**

**Shrikant Zaveri**

Chairman & Managing Director  
Chairman - CSR Committee  
(DIN: 00263725)

**Raashi Zaveri**

Whole-time Director  
Member - CSR Committee  
(DIN: 00713688)

Date: 12<sup>th</sup> August, 2020

Place: Mumbai

# Annexure 'D' to Directors' Report

**Form No. MR-3**

## **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Tribhovandas Bhimji Zaveri Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
- (c) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and amendments from time to time;
- (d) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

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

- (i) Secretarial Standards-1 & Secretarial Standards-2 issued by the Institute of Company Secretaries of India, and
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("SEBI LODR")

**We further report that**

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

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

During the period, all the decisions in the Board Meetings were passed with requisite majority.

We have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditor for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

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

**We further report that** during the audit period the company has not undergone any specific events/actions that may have a major impact on the Company's affairs.

**Pramod S. Shah & Associates**  
Practising Company Secretaries

**Pramod S. Shah-Partner**  
Pramod S. Shah & Associates  
FCS No.: 334  
C P No.: 3804  
UDIN.: F000334B000348605

Place: Mumbai  
Date: 17<sup>th</sup> June, 2020

# Annexure 'E' to Directors' Report

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2020

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

### Form No. MGT – 9

#### I) REGISTRATION AND OTHER DETAILS:

CIN	L27205MH2007PLC172598
Registration Date:	24 <sup>th</sup> July, 2007
Name of the Company	<b>Tribhovandas Bhimji Zaveri Limited</b>
Category / Sub-Category of the Company	Public Company / Limited by shares
Address of the Registered office and contact details	241/ 43, Zaveri Bazar, Mumbai - 400 002. Tel. No.: (022) 4046 5001 / 4925 5000 Email Add.: <a href="mailto:investors@tbzoriginal.com">investors@tbzoriginal.com</a> Website Add.: <a href="http://www.tbztheoriginal.com">www.tbztheoriginal.com</a>
Whether listed company	Yes / No
Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited Selenium Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032. Tel. No. (040) 6716 1500 Fax. No. 040-23001153 Email Add.: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> Website Add.: <a href="http://www.kfintech.com">www.kfintech.com</a> Contact Person: Mr. V. Raghunath SEBI Registration No.: INR000000221

#### II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company:

Name and Description of main products /services	NIC Code of the Product /service	% to total turnover of the company
Retail Sale of Jewellery (Retail Jewellery)	47733 – Retail Sale of jewellery and imitation jewellery	99.69%

#### III) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Name and Address of the Company	CIN / GLN	Holding/Subsidiary/ Associate	% Shares held	Applicable Section
Tribhovandas Bhimji Zaveri (Bombay) Limited 241/ 43, Zaveri Bazar, Mumbai - 400 002. Tel. No.: (022) 3956 5001 / 4046 5000 / 01 Fax No.: (022) 3956 5056	U36911MH1986PLC039643	Subsidiary	100	2(87)

**IV) SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)****i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	46,759,775	-	46,759,775	70.07	46,759,775	-	46,759,775	70.07	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	2,700,000	-	2,700,000	4.05	2,700,000	-	2,700,000	4.05	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other.....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):</b>	<b>49,459,775</b>	<b>-</b>	<b>49,459,775</b>	<b>74.12</b>	<b>49,459,775</b>	<b>-</b>	<b>49,459,775</b>	<b>74.12</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>49,459,775</b>	<b>-</b>	<b>49,459,775</b>	<b>74.12</b>	<b>49,459,775</b>	<b>-</b>	<b>49,459,775</b>	<b>74.12</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/ UTI	-	-	-	-	146,993	-	146,993	0.22	+0.22
b) Banks / FI	104,977	-	104,977	0.16	38,824	-	38,824	0.06	-0.10
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs / Foreign Portfolio Investors	359,706	-	359,706	0.54	359,706	-	359,706	0.54	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):</b>	<b>464,683</b>	<b>-</b>	<b>464,683</b>	<b>0.70</b>	<b>545,523</b>	<b>-</b>	<b>545,523</b>	<b>0.82</b>	<b>+0.12</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>	<b>4,131,425</b>	<b>-</b>	<b>4,131,425</b>	<b>6.19</b>	<b>3,273,690</b>	<b>-</b>	<b>3,273,690</b>	<b>4.91</b>	<b>-1.29</b>
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lac	7,947,411	225	7,947,636	11.91	8,219,117	225	8,219,342	12.32	+0.41
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lac	2,817,728	-	2,817,728	4.22	3,593,006	-	3,593,006	5.38	+1.16
<b>c) NBFCs Registered with RBI</b>	2,185	-	2,185	0.00	250	-	250	0.00	-
<b>d) Others (specify)</b>									
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
ii) Other Foreign Nationals	-	-	-	-	-	-	-	-	-
iii) Foreign Bodies	-	-	-	-	-	-	-	-	-
iv) NRI / OCBs	1,833,130	-	1,833,130	2.75	1,567,942	-	1,567,942	2.35	-0.4
v) Clearing Members /Clearing House	73,923	-	73,923	0.11	70909	-	70909	0.11	-
vi) Trusts	-	-	-	-	-	-	-	-	-
vii) Limited Liability Partnership	-	-	-	-	-	-	-	-	-
viii) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
ix) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
x) Unclaimed Suspense Account	135	-	135	0.00	-	-	-	-	-
xi) IEPF	-	-	-	-	183	-	183	0.00	-
<b>Sub-Total (B)(2):</b>	<b>16,805,937</b>	<b>225</b>	<b>16,806,162</b>	<b>25.18</b>	<b>16,725,097</b>	<b>225</b>	<b>16,725,322</b>	<b>25.06</b>	<b>-0.12</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>17,270,620</b>	<b>225</b>	<b>17,270,845</b>	<b>25.88</b>	<b>17,270,620</b>	<b>225</b>	<b>17,270,845</b>	<b>25.88</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>66,730,395</b>	<b>225</b>	<b>66,730,620</b>	<b>100</b>	<b>66,730,395</b>	<b>225</b>	<b>66,730,620</b>	<b>100</b>	<b>0</b>

## ii) Shareholding of Promoters:

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
Shrikant Gopaldas Zaveri	33,402,275	50.06	-	33,402,275	50.06	-	-
Binaisha Shrikant Zaveri	5,285,000	7.92	-	5,285,000	7.92	-	-
Raashi Shrikant Zaveri	4,572,500	6.85	-	4,572,500	6.85	-	-
Bindu Shrikant Zaveri	3,500,000	5.24	-	3,500,000	5.24	-	-
Tribhovandas Bhimji Zaveri (TBZ) Private Limited	1,350,000	2.03	-	1,350,000	2.03	-	-
Tribhovandas Bhimji Zaveri Jewellers (Mumbai) Private Limited	1,350,000	2.02	-	1,350,000	2.02	-	-
<b>Total</b>	<b>49,459,775</b>	<b>74.12</b>	<b>-</b>	<b>49,459,775</b>	<b>74.12</b>	<b>-</b>	<b>-</b>

## iii) Change in Promoters' Shareholding:

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>At the beginning of the year</b>	<b>49,459,775</b>	<b>74.12</b>	<b>49,459,775</b>	<b>74.12</b>
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	There is no change in Promoter shareholding during the year.			
<b>At the end of the year</b>	<b>49,459,775</b>	<b>74.12</b>	<b>49,459,775</b>	<b>74.12</b>

## iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

(For details of transactions during the year refer 'Annexure - I')

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Optimum Securities Private Limited	800,000	1.20	1,300,000	1.95
2	Vijaykumar Patel	688,901	1.03	688,901	1.03
3	Kutir Properties LLP	500,000	0.75	NIL	NIL
4	Hela Holdings Pvt Ltd	450,000	0.67	505,500	0.76
5	Vespera Fund Limited	359,706	0.54	359,706	0.54
6	FE Securities Pvt. Ltd.	370,000	0.55	400,000	0.60
7	Arcadia Share & Stock Brokers Pvt. Ltd.	261,394	0.39	665	0.00
8	Tradelink Exim India Pvt Ltd	208,010	0.31	144,000	0.22
9	Bhikhu Chotabhai Patel	206,813	0.31	206,813	0.31
10	Perfect Homfin Pvt Ltd.	172,004	0.26	10,000	0.01
11	Ghanshyam Das Mundra	118,536	0.18	215,371	0.32
12	Satish Khurana	140,000	0.21	183,000	0.27
13	Shepherd's Hill Private Investment Fund	NIL	NIL	146,993	0.22

**“Annexure – I” Details of transactions of Top Ten Shareholders during the financial year:**

**iv). Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)	Shareholding at the beginning of the year (01.04.19)/ end of the year (31.03.20)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.19 to 31.03.20)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Optimum Securities Private Limited	800,000	1.20	01/04/2019			800,000	1.20
				31/05/2019	500,000	Transfer	1,300,000	1.95
		1,300,000	1.95	31/03/2020				
2	Vijaykumar Patel	688,901	1.03	01/04/2019			688,901	1.03
		688,901	1.03	31/03/2020				
3	Kutir Properties LLP	500,000	0.75	01/04/2019				
				31/05/2019	(500,000)	Transfer	0	0.00
		0	0.00	31/03/2020				
4	Hela Holdings Pvt Ltd	450,000	0.67	01/04/2019				
				23/08/2019	50,500	Transfer	500,500	0.75
				30/08/2019	5,000	Transfer	505,500	0.76
		505,500	0.76	31/03/2020				
5	Vespera Fund Limited	359,706	0.54	01/04/2019			359,706	0.54
		359,706	0.54	31/03/2020				
6	FE Securities Pvt. Ltd.	370,000	0.47	01/04/2019			370,000	0.55
				12/04/2019	(70,000)	Transfer	300,000	0.45
				19/04/2019	(50,000)	Transfer	250,000	0.37
				14/06/2019	50,000	Transfer	300,000	0.45
				20/09/2019	(50,000)	Transfer	250,000	0.37
				29/11/2019	35,000	Transfer	285,000	0.43
				06/12/2019	20,000	Transfer	305,000	0.46
				13/12/2019	20,000	Transfer	325,000	0.49
				10/01/2020	10,000	Transfer	335,000	0.50
				07/02/2020	47,000	Transfer	382,000	0.57
				14/02/2020	18,000	Transfer	400,000	0.60
		31/03/2020	400,000					
7	Arcadia Share & Stock Brokers Pvt. Ltd.	261,394	0.39	01/04/2019			261,394	0.39
				05/04/2019	(140)	Transfer	261,254	0.39
				12/04/2019	(100)	Transfer	261,154	0.39
				26/04/2019	70	Transfer	261,224	0.39
				26/04/2019	(3,050)	Transfer	258,174	0.39
				03/05/2019	3,000	Transfer	261,174	0.39
				17/05/2019	150	Transfer	261,324	0.39
				24/05/2019	(70)	Transfer	261,254	0.39
				31/05/2019	750	Transfer	262,004	0.39
				07/06/2019	500	Transfer	262,504	0.39
				07/06/2019	(500)	Transfer	262,004	0.39
				14/06/2019	(139,492)	Transfer	122,512	0.18
		21/06/2019	(119,459)	Transfer	3,053	0.00		

Sl. No.	For Each of the Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)	Shareholding at the beginning of the year (01.04.19)/ end of the year (31.03.20)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.19 to 31.03.20)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
				28/06/2019	50	Transfer	3,103	0.00
				05/07/2019	(2,583)	Transfer	520	0.00
				09/08/2019	(520)	Transfer	0	0.00
				30/08/2019	500	Transfer	500	0.00
				06/09/2019	346	Transfer	846	0.00
				06/09/2019	(276)	Transfer	570	0.00
				13/09/2019	(500)	Transfer	70	0.00
				27/09/2019	15	Transfer	85	0.00
				04/10/2019	120	Transfer	205	0.00
				25/10/2019	205	Transfer	410	0.00
				25/10/2019	(205)	Transfer	205	0.00
				01/11/2019	502	Transfer	707	0.00
				29/11/2019	2	Transfer	709	0.00
				29/11/2019	(2)	Transfer	707	0.00
				06/12/2019	(2)	Transfer	705	0.00
				13/12/2019	500	Transfer	1,205	0.00
				20/12/2019	(500)	Transfer	705	0.00
				31/12/2019	28	Transfer	733	0.00
				31/12/2019	(48)	Transfer	685	0.00
				03/01/2020	(20)	Transfer	665	0.00
				17/01/2020	100	Transfer	765	0.00
				31/01/2020	(100)	Transfer	665	0.00
		665	0.00	31/03/2020				
8	Tradelink Exim India Pvt Ltd	208,010	0.31	01/04/2019				
				08/11/2019	(49,632)	Transfer	158,378	0.24
				15/11/2019	(14,378)	Transfer	144,000	0.22
		144,000	0.22	31/03/2020				
9	Bhikhu Chotabhai Patel	206,813	0.31	01/04/2019			206,813	0.31
		206,813	0.31	31/03/2020				
10	Perfect Homfin Pvt. Ltd.	172,004	0.26	01/04/2019			172,004	0.26
				05/04/2019	(5,000)	Transfer	167,004	0.25
				12/04/2019	(10,000)	Transfer	157,004	0.24
				19/04/2019	(25,000)	Transfer	132,004	0.20
				26/04/2019	(36,001)	Transfer	96,003	0.14
				03/05/2019	(90,300)	Transfer	5,703	0.01
				17/05/2019	(5,703)	Transfer	0	0.00
				13/12/2019	15,000	Transfer	15,000	0.02
				17/01/2020	15,000	Transfer	30,000	0.04
				24/01/2020	10,000	Transfer	40,000	0.06
				14/02/2020	(5,000)	Transfer	35,000	0.05
				21/02/2020	(25,000)	Transfer	10,000	0.01
		10,000	0.01	31/03/2020				

Sl. No.	For Each of the Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)	Shareholding at the beginning of the year (01.04.19)/ end of the year (31.03.20)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.19 to 31.03.20)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
11	Ghanshyam Das Mundra	118,536	0.18	01/04/2019			118,536	0.18
				19/04/2019	39,033	Transfer	157,569	0.24
				26/04/2019	30,138	Transfer	187,707	0.28
				03/05/2019	19,936	Transfer	207,643	0.31
				17/05/2019	7,728	Transfer	215,371	0.32
				215,371	0.32	31/03/2020		
12	Satish Khurana	140,000	0.21	01/04/2019			140,000	0.21
				21/06/2019	2,000	Transfer	142,000	0.21
				02/08/2019	27,999	Transfer	169,999	0.25
				09/08/2019	1	Transfer	170,000	0.25
				20/12/2019	(40,000)	Transfer	130,000	0.19
				13/03/2020	30,000	Transfer	160,000	0.24
				13/03/2020	23,000	Transfer	183,000	0.27
		183,000	0.27	31/03/2020				
13	Shepherd's Hill Private Investment Fund	0	0.00	01/04/2019			0	0.00
				26/04/2019	146,993	Transfer	146,993	0.22
				146,993	0.22	31/03/2020		

**v) Shareholding of Directors and Key Managerial Personnel (KMP):**

Sl. No.	For Each of the Directors and KMP	Name of the Directors			
		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Mr. Shrikant Zaveri, Chairman &amp; Managing Director</b>				
	At the beginning of the year	33,402,275	50.06	33,402,275	50.06
	Date wise Increase/ Decrease in Share Holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	There is no increase or decrease in shareholding during the year.			
	At the end of the year	33,402,275	50.06	33,402,275	50.06
<b>2.</b>	<b>Ms. Binaisha Zaveri, Whole-time Director</b>				
	At the beginning of the year	5,285,000	7.92	5,285,000	7.92
	Date wise Increase/ Decrease in Share Holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	There is no increase or decrease in shareholding during the year.			
	At the end of the year	5,285,000	7.92	5,285,000	7.92
<b>3.</b>	<b>Ms. Raashi Zaveri, Whole-time Director</b>				
	At the beginning of the year	4,572,500	6.85	4,572,500	6.85
	Date wise Increase/ Decrease in Share Holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	There is no increase or decrease in shareholding during the year.			
	At the end of the year	4,572,500	6.85	4,572,500	6.85

Sl. No.	For Each of the Directors and KMP	Name of the Directors			
		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>4.</b>	<b>Mr. Kamlesh Vikamsey, Independent Director</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Share Holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	There is no increase or decrease in shareholding during the year.			
	At the end of the year	NIL	NIL	NIL	NIL
<b>5.</b>	<b>Mr. Ajay Mehta, Independent Director</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Share Holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	There is no increase or decrease in shareholding during the year.			
	At the end of the year	NIL	NIL	NIL	NIL
<b>6.</b>	<b>Mr. Sanjay Asher, Independent Director</b>				
	At the beginning of the year	6,300	0.009	6,300	0.009
	Date wise Increase/ Decrease in Share Holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	There is no increase or decrease in shareholding during the year.			
	At the end of the year	6,300	0.009	6,300	0.009

Sl. No.	For Each of the Directors and KMP	Name of the Key Managerial Personnel (KMP)			
		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Mr. Saurav Banerjee, Chief Financial Officer</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Share Holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	There is no increase or decrease in shareholding during the year.			
	At the end of the year	NIL	NIL	NIL	NIL
<b>2.</b>	<b>Mr. Niraj Oza, Head Legal &amp; Company Secretary</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Share Holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	There is no increase or decrease in shareholding during the year.			
	At the end of the year	NIL	NIL	NIL	NIL

## V) INDEBTEDNESS

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

(₹ In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	60,550.16	-	-	60,550.16
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	49.23	-	-	49.23
<b>Total (i+ii+iii)</b>	<b>60,599.39</b>	<b>-</b>	<b>-</b>	<b>60,599.39</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	-	-	-	-
- Reduction	(5,655.45)	-	-	(5,655.45)
<b>Net Change</b>	<b>(5,655.45)</b>	<b>-</b>	<b>-</b>	<b>(5,655.45)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	54,852.04	-	-	5,4852.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	91.90	-	-	91.90
<b>Total (i+ii+iii)</b>	<b>54,943.94</b>	<b>-</b>	<b>-</b>	<b>54,943.94</b>

## VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Lacs)

Sl. no.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount (₹ in Lacs)
		Mr. Shrikant Zaveri, Chairman & Managing Director	Ms. Binaisha Zaveri, Whole-time Director	Ms. Raashi Zaveri, Whole-time Director	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (Minimum Remuneration)	240	240	240	720
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- Others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>240</b>	<b>240</b>	<b>240</b>	<b>720</b>
	Ceiling as per the Act (Minimum Remuneration) (*)	726	373.248	373.248	1,472.496

(\*) The remuneration payable to Mr. Srikant Zaveri, Ms. Binaisha Zaveri, Ms. Rashi Zaveri has been approved by the Shareholders of the Company in the 11<sup>th</sup> Annual General Meeting of the Company held on 31<sup>st</sup> July, 2018.

As per MCA amendment dated 12<sup>th</sup> September, 2018, the maximum limit specified under schedule V of the Companies Act, 2013 has been withdrawn and the Company may pay any amount to the directors within the maximum amount approved by the shareholder in the Annual General Meeting.

**B. Remuneration to other directors (Independent Directors):**

(₹ In Lacs)

Particulars of Remuneration	Name of Directors			Total Amount (₹ in Lacs)
	Kamlesh Vikamsey	Ajay Mehta	Sanjay Asher	
- Fee for attending Board / Committee Meetings	1.80	2.70	1.20	5.70
• Commission	6.00	6.00	6.00	18.00
• Others, please specify	-	-	-	-
<b>Total</b>	<b>7.80</b>	<b>8.70</b>	<b>7.20</b>	<b>23.70</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

(₹ In Lacs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total (₹ in Lacs)
		Mr. Saurav Banerjee Chief Financial Officer	Mr. Niraj Oza, Head Legal & Company Secretary	
1.	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	102.44	34.70	137.14
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
-	as % of profit	-	-	-
-	Others, specify...	-	-	-
5.	Others, please specify	-	-	-
	<b>Total (C)</b>	<b>102.44</b>	<b>34.70</b>	<b>137.14</b>

**VII) PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					None
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					None
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					None
Compounding					

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**

**Shrikant Zaveri**  
Chairman & Managing Director  
(DIN: 00263725)

**Raashi Zaveri**  
Whole-time Director  
(DIN: 00713688)

Date: 12<sup>th</sup> August, 2020

Place: Mumbai



# Annexure 'F' to Directors' Report

## **Nomination, Remuneration and Evaluation Policy**

In terms of provision of Section 178 of the Companies Act, 2013 (hereinafter referred to as the 'Act'), Rules made thereunder and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations') (as amended from time to time), this Nomination, Remuneration and Evaluation Policy' (hereinafter referred to as the "Policy") of Tribhovandas Bhimji Zaveri Limited has been formulated.

At Tribhovandas Bhimji Zaveri Limited, we consider human resources as one of our key invaluable asset and strive to reach goals of organization by excellence by nurturing and leveraging vast potential of our employees. We believe that organizational development and employee development are inseparably linked. Our objective to align and harmonize employee development and employee aspirations with the organization goals, values and strategies.

This Nomination, Remuneration and Evaluation Policy (the "Policy") applies to the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel of Tribhovandas Bhimji Zaveri Limited.

### **1. DEFINITIONS**

- 1.1. "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 1.2. "Company" means Tribhovandas Bhimji Zaveri Limited.
- 1.3. "Board" means the Board of Directors of Tribhovandas Bhimji Zaveri Limited.
- 1.4. "Directors" mean a person appointed as such and who is a member of 'the Board of Directors' of the Company.
- 1.5. "Key Managerial Personnel (KMP)" in relation to the Company, means the Company's employee designated as:
  - (i) Managing Director (MD) or Chief Executive Officer or the Manager;
  - (ii) Whole-time Director (WTD);
  - (iii) Chief Financial Officer (CFO);
  - (iv) Company Secretary (CS);
  - (v) Such other officers as may be prescribed from time to time.
- 1.6. "Nomination and Remuneration Committee (NRC)" mean the Committee constituted / re-constituted by

the Board of Directors of the Company in accordance with Section 178 of the Companies Act, 2013 and read with Regulation 19 of the Listing Regulations (as amended from time to time).

- 1.7. "Senior Management Personnel" shall mean the members of the Executive Leadership team of the Company and shall include the Chief Financial Officer (CFO) and the Company Secretary (CS) of the Company, if not forming part of Executive Leadership Team.

Unless the context otherwise requires, the words and expression used in this Policy are not defined herein but defined in the Companies Act, 2013 and Listing Regulations (as amended from time to time) shall have the meaning respectively assigned to them therein.

### **2. OBJECTIVES AND PURPOSE OF THIS POLICY**

The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors, Senior Management and Key Managerial Personnel (KMP) of the Company. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Senior Management and Key Managerial Personnel (KMP).

The Key Objectives of the Committee would be:

- 2.1. To formulate criteria and advise the Board in the matters of determining qualifications, competencies, positive attributes and independence of Directors and policies relating to their appointment and removal;
- 2.2. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- 2.3. To review corporate goals and objectives, to set norms of performance evaluation and to lay out remuneration principles for Director, KMP and Senior Management linked to their efforts, performance and contribution towards achievement of organization goals;
- 2.4. To evaluate performance and give recommendations to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- 2.5. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations;

- 2.6. To review and recommend to the Board measures to retain, motivate and promote talent including KMP and Senior Management personnel with a view to retain and ensure long term sustainability of talented managerial persons and create competitiveness of the organization;
- 2.7. To devise a policy on Board diversity;
- 2.8. To develop a succession plan for the Board and to regularly review the plan.

In addition to above, the NRC may take up any other matters related to talent management in general upon advice of the Board.

### 3. ROLE OF COMMITTEE

- 3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee:

#### The Committee shall:

- 3.1.1 formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the board of directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees;
- 3.1.2 formulation of criteria for evaluation of performance of independent directors and the board of directors;
- 3.1.3 devising a policy on diversity of board of directors;
- 3.1.4 identify persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down in this policy, and recommend to the board of directors their appointment and removal;
- 3.1.5 whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- 3.1.6 recommend to the board, all remuneration, in whatever form, payable to senior management.

- 3.2. Policy for appointment and removal of Director, Key Managerial Personnel (KMP) and Senior Management:

#### 3.2.1 Appointment criteria and qualifications:

- (a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.

- (b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- (c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a Special Resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

#### 3.2.2. Term / Tenure:

- a) Managing Director / Whole-time Director:  
The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) Independent Director:
  - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's Report.
  - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
  - At the time of appointment of Independent Director, it should be ensured that number of Boards on

which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

### 3.2.3. Evaluation:

The Committee shall carry out evaluation of performance of every Director, Key Managerial Personnel (KMP) and Senior Management Personnel at regular interval (yearly).

### 3.2.4. Removal:

Due to reasons of any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, Key Managerial Personnel (KMP) or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules and Regulations.

### 3.2.5. Retirement:

The Director, Key Managerial Personnel (KMP) and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, Key Managerial Personnel (KMP) and Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 3.3. Policy relating to the Remuneration for the Whole-time Director, Key Managerial Personnel (KMP) and Senior Management Personnel

### 3.3.1. General:

(a) The remuneration / compensation / commission etc. to the Whole-time Director, Key Managerial Personnel (KMP) and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. of the Directors shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

- (b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company, if any, and as per the provisions of the Act and the Rules framed thereunder.
- (c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- (d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary, Senior Management Personnel and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### 3.3.2. Remuneration to Whole-time / Executive / Managing Director, Key Managerial Personnel (KMP) and Senior Management Personnel:

#### (a) Fixed pay:

The Whole-time Director/ Key Managerial Personnel (KMP) and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakups of the pay scale as per the HR Policy of the Company and shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government (in case of Whole-time Directors), wherever required.

#### (b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V and all other applicable provisions of the Act and if it is not able to comply with such provisions,

with the previous approval of the Central Government, if required, and provisions as amended from time to time.

(c) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3.3.3. Remuneration to Non-Executive / Independent Director:

(a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company, if any, and the Act and as approved by the Shareholders.

(b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Act / Central Government from time to time.

(c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

(d) Stock Options:

An Independent Director shall not be entitled to any Stock Option of the Company.

#### 4. MEMBERSHIP & QUORUM

- 4.1 the committee shall comprise of at least three (3) directors;
- 4.2 all the directors of the committee shall be non-executive directors;

4.3 at least fifty percent of the directors shall be independent directors.

4.4 the Chairperson of the nomination and remuneration committee shall be an independent director;

4.5 the quorum for a meeting of the nomination and remuneration committee shall be either two (2) members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance;

4.6 membership of the committee shall be disclosed in the Annual Report.

4.7 term of the committee shall be continued unless terminated by the Board of Directors.

#### 5. CHAIRPERSON

5.1 Chairperson of the Committee shall be an Independent Director.

5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

5.4 Chairman of the Nomination and Remuneration Committee meeting may be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### 6. FREQUENCY OF MEETINGS

The nomination and remuneration committee shall meet at least once in a year. The meeting of the committee shall be held at such regular intervals as may be required subject to at least one meeting in a year.

#### 7. COMMITTEE MEMBERS' INTERESTS

7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### 8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

#### 9. VOTING

9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of

Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

- 9.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## **10. DUTIES OF COMMITTEE IN RELATION TO NOMINATION (NOMINATION DUTIES)**

The duties of the Committee in relation to nomination matters include:

- 10.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- 10.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- 10.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.
- 10.4 Determining the appropriate size, diversity and composition of the Board;
- 10.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 10.6 Developing a succession plan for the Board, Key Managerial Personnel (KMP) and Senior Management and regularly reviewing the plan;
- 10.7 Evaluating the performance of the Board members, Key Managerial Personnel (KMP) and Senior Management in the context of the Company's performance from business and compliance perspective;
- 10.8 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- 10.9 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.10 Recommend any necessary changes to the Board; and
- 10.11 Considering any other matter, as decided by the Board.

## **11. DUTIES OF COMMITTEE IN RELATION TO REMUNERATION (REMUNERATION DUTIES)**

The duties of the Committee in relation to remuneration matters include:

- 11.1 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient

to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

- 11.2 To approve the remuneration of the Senior Management including Key Managerial Personnel (KMP) of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- 11.3 To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 11.4 To consider any other matter as decided by the Board.
- 11.5 Professional indemnity and liability insurance for Directors, Key Managerial Personnel (KMP) and Senior Management.
12. Evaluation / Assessment of Directors, Key Managerial Personnel (KMP) and Senior Management of the Company

The evaluation / assessment of the Directors, Key Managerial Personnel (KMP) and the Senior Management of the Company are to be conducted on an annual basis and to satisfy the requirements of the Listing Agreement.

The following criteria may assist in determining how effective the performances of the Directors/KMPs/ Senior Management have been:

- 12.1 Leadership & stewardship abilities.
- 12.2 Contributing to clearly define corporate objectives & plans.
- 12.3 Communication of expectations & concerns clearly with subordinates.
- 12.4 Obtain adequate, relevant & timely information from external sources.
- 12.5 Review & approval achievement of strategic and operational plans, objectives, budgets.
- 12.6 Regular monitoring of corporate results against projections.
- 12.7 Identify, monitor & mitigate significant corporate risks.
- 12.8 Assess policies, structures & procedures.
- 12.9 Direct, monitor & evaluate KMPs, Senior Management.
- 12.10 Review management's succession plan.
- 12.11 Effective meetings.
- 12.12 Assuring appropriate board size, composition, independence, structure.

12.13 Clearly defining roles & monitoring activities of committees.

12.14 Review of corporation's ethical conduct.

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/ assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

### 13. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

### 14. POLICY REVIEW AND AMENDMENTS

In case of subsequent changes / amendment / modification in the provisions of the Companies Act, 2013 or any other regulation which make provisions in the Policy inconsistent with the Act or Regulations, then the provisions of the Act or Regulations would prevail over the Policy and provisions in the Policy would be modified in due course to make it consistent with the changes in law.

14.1 Statutory updates:

This Policy shall be considered as updated automatically, without any formal approval, to the extent it needs to be aligned with any change in law. An update thereon would be reported to NRC and Board of Directors.

14.2 Other updates:

All major procedural updates, shall be effective only, if those are carried out after the review and approval of the Board of Directors through the Nomination and Remuneration Committee.

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**

**Shrikant Zaveri**

Chairman & Managing Director  
(DIN: 00263725)

**Raashi Zaveri**

Whole-time Director  
(DIN: 00713688)

Date: 12<sup>th</sup> August, 2020

Place: Mumbai

## “Annexure – G” to Directors’ Report

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2019–20:

- (i) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2019–20, ratio of the remuneration of each Director to the median remuneration of the employees of your Company for the financial year 2019–20 are as under:

Sr. No.	Name of Director / KMP and Designation	Remuneration of Directors/ KMP for Financial Year 2019-20 (₹ in Lacs)	% Increase/ (Decrease) in Remuneration in the Financial Year 2019-20	Ratio of Remuneration of each Director/ to median remuneration of employee
1	Mr. Shrikant Zaveri Executive Chairman & Managing Director	240.00	Nil	75.73
2	Ms. Binaisha Zaveri Whole-time Director	240.00	Nil	75.73
3	Ms. Raashi Zaveri Whole-time Director	240.00	Nil	75.73
4	Mr. Kamlesh Vikamsey Independent Director	7.80	-14.29%	2.46
5	Mr. Ajay Mehta Independent Director	8.70	-15.53%	2.75
6	Mr. Sanjay Asher Independent Director	7.20	-17.24%	2.27
7	Mr. Saurav Banerjee Chief Financial Officer	102.44	6.00%	Not Applicable
8	Mr. Niraj Oza Head - Legal & Company Secretary	34.70	5.79%	Not Applicable

Remuneration for the Executive Directors and Key Managerial Personnel (KMP) in the table above is based on Cost to Company (CTC).

- (ii) In the financial year, there was an increase of 0.43% in the median remuneration of employees.
- (iii) There were 1,173 permanent employees on the rolls of your Company as on 31<sup>st</sup> March, 2020.
- (iv) Average percentage increased made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019–20 was 5.63% whereas increase in the managerial remuneration for the same financial year was NIL. The managerial remuneration during the year 2019-20 was paid as per revised Schedule V of the Companies Act.
- (v) The key parameters for the variable component of remuneration availed in the form of Commission by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees. (For the financial year 2019–20, none of the Executive Directors received any Commission).
- (vi) The ratio of remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- (vii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**

**Shrikant Zaveri**  
Chairman & Managing Director  
(DIN: 00263725)

**Raashi Zaveri**  
Whole-time Director  
(DIN: 00713688)

Date: 12<sup>th</sup> August, 2020

Place: Mumbai

## “Annexure – H” to Directors’ Report

Statement of Particulars of employees pursuant to provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2019-20

(A) Name of Top Ten (10) employees in terms of remuneration drawn, employed throughout the Financial Year 2019–20 whose remuneration was falling under remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Name of Employee	Age (Years)	Date of commencement of employment	Gross Remuneration Received (in ₹)	Designation & (Nature of Employment)	Educational Qualification	Experience in Years	Previous Employment	% of Equity Shares Held
1	Shrikant Zaveri	60	24.07.2007	24,000,000	Executive Chairman & Managing Director (Permanent)	Matriculation	38	Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (joined in 1991)	50.06
2	Binaisha Zaveri	37	24.07.2007	24,000,000	Whole-time Director (Permanent)	Bachelor’s degree in Marketing and Finance from Stern School of Business, New York	16	Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (Joined w.e.f. 01.01.2004)	7.92
3	Raashi Zaveri	33	01.07.2008	24,000,000	Whole-time Director (Permanent)	Bachelor’s degree in Finance and Entrepreneurship from Kelly school of Business, Indiana University and is a graduate Gemologist from Gemological Institute of America	12	Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri	6.85
4	Monica Bhandari	46	18.08.2016	11,471,062	Chief Human Resource Officer (Permanent)	B. Com, PG in Business Management	25	Worked as CHRO with House of Anita Dongre Limited	NIL
5	Saurav Banerjee	54	17.02.2014	10,244,044	Chief Financial Officer (Permanent)	B. Com (Hons), CA	30	Worked as CFO in Rosy Blue India Pvt. Ltd.	NIL
6	Rajeev Sagar	42	24.07.2007	10,762,336	Head - Gold Operations (Permanent)	B. Com	20	Worked as employee in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (Joined w.e.f. 01.09.2000)	0.04



Sr. No.	Name of Employee	Age (Years)	Date of commencement of employment	Gross Remuneration Received (in ₹)	Designation & (Nature of Employment)	Educational Qualification	Experience in Years	Previous Employment	% of Equity Shares Held
7	Mayur Choksi	51	01.10.2011	10,762,336	Head – Diamond Operation (Permanent)	Matriculation	31	Worked as employee in Tribhovandas Bhimji Zaveri (Bombay) Limited (Joined w.e.f. 01.04.1997)	0.04
8	Sunil Gujarathi	56	05.04.2011	7,082,725	Head – MIS & Treasury (Permanent)	ICWA & M.Com., B.Com.	25	Worked as DGM in VIP Industries Ltd.	NIL
9	Mehul Shah	49	01.02.2016	7,428,508	Head – Financial Accounting and Audit (Permanent)	CA, MBA, IFRS & M.Com., B.Com.	23	Worked as Head Corp. Finance (EVP) in Zee Entertainment Ent. Ltd.	NIL
10	Abhishek Maloo	44	28.04.2017	5,931,255	Head – Advertising & Marketing (Permanent)	Masters in Advertising & communication from SIBM, Executive Programme on integrated Mktg. Comm. from Indian School of Business	20	Worked with M/s Talentedge, as AVP - Marketing	NIL

**(B)** Name of employees employed throughout the Financial Year 2019–20 whose remuneration was falling under remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Name of Employee	Age (Years)	Date of commencement of employment	Gross Remuneration Received (in ₹)	Designation & (Nature of Employment)	Educational Qualification	Experience in Years	Previous Employment	% of Equity Shares Held
1	Shrikant Zaveri	60	24.07.2007	24,000,000	Executive Chairman & Managing Director (Permanent)	Matriculation	38	Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (joined in 1991)	50.06
2	Binaisha Zaveri	37	24.07.2007	24,000,000	Whole-time Director (Permanent)	Bachelor's degree in Marketing and Finance from Stern School of Business, New York	16	Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (Joined w.e.f. 01.01.2004)	7.92
3	Raashi Zaveri	33	01.07.2008	24,000,000	Whole-time Director (Permanent)	Bachelor's degree in Finance and Entrepreneurship from Kelly school of Business, Indiana University and is a graduate Gemologist from Gemological Institute of America	12	Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri	6.85

Sr. No.	Name of Employee	Age (Years)	Date of commencement of employment	Gross Remuneration Received (in ₹)	Designation & (Nature of Employment)	Educational Qualification	Experience in Years	Previous Employment	% of Equity Shares Held
4	Monica Bhandari	46	18.08.2016	11,471,062	Chief Human Resource Officer (Permanent)	B. Com, PG in Business Management	25	Worked as CHRO with House of Anita Dongre Limited	NIL
5	Saurav Banerjee	54	17.02.2014	10,244,044	Chief Financial Officer (Permanent)	B. Com (Hons), CA	30	Worked as CFO in Rosy Blue India Pvt. Ltd.	NIL
6	Rajeev Sagar	42	24.07.2007	10,762,336	Head - Gold Operations (Permanent)	B. Com	20	Worked as employee in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (Joined w.e.f. 01.09.2000)	0.04
7	Mayur Choksi	51	01.10.2011	10,762,336	Head – Diamond Operation (Permanent)	Matriculation	31	Worked as employee in Tribhovandas Bhimji Zaveri (Bombay) Limited (Joined w.e.f. 01.04.1997)	0.04

(C) Details of employee was employed for part of the Financial Year 2019–20 whose remuneration was falling under remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Name of Employee	Age (Years)	Date of commencement of employment	Gross Remuneration Received (in ₹)	Designation & (Nature of Employment)	Educational Qualification	Experience in Years	Previous Employment	% of Equity Shares Held
	NIL	NA	NA	NA	NA	NA	NA	NA	NA

(D) Details of employee who was employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company:

Sr. No.	Name of Employee	Age (Years)	Date of commencement of employment	Gross Remuneration Received (in ₹)	Designation & (Nature of Employment)	Educational Qualification	Experience in Years	Previous Employment	% of Equity Shares Held
	NIL	NA	NA	NA	NA	NA	NA	NA	NA

#### Notes:

- Gross Remuneration shown above is subject to tax.
- Remuneration includes:  
For Chairman & Managing Director and Whole-time Directors – Remuneration in form of Minimum Remuneration.  
For Chief Financial Officer - basic salary, perquisites, bonus, other allowances, variable pay, etc.  
For others – basic salary, perquisites, bonus, other allowances, variable pay, leave encashment, etc.
- In addition to the above remuneration the employees are entitled to Gratuity in accordance with your Company's rules.
- The nature of employment is contractual for all the employees.
- The date of commencement of employment have shown as 24<sup>th</sup> July, 2007, i.e. date of conversion of partnership firm into private limited company, even though the Directors/ Employee(s) who were with Company at the time of partnership firm.

6. Designation denotes the nature of duties also.
7. For Executive Director(s) the nature of Employment and terms and conditions are governed by the Board and Members Resolution.
8. Experience includes number of years of service elsewhere, wherever applicable.
9. Mr. Shrikant Zaveri, Chairman & Managing Director of your Company and Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors of your Company, being father and daughters respectively, are related to each other. Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors of your Company, being sisters are related to each other. None of the other employees is relative in the terms of provision of Section 2(77) of the Companies Act, 2013 of any Director of your Company.

For and on behalf of the Board of Directors of

**Tribhovandas Bhimji Zaveri Limited**

**Shrikant Zaveri**

Chairman & Managing Director  
(DIN: 00263725)

**Raashi Zaveri**

Whole-time Director  
(DIN: 00713688)

Date: 12<sup>th</sup> August, 2020

Place: Mumbai

# Report on Corporate Governance

The Directors present your Company's Report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2020 as stipulated in Para C of Schedule V and all other applicable Regulation(s) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure requirements of which are given below:

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is the application of best management practices, compliance of laws and adherence to ethical standards to achieve your Company's objective of enhancing stakeholder value and discharge of social responsibility. The Corporate Governance framework includes corporate structures, culture, policies and the manner in which the corporate entity deals with various stakeholders, with transparency being the key word. Accordingly, timely, adequate and accurate disclosure of information on the performance and ownership forms the cornerstone of Corporate Governance. It is a journey for constantly improving sustainable value creation and an upward moving target.

At Tribhovandas Bhimji Zaveri Limited (TBZ), Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximising stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all.

Your Company believes that good Corporate Governance is essential in achieving long-term corporate goals, enhancing shareholders' value and attaining the highest level of transparency. Your Company's philosophy on Corporate Governance is led by a strong emphasis on transparency, accountability and integrity and your Company has been practicing the principles of Corporate Governance since date of listing.

Your Company believes that all its operations and actions must serve the underlined goal of enhancing customers' satisfaction and stakeholders' value over a sustained period of time. All directors and employees are bound by a Code of Conduct that sets forth your Company's policy on important issues, including its relationship with customers, shareholders and Government.

## GOVERNANCE STRUCTURE:

Your Company's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable growth.

### Board of Directors

TBZ's Board plays a pivotal role in ensuring that your Company runs on sound and ethical business practices and that its resources are utilised for creating sustainable growth. The Board operates within a well-defined framework which enables it to discharge its fiduciary duties of safeguarding the interest of your Company; ensuring fairness in the decision-making process, integrity and transparency in your Company's dealing with its Members and other stakeholders.

### Committee of Directors

The Board has constituted various committees with a view to have more focused attention on various areas of business and for better accountability, viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility (CSR) Committee and Special Committee of Board of Directors. Each of these Committees has been mandated to operate within a given framework.

### Management Structure

Management structure for running the business of your Company as a whole is in place with appropriate delegation of powers and responsibilities. This broadly is as under:

#### a) Chairman & Managing Director (CMD)

The Chairman & Managing Director (CMD) is in overall control and responsible for the day-to-day working and functioning of your Company. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various committees. All the responsibilities of the Chief Executive Officer are handled by Mr. Shrikant Zaveri, Chairman & Managing Director of your Company.

**b) Functional Heads**

Functional Heads of various departments, viz. Retail Department, Gold Order Department, Diamond Order Department, Advertisement and Marketing Department, Human Resource Department, Administration Department, Information and Technology (IT) Department, Secretarial & Legal Department, Treasury & MIS Department, Accounts and Finance Department and Project Department. The Chief Financial Officer reports to the Chief Executive Officer of your Company. These Department Heads review the functioning of their department.

**Shareholders' Communications**

The Board recognises the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner. Your Company's corporate website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)) has information for institutional and retail shareholders alike. Shareholders seeking information relating to their shareholding may contact your Company directly or through the Registrar and Share Transfer Agent, details of which are available on your Company's website and also forming part of the Corporate Governance Report. Your Company ensures that complaints and suggestions of its shareholders are responded to in a timely manner.

**Role of the Company Secretary in overall governance process**

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all the relevant information, details and documents are made available to the Directors and Senior Management for effective decision making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of the legal and procedural requirements of your Company, to ensure compliance with applicable statutory requirements and Secretarial Standards and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

**I. BOARD OF DIRECTORS:**

A. The composition of the Board of Directors represents a combination of knowledge, experience and professionalism and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Board comprises of Executive and Independent Directors as required under applicable legislation. As on 31<sup>st</sup> March, 2020, the Board consists of six Directors comprising of three Executive Directors and three Independent Directors who are Non-

Executive Directors, i.e. fifty per cent of the Board comprises of Independent Directors. The number of Independent Directors on the Board is in conformity with the requirement of Regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board also consists of two women Whole-time Directors. All three Executive Directors are the Promoters of your Company.

As per Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors shall have at least one independent Woman Director by top 1,000 listed entities by market capitalisation, at the end of immediate previous financial year. Your Company is not required to appoint an Independent Woman Director as your Company do not fall in the list of top 1,000 listed entities by market capitalisation as per the list published by NSE & BSE as on 31<sup>st</sup> March, 2020.

All the responsibilities of the Chief Executive Officer (CEO) are discharged by Mr. Shrikant Zaveri, Chairman & Managing Director of your Company.

During the year, the Board of Directors comprised of Mr. Shrikant Zaveri, Chairman & Managing Director, Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors who are all Executive Directors (ED) and the Promoters of your Company. The other three Directors are Independent Directors, namely Mr. Kamlesh Vikamsey, Mr. Ajay Mehta and Mr. Sanjay Asher. All three Independent Directors are Non-Executive Directors (NED). None of the Directors resigned / retired during the year under review.

None of the Directors on the Board is a Member of more than ten Committees or the Chairman of more than five committees (Committees being Audit Committee and Stakeholders' Relationship Committee), as per the requirements of Regulation 26(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all the public limited companies in which he/she is a Director. The necessary disclosure regarding committee positions have been made by all the Directors of your Company.

None of the Executive Directors of your Company holds office as a director including alternate directorship in more than twenty companies at the same time, provided the maximum number of public companies in which a person can be appointed as a director are not exceeding ten companies (for reckoning the limit of

public companies in which a person can be appointed as a director, directorship in private companies that are either holding or subsidiary company of a public company shall be included) as per the provision of Section 165(1) of the Companies Act, 2013. None of the Directors of your Company including Independent Directors hold position as director in more than seven listed companies, and further, none of the Independent Directors of your Company who is serving as whole-time director/ managing director in any listed company, serves as independent director in more than three listed companies as per the requirement of Regulation 17A(1) & (2) of Securities and Exchange

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. None of the Director of your Company is appointed or continued as alternate Director for any Independent Director of a listed entity with effect from 1<sup>st</sup> October, 2018 as per the requirement of Regulation 25(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year, six Board Meetings were held on 14<sup>th</sup> May, 2019, 12<sup>th</sup> August, 2019, 25<sup>th</sup> September, 2019, 6<sup>th</sup> November, 2019, 13<sup>th</sup> February, 2020 and 11<sup>th</sup> March, 2020.

- B. The Composition of the Board of Directors, their attendance at the Board Meeting during the year and at the last Annual General Meeting along with number of outside directorships, committee's chairmanship/ memberships are as follows:

Name of the Directors	Date of Appointment	Category of Director-ship	No. of Board Meetings Attended	Attendance at last AGM held on 25.09.2019	No. of outside Directorship in all Companies (*)	No. of outside Committee Membership/ Chairmanship in all Companies (+) (**)	
						Member	Chairman
Mr. Shrikant Zaveri (DIN: 00263725)	24.07.2007	CMD	6	Yes	1	Nil	Nil
Ms. Binaisha Zaveri (DIN: 00263657)	24.07.2007	WTD	6	Yes	1	Nil	Nil
Ms. Raashi Zaveri (DIN: 00713688)	01.07.2008	WTD	6	Yes	1	Nil	Nil
Mr. Kamlesh Vikamsey (DIN: 00059620)	26.08.2010 (#)	ID	6	Yes	9	4	3
Mr. Ajay Mehta (DIN: 00028405)	14.12.2010 (#)	ID	6	Yes	2	1	NIL
Mr. Sanjay Asher (DIN: 00008221)	14.12.2010 (#)	ID	5	Yes	6	3	4

Note:

\* Directorship across all the companies excluding directorship in Tribhovandas Bhimji Zaveri Limited, in private limited companies which are not a subsidiary of public limited company, foreign companies, government companies and companies under Section 8 of the Companies Act, 2013.

+ Committee's Membership / Chairmanship across all the companies excluding that in Tribhovandas Bhimji Zaveri Limited, in private limited companies which are not a subsidiary of public limited company, foreign companies, government companies and companies under Section 8 of the Companies Act, 2013.

\*\* Chairmanship and Membership of Audit Committee and Stakeholders Relationship Committee only.

(#) All three Independent Directors (Non-Executive Directors) were appointed for the consecutive (second) term of five years, i.e. from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024 in the Eleventh Annual General Meeting of your Company held on 31<sup>st</sup> July, 2018.

CMD – Chairman & Managing Director, WTD – Whole-time Director, NED - Non-Executive Director, ID – Independent Director.

Every Director currently on the Board of your Company has personally attended at least one Board/ Committee of the Directors' Meeting in the financial year 2019-20.

Independent Directors have been paid Sitting Fees for attending the meetings. Further, the Commission, if any, paid to them is within the limit of 1% of the net profits of your Company as per the applicable provisions of the Companies Act, 2013. Your Company has not had any pecuniary relationship or transaction with any of the Independent Directors during the year.

Leave of Absence was granted to the Directors who were absent for the meetings.

**As required under the Listing Regulations as amended w.e.f. 1<sup>st</sup> April, 2019, the names of the listed entities (including Tribhovandas Bhimji Zaveri Limited) where the Director of the Company is a director and the category of Directorship as on 31<sup>st</sup> March, 2020 is provided hereunder:**

<b>Name of Director</b>	<b>Name of Listed Entity</b>	<b>Category of Directorship</b>
Mr. Shrikant Zaveri DIN: 00263725	Tribhovandas Bhimji Zaveri Limited	Chairman & Managing Director
Ms. Binaisha Zaveri DIN: 00263657	Tribhovandas Bhimji Zaveri Limited	Whole-time Director
Ms. Raashi Zaveri DIN: 00713688	Tribhovandas Bhimji Zaveri Limited	Whole-time Director
Mr. Ajay Mehta DIN: 00028405	Tribhovandas Bhimji Zaveri Limited Deepak Nitrite Limited	Independent Director Non-Executive Director
Mr. Kamlesh Vikamsey DIN: 00059620	Tribhovandas Bhimji Zaveri Limited Navneet Education Limited	Independent Director Non- Independent & Non- Executive Director & Chairperson (NI & NED)
	Man Infraconstruction Limited	Independent Director
	Apcotex Industries Limited	Independent Director
	GIC Housing Finance Limited	Independent Director
	PTC India Financial Services Limited	Independent Director
	Container Corporation of India Limited (CONCOR) (till 31 <sup>st</sup> March, 2020) (Term of Directorship expires w.e.f. 1 <sup>st</sup> April, 2020)	Part-time Non-Official (Independent Director)
Mr. Sanjay Asher DIN: 00008221	Tribhovandas Bhimji Zaveri Limited Ashok Leyland Limited Sudarshan Chemical Industries Limited Deepak Nitrite Limited Sonata Software Limited Repro India Limited Indusind Bank Limited	Independent Director Independent Director Independent Director Independent Director Independent Director Independent Director

### C. Directors' Profile:

The Board of Directors comprises highly renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision making process.

The brief profile of your Company's Board of Directors is as under:

#### **Mr. Shrikant Zaveri (Chairman & Managing Director)**

Mr. Shrikant Zaveri is a doyen of the Indian Gems and Jewellery Industry and is one of the most respected personalities of the Gems and Jewellery Industry in India. He has a rich experience of more than thirty eight years in the Gems and Jewellery industry. He has completed his education upto matriculation. He took over as the managing partner of the business in 2001. He continued his forefather's business with one flagship store at Zaveri Bazar, and given his immense efforts, your Company as on 31<sup>st</sup> March, 2020 has thirty nine stores, out of which thirty six are Company's own stores and three are franchisee stores, in twenty seven cities and thirteen states across India.

He is discharging the additional responsibility of Chief Executive Officer of your Company.

Mr. Zaveri was the founding member and chairman of the Gems and Jewellery Trade Federation. He has been awarded the Retail Jewellery Award for lifetime achievement in the year 2007. He also won the Retail Leadership Award from the Asia Retail Congress in the year 2013.

With his considerable wealth of experience, Mr. Shrikant Zaveri brings great value and insight to the Board of TBZ.

#### **Ms. Binaisha Zaveri (Whole-time Director)**

Ms. Binaisha Zaveri holds a bachelor's degree in marketing and finance from the Stern School of Business, New York. She joined the business in 2004 and has an experience of more than sixteen years. She is involved in all aspects of the business including human capital management, operations, finance, business development. She has been actively involved and has been a key player in the opening of new stores.

**Ms. Raashi Zaveri (Whole-time Director)**

Ms. Raashi Zaveri holds a bachelor's degree in finance and entrepreneurship from the Kelly School of Business, Indiana University and is a graduate gemologist from the Gemological Institute of America. She joined the business in 2008 and has an experience of more than twelve years. She is involved in the management of your Company's marketing, enterprise resource planning systems and is actively engaged in accounting, designing, merchandising and general corporate management.

**Mr. Kamlesh Vikamsey (Independent Director)**

Mr. Kamlesh Vikamsey has a bachelor's degree in commerce from the University of Mumbai and is a qualified Chartered Accountant. He has more than thirty seven years of experience in Accounting, Finance, Taxation, Corporate and Advisory services. He is Chairperson of the Audit Advisory Committee of United Nations Children's Fund (UNICEF) and the Independent Management Advisory Committee (IMAC) of International Telecommunication Union (ITU) and member of the Audit Committee of World Meteorological Organization (WMO).

He was Chairperson & Member of the External Audit Committee (EAC) of International Monetary Fund (IMF) from 2015 to 2018 and the Audit Advisory Committee of the United Nations Development Programme (UNDP) from 2010 to 2015. He was the President of the Confederation of Asian and Pacific Accountants (CAPA) from 2007 to 2009. He was a Board Member of the International Federation of Accountants (IFAC) from 2005 to 2008. He was the President of the Institute of Chartered Accountants of India (ICAI) during 2005-06. He was Chairman of Centre of Excellence on Education, Training and CPD of South Asian Federation of Accountants (SAFA – An Apex Body of SAARC) from 2005 to 2007. He has served as a member of various advisory and expert committees at national and international levels, including as a member of the expert committee constituted by the Central Government for the promotion of the Gems and Jewellery industry in 2007 and was a member of the Accounting Standards Committee of SEBI during 2005-06.

Mr. Vikamsey joined the TBZ Board on 26<sup>th</sup> August, 2010 and has given valued contribution to the Board of Directors. He is Chairman of the Audit Committee and member of the Nomination and Remuneration Committee. He has brought to bear upon these Committees, his vast and varied experience gained from his profession and as Director on the numerous companies on whose Board he serves.

**Mr. Ajay Mehta (Independent Director)**

Mr. Ajay Mehta has a bachelor's degree in science from University of Mumbai and a master's degree in chemical engineering from the University of Texas, USA. He has over thirty five years of experience with chemical, petrochemical, fertiliser, manufacturing and investment companies. He is presently a non-Executive Director in Deepak Nitrite Limited and a Managing Director of Deepak Novochem Technologies Limited. He is a member of the executive Committee of Mahratta Chamber of Commerce, Industries and Agriculture and various other developmental institutions and social organisations.

Mr. Mehta joined the TBZ Board on 14<sup>th</sup> December, 2010 and has given valued contribution to the Board of Directors. He is the Chairman of the Nomination and Remuneration Committee and the Stakeholders Relationship Committee and a member of the Audit Committee, the Corporate Social Responsibility Committee (CSR Committee) and the Risk Management Committee. He has brought to these Committees, his vast and varied experience gained from his profession and as Director on the numerous companies on whose Board he serves.

**Mr. Sanjay Asher (Independent Director)**

Mr. Sanjay Asher has a bachelor's degree in commerce and a bachelor's degree in law from the University of Bombay. He has been a practising advocate since 1991, and was admitted as a solicitor in 1993. He is also a qualified chartered accountant. He has over twenty eight years of experience in the field of law and corporate matters. He is presently a senior partner with M/s. Crawford Bayley and Co. which is India's oldest law firm, established in 1830. He specialises in the fields of corporate law and commercial law, cross-border mergers and acquisitions, joint ventures, mergers and acquisitions and capitals markets.

Mr. Asher joined the TBZ Board on 14<sup>th</sup> December, 2010. He is a member of the Nomination and Remuneration Committee.

**D. The Board has identified following Skills / Expertise / Competencies fundamental for the effective functioning of the Company which are currently available with the Board:**

The Board has identified following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board Members:



**i) Leadership:**

Ability to envision the future and prescribe a strategic goal for your Company, help your Company to identify possible road maps, inspire and motivate the strategy, approach, processes and other such key deliverables and mentor the leadership team to channelize its energy/efforts in appropriate direction.

**ii) Industry knowledge and experience:**

Should possess domain knowledge of your Company's business (retail jewellery), policies and culture (including the mission, vision and values) major risks / threats and potential opportunities of your Company's business. Must have the ability to leverage the developments in the areas of retail jewellery business and other areas as appropriate for betterment of your Company's business.

**iii) Behavioral skills:**

Attributes and competencies to use their knowledge and skills to contribute effectively to the growth of your Company.

**iv) Strategy and planning:**

Business Strategy & Planning, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.

**v) Expertise/ Experience in Finance & Accounts/ Audit/ Risk Management Areas:**

Ability to understand financial policies, accounting statements and disclosure practices and contribute to the financial/ risk management policies/ practices of your Company.

**vi) Governance:**

Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

The Board of Directors confirm that all the Directors of the Board met the above stated criteria. The Eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the required skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business.

Given below is a list of core skills, expertise and competencies of the individual Directors:

Name of the Directors	Skills / Expertise / Competencies					
	Leadership	Industry Knowledge and experience	Behavioural skills	Strategy and planning	Expertise/Experience in Finance & Accounts/ Audits/ Risk Management Areas	Governance
Mr. Shrikant Zaveri	✓	✓	✓	✓	✓	✓
Ms. Binaisha Zaveri	✓	✓	✓	✓	✓	✓
Ms. Raashi Zaveri	✓	✓	✓	✓	✓	✓
Mr. Kamlesh Vikamsey	✓	✓	✓	✓	✓	✓
Mr. Ajay Mehta	✓	✓	✓	✓	✓	✓
Mr. Sanjay Asher	✓	✓	✓	✓	✓	✓

**E. Board's Functioning and Procedure:**

Your Company holds at least four Board Meetings in a year, one in each quarter to, inter-alia, review the financial results of your Company. The Board periodically reviews the items required to be placed before it and reviews and approves quarterly/half yearly unaudited standalone financial statements and the audited standalone and consolidated annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance, performance of various stores and reviews such other items which require the Board's attention. It directs and guides the activities of Management towards the set goals and seeks accountability. It also sets standards of corporate

behaviour, ensures transparency in corporate dealings and compliance with laws and regulations. The agenda for the Board Meeting broadly covers the minimum information to be placed before the Board of Directors as specified in Part A of Schedule II of Regulation 17(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent these are relevant and applicable. The agenda is circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda, which are supported by relevant information, documents and presentations to enable the Board to take informed decisions. The date of the Board Meetings is agreed upon well in advance of the meeting.

The gap between two Board Meetings does not exceed one hundred and twenty days. Apart from the four scheduled Board Meetings, additional Board Meetings are also convened to address the specific requirements of your Company. Urgent matters are also approved by the Board by passing resolutions through circulation, if required.

All the departments in your Company communicate to the Company Secretary well in advance, the matters requiring approval of the Board/ Committees of the Board to enable inclusion of the same in the agenda for the Board/ Committee Meetings.

#### **F. Disclosure of relationship between Directors inter-se:**

In terms of Schedule V(C)(2)(e) and Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 none of the three Independent Directors (Non-Executive Directors) are related to each other nor related to any of the Executive Directors of your Company.

Mr. Shrikant Zaveri, Chairman & Managing Director of your Company and Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors of your Company, being father and daughters respectively, are related to each other.

Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors of your Company being sisters, are related to each other.

#### **G. Independent Directors:**

The Independent Directors of your Company have been appointed in terms of requirements of the Companies Act, 2013 and Listing Regulations. The selection of eminent people for appointment as Independent Directors on the Board is considered by the Nomination and Remuneration Committee. The Committee, inter alia, considered qualification, positive attributes, area of expertise and number of directorships and memberships held in various committees of other companies and membership held in various committees of other companies by such person and recommend the same to the Board. The Board considered the Committee's recommendation and takes appropriate decision. Formal letters of appointment have been issued to the Independent Directors and the terms and conditions of their appointment are disclosed on the Company's website at [www.tbztheoriginal.com](http://www.tbztheoriginal.com).

No Independent Directors have resigned during the Financial Year 2019-20.

As required under Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have registered themselves with the Independent Directors Databank maintained by the Indian Institute of Corporate Affairs.

#### **H. Declaration of Independence:**

Your Company has received declarations / certificates from the Independent Directors declaration on criteria of independence / confirming their position as Independent Directors on the Board of your Company in accordance with Section 149 of the Companies Act, 2013 read with Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As per Regulation 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors have given declaration that they meet the criteria of Independence as provided in clause (b) of sub-regulation (1) of Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

The Board of Directors of your Company have confirmed that in the opinion of the Board, the Independent Directors fulfills the conditions specified in Section 149 of the Act and Regulations 16(1)(b), 25(8) and all other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and are independent of the management.

#### **I. Appointment of Directors retiring by rotation:**

Ms. Raashi Zaveri (DIN: 00713688), Whole-time Director of your Company retiring by rotation is proposed to be re-appointed at the ensuing Annual General Meeting.

In accordance with the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013, Independent Directors are not liable to retire by rotation and for the purpose of calculation of 'total number of Directors' who are liable to retire by rotation this shall not include Independent Directors. Mr. Shrikant Zaveri, Chairman & Managing Director of your Company, is the Director not liable to retire by

rotation. Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors of your Company are the Directors who are liable to retire by rotation.

**J. Code of Conduct:**

The Board of Directors have adopted two Code of Conduct ("the Codes") for the Board of Directors as well as for Senior Management and Employees of your Company. The Codes cover amongst other things your Company's commitment to honest and ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health and safety, transparency and compliance of laws and regulations etc. and the same are placed on the website of your Company at [www.tbztheoriginal.com](http://www.tbztheoriginal.com).

The Code of Conduct for the Board of Directors as well as for Senior Management Personnel, officer and employees of your Company is available on Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)) at the below links:

<http://www.tbztheoriginal.com/storage/Investors/Code%20of%20Conduct/TBZ-Code%20of%20Conduct%20for%20Board%20of%20Directors.pdf>

<https://www.tbztheoriginal.com/storage/Code%20of%20Conduct%20for%20KMP%20&%20Emp..pdf>

In addition to the above, your Company has adopted a Code for Independent Directors as per the provisions of Section 149(8) read with Schedule IV of the Companies Act, 2013 which suitably incorporates the duties of Independent Directors.

The Codes lay down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity at the work place, in business practices and in dealing with stakeholders. The Codes give guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure. There were no material financial and commercial transactions, in which Board Members or Senior Management Personnel had personal interest, which could lead to potential conflict of interest with your Company during the year.

All the Board members and Senior Management of your Company have affirmed compliance with their respective Code of Conduct for the financial year ended 31<sup>st</sup> March, 2020. A declaration to this effect duly signed by the Chairman & Managing Director of your Company (in the capacity of Chief Executive Officer) is annexed hereto.

**K. Remuneration Policy and details of Remuneration paid/ payable to the Managing Director and the Whole-time Directors for the year ended 31<sup>st</sup> March, 2020:**

The remuneration of your Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in accordance with the existing industry practice. Your Company pays remuneration by way of salary (fixed component) and commission (variable component) to the Chairman & Managing Director and to the Whole-time Directors. Salary is paid within the amount fixed by the shareholders, which is restricted to the maximum limits prescribed under Sections 196, 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013. The Commission payable to the Chairman & Managing Director and Whole-time Directors is calculated with reference to the net profits of your Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the Nomination and Remuneration Committee, subject to the overall ceilings stipulated in Section 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013.

The Chairman & Managing Director and the Whole-time Directors are not paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.

The agreement with Chairman & Managing Director and the Whole-time Directors are for a period not exceeding five years at a time and salary fixed is for a period not exceeding three years at a time. Either party may terminate the agreement by giving the other party prior written notice of six months, provided that the Company may waive the notice by giving the remuneration on a pro rata basis in respect of the months for which the Chairman & Managing Director and Whole-time Director(s) would have received had he/she remained in office. There is no separate provision for payment of severance fees.

Your Company does not have a scheme for grant of stock options to any of the Chairman & Managing Director and the Whole-time Directors of your Company. Your Company do not have any severance fees for any of the directors and has kept a notice period of six months' notice in writing from either side.

The commission payable to the Chairman & Managing Director and the Whole-time Directors are based on the performance criteria laid down by the Board which

broadly considers the profits earned by your Company for the financial year. The members of the Nomination and Remuneration Committee has approved and recommended to the Board the remuneration in the form of minimum remuneration to be paid within the limits specified as per Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013. On basis of these recommendations the Board has approved the remuneration in the form of minimum remuneration to be paid to Mr. Shrikant Zaveri, Chairman & Managing

Director; Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors of your Company.

The Nomination and Remuneration Committee has not recommended any commission to the Chairman & Managing Director and the Whole-time Directors of your Company for the financial year 2019-20, and on basis of the said recommendations, the Board of Directors has decided not to declare any commission for the financial year 2019-20 to any of the Chairman & Managing Director and Whole-time Directors of your Company.

Details of remuneration in the form of minimum remuneration paid/ payable to Managing Director and Whole-time Directors for the financial year 2019-20 is as follows:

Names of Managing Director / Whole-time Directors	Gross Salary (in form of Minimum Remuneration) (in ₹)	Commission (in ₹)	Perquisites (in ₹)	Retirement Benefits (in ₹)	Stock Option	Total (in ₹)
Mr. Shrikant Zaveri	24,000,000	--	--	--	--	24,000,000
Ms. Binaisha Zaveri	24,000,000	--	--	--	--	24,000,000
Ms. Raashi Zaveri	24,000,000	--	--	--	--	24,000,000

#### L. Remuneration Policy and details of Sitting Fees & Commission paid / payable to Independent Directors (Criteria for making payment to Independent Directors):

The Independent Directors are paid remuneration by way of Commission not exceeding 1% of the net profit of your Company. The Independent Directors are also paid Sitting Fees for the meeting of the Board of Directors and various Committee Meetings attended by them. In terms of shareholders' approval obtained for the period of five years commencing from 1<sup>st</sup> April, 2018, by way of Special Resolution at the Eleventh Annual General Meeting of your Company held on 31<sup>st</sup> July, 2018, the total Commission payable to the Independent Directors has been approved at the rate not exceeding 1% per annum of the net profits of your Company (computed in accordance with Sections 197, 198 and all other applicable provisions of the Companies Act, 2013). The proposal for distribution of Commission amongst the Independent Directors is placed before the Board. The Commission is distributed amongst Independent Directors in accordance with their individual contribution at the Board Meetings and certain Committee Meetings as well as time spent on operational matters other than at the meetings. The total amount of Commission, if paid, to the Independent Directors, under no circumstances exceed 1% of the net profits of your Company.

For the current financial year 2019-20, your Company has declared a total Commission of ₹ 1,800,000 (Rupees Eighteen Lacs only) to Independent Directors and

₹ 600,000 (Rupees Six Lacs only) to each Independent Director. Your Company has paid sitting fees to Independent Directors based on number of Board and Committee Meetings attended by each Independent Director. The details of the commission payable and the sitting fees paid individually is available in the chart given below.

Your Company pays sitting fees of ₹ 20,000 per Board Meeting attended and ₹ 10,000 per meeting attended of the various Committees to the Independent Directors.

Details of sitting fees paid/ commission payable to Independent Directors of your Company as on 31<sup>st</sup> March, 2020 are as follows:

Names of the Independent Directors	Sitting Fees (in ₹)	Commission (in ₹)	Total (in ₹)
Mr. Kamlesh Vikamsey	180,000	600,000	780,000
Mr. Ajay Mehta	270,000	600,000	870,000
Mr. Sanjay Asher	120,000	600,000	720,000

The above amounts are exclusive of Goods & Service Tax (GST).

None of the Independent Directors of your Company has any pecuniary relationship or transaction with your Company.

All the Independent Directors have complied with the limits of directorships and maximum tenure as per Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the applicable provisions of the Companies Act, 2013. The appointment letter of the Independent Directors and their terms and conditions, has been disclosed on the Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)).

**M. Board Training and Induction:**

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter-alia explains the role, function, duties and responsibilities expected of him/her as a Director of your Company. The Director is also explained in detail, the compliances required from him/her under the Companies Act, 2013, Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant regulations and his/her affirmation is taken with respect to the same.

By way of an introduction to your Company, the Director is presented with documents on rules & bye-laws, policies of your Company and the Standard Operating Processes (SOP) of your Company as a whole as well as for various departments are also shared with the incoming Director to acquaint him/her with the functioning of your Company. Apart from this your Company shares relevant Annual Reports, brochures for various schemes and programmes, and reports on the Gems and Jewellery Industry published by various agencies/ authorities. The functioning of various departments of your Company, the market share and markets in which it operates, governance and internal control process and other relevant information pertaining to your Company's business are also shared with the Director. The Managing Director and Executive Directors also have a one-to-one discussion with the newly appointed Director. The above initiatives help the Director to understand your Company, its business and the regulatory framework in which your Company operates and equips him/her to effectively fulfil his/her role as a Director of your Company.

**N. Familiarization Programme for Independent Directors:**

As per the requirement of Regulation 25(7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has a program to familiarize Independent Directors with regard to their roles, rights, responsibilities as Independent Directors in your Company, nature of the industry in which

your Company operates, the business model of your Company, etc. The Independent Directors are also provided with an overview of terms of appointment, the code of conduct of Board of Directors and insider trading regulations, disclosures and business interests of your Company and other important regulatory aspect as relevant for Independent Directors.

The purpose of the Familiarization Programme for Independent Directors is to provide insights into your Company to enable the Independent Directors to understand its business in depth and contribute significantly to your Company. Your Company has already carried out the familiarization programme for Independent Directors. The details of Familiarization Programme Imparted to Independent Directors in terms of Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is available on your Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)) at the below link:

[https://www.tbztheoriginal.com/storage/TBZ-Familiarization%20Prog.-ID\(18-19\).pdf](https://www.tbztheoriginal.com/storage/TBZ-Familiarization%20Prog.-ID(18-19).pdf)

**O. Annual Evaluation of Performance / Board Evaluation Criteria:**

Your Company believes that systematic evaluation contributes significantly to improved performance at the three levels; organizational, Board and Individual Board Member. It encourages the leadership, team work, accountability, decision making, communication and efficiency of the Board. Evaluation also ensures teamwork by creating better understanding of Board dynamics, management relations and thinking as a group within the Board. The process includes multi layered evaluation based on well-defined criteria consisting of relevant parameters.

During the year under review, the Board adopted a formal mechanism for evaluating its own performance, the Directors individually including the Chairman of the Board as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspect of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, experience and competencies, execution and performance of specific duties, obligations and governance.

As required under Section 134(3)(p) of the Companies Act, 2013 and Regulation 17(10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board

of Directors assessed the performance of Independent Directors as per the criteria laid down and have recommended their continuation on the Board of your Company.

A separate exercise was carried out to evaluate the performance of the Independent Directors and individual Directors including the Chairman of the Board, who were evaluated on the parameters such as relevant experience, expertise and skills; devotion of time and attention to your Company's long term strategic issues, addressing the most relevant issues for your Company, discussing and endorsing your Company's strategy, Professional conduct, ethics and integrity, ability and willingness to speak up, focus on shareholder value creation, high governance standards, knowledge of business, process and procedure followed, openness of discussion/integrity, relationship with management, impact on key management decisions, level of attendance, engagement and contribution, independence of judgement, safeguarding the interest of your Company and its minority shareholder's interest etc. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Independent Director being evaluated and the performance evaluation of the Chairman and Non-Independent Directors (Executive Directors) was carried out by the Independent Directors.

Having regard to the industry, size and nature of business your Company is engaged in, the Board expressed their satisfaction with the evaluation process which is sufficient, appropriate and found to be serving the purpose. Your Directors have expressed their satisfaction for the evaluation process, evaluation results, which reflected the overall engagement and the effectiveness of the Board and its Committees.

#### P. Details of shares held by Directors:

Following are the details of the shares held by the Directors of your Company as on 31<sup>st</sup> March, 2020:

Names of the Directors	Nature of Directorship	No. of Shares held
Mr. Shrikant Zaveri	Chairman & Managing Director	33,402,275
Ms. Binaisha Zaveri	Whole-time Director	5,285,000
Ms. Raashi Zaveri	Whole-time Director	4,572,500
Mr. Kamlesh Vikamsey	Independent Director	NIL
Mr. Ajay Mehta	Independent Director	NIL
Mr. Sanjay Asher	Independent Director	6,300

#### Q. Separate Meeting of Independent Directors:

During the year, a separate meeting of Independent Directors was held on 13<sup>th</sup> February, 2020 without the presence of other directors or management representatives, to review the performance of Non-Independent Directors, the Board and the Chairperson of the Company and to assess the quality, quantity and timelines of flow of information between the management and the Board.

#### II. BOARD COMMITTEES:

With a view to have a more focused attention on business and for better governance and accountability, the Board has already constituted the following mandatory Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. Your Company has also voluntarily constituted a Risk Management Committee which is mandatory as per Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for top 500 listed companies only (earlier top 100 listed companies). Apart from these your Company has also constituted a Special Committee of Board of Directors. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

The Board has constituted six Committees and conducted separate meeting of the Independent Directors:

- 1) Audit Committee;
- 2) Nomination and Remuneration Committee;
- 3) Stakeholders Relationship Committee;
- 4) Special Committee of the Board of Directors;
- 5) Corporate Social Responsibility Committee (CSR Committee);
- 6) Risk Management Committee;
- 7) Separate Meeting of the Independent Directors.

## 1) **Audit Committee:**

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out by the Management, Statutory and Internal Auditors on the financial reporting process and the safeguards employed by them.

The Audit Committee was constituted under the Chairmanship of Mr. Kamlesh Vikamsey, who comes with finance and accounting background. All the members of the Audit Committee are financially literate and have relevant finance and audit exposure. The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee consists of the following members:

<b>Name of the Members</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Kamlesh Vikamsey	Chairman	Independent Director
Mr. Ajay Mehta	Member	Independent Director
Mr. Shrikant Zaveri	Member	Chairman & Managing Director

The Audit Committee enjoys the following powers: -

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the Audit Committee shall inter alia include the following:

1. Overseeing your Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and creditable;

2. Recommending to the Board for the appointment, remuneration and terms of appointment of auditors of your Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013,
  - b. Changes, if any, in accounting policies and practices and reasons for the same,
  - c. Major accounting entries involving estimates based on the exercise of judgment by management,
  - d. Significant adjustments made in the financial statements arising out of audit findings,
  - e. Compliance with listing and other legal requirements relating to financial statements,
  - f. Disclosure of any related party transactions, and
  - g. Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

8. Approval or any subsequent modification of transactions of the Company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings of assets of the Company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. 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;
  13. Discussion with internal auditors on any significant findings and follow up there on;
  14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  15. Discussion 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;
  16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  17. To review the functioning of the Whistle Blower Mechanism;
  18. Approval of appointment of CFO (i.e. whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  19. Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the internal auditor;
  20. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  21. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
  22. Reviewing the utilization of loans and/or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on date of coming into force of this provision. (applicable w.e.f. 1<sup>st</sup> April, 2019)
- The Audit Committee shall mandatorily review the following information:
1. Management discussion and analysis of financial condition and results of operations;
  2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  4. Internal audit reports relating to internal control weaknesses;
  5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
  6. Statement of deviations:
    - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
    - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be recorded in the minutes in the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of your Company to provide clarifications on the matters relating to the audit.



The Company Secretary is the Secretary to the Committee.

Mr. Kamlesh Vikamsey, Chairman of the Audit Committee, was present at the last Annual General Meeting of your Company held on 25<sup>th</sup> September, 2019.

As at the year-end, the Audit Committee of the Board comprised of three members, two of them being Independent Directors. Mr. Kamlesh Vikamsey is a Chartered Accountant and is a financial expert.

During the year, four Audit Committee Meetings were held on 14<sup>th</sup> May, 2019, 12<sup>th</sup> August, 2019, 6<sup>th</sup> November, 2019 and 13<sup>th</sup> February, 2020.

The attendance record of the members of the Audit Committee is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr. Kamlesh Vikamsey	4	4
Mr. Ajay Mehta	4	4
Mr. Shrikant Zaveri	4	4

## 2) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee's composition meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the members of the Nomination and Remuneration Committee are Non-Executive and Independent Directors. Mr. Ajay Mehta, Independent Director, is the Chairman of the Committee.

The composition of the Remuneration Committee is as follows:

Name of the Members	Designation in the Committee	Nature of Directorship
Mr. Ajay Mehta	Chairman	Independent Director
Mr. Kamlesh Vikamsey	Member	Independent Director
Mr. Sanjay Asher	Member	Independent Director

The Company Secretary is the Secretary to the Committee.

The terms of reference of the Nomination and Remuneration Committee shall inter alia includes identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance; laying down the evaluation criteria for performance evaluation of Independent Directors and the Board of Directors; formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees; devising the policy on Board diversity; whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors. The members of Nomination and Remuneration Committee need to recommend to the Board, all remuneration, in whatever form, payable to Senior Management. The Nomination and Remuneration Policy is available on your Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)) at the below link:

<https://www.tbztheoriginal.com/storage/TBZ-Nom,Remu.&Eval.Policy.pdf>

Mr. Ajay Mehta, Chairman of the Nomination and Remuneration Committee, was present at the last Annual General Meeting of your Company held on 25<sup>th</sup> September, 2019.

During the year, one Nomination and Remuneration Committee Meeting was held on 14<sup>th</sup> May, 2019.

The attendance record of the members of the Nomination and Remuneration Committee is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr. Ajay Mehta	1	1
Mr. Kamlesh Vikamsey	1	1
Mr. Sanjay Asher	1	1

## 3) Stakeholders Relationship Committee:

The Stakeholders Relationship Committee's composition meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The present committee consists of the following members:

Name of the Members	Designation in the Committee	Nature of Directorship
Mr. Ajay Mehta	Chairman	Independent Director
Mr. Shrikant Zaveri	Member	Chairman & Managing Director
Ms. Binaisha Zaveri	Member	Whole-time Director
Ms. Raashi Zaveri	Member	Whole-time Director

Mr. Niraj Oza, Head Legal & Company Secretary is designated as the Compliance officer of your Company.

The Company Secretary is the Secretary to the Committee.

The terms of reference of the Stakeholders Relationship Committee as per Section 178(6) and as specified in Part D of Schedule II of Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall inter alia include following role:

- Resolving the grievances of the security holders of your Company including complaints related to transfer/ transmission of shares, non-receipt of annual report and non-receipt of declared dividend, issue of new/ duplicate certificates, general meetings, etc.
- Review of measures taken for effective exercise of voting rights by shareholders. (applicable w.e.f. 1<sup>st</sup> April, 2019)
- Review of adherence to the service standards adopted by the listed entity in respect of various

services being rendered by the Registrar and Share Transfer Agent. (applicable w.e.f. 1<sup>st</sup> April, 2019)

- Review of various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company. (applicable w.e.f. 1<sup>st</sup> April, 2019)

Mr. Ajay Mehta, Chairman of the Stakeholders Relationship Committee, was present at the last Annual General Meeting of your Company held on 25<sup>th</sup> September, 2019.

During the year, four Stakeholders Relationship Committee Meetings were held on 14<sup>th</sup> May, 2019, 12<sup>th</sup> August, 2019, 6<sup>th</sup> November, 2019 and 13<sup>th</sup> February, 2020.

The attendance record of the members of the Stakeholders Relationship Committee is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr. Ajay Mehta	4	4
Mr. Shrikant Zaveri	4	4
Ms. Binaisha Zaveri	4	4
Ms. Raashi Zaveri	4	4

#### Investors Grievances:

Continuous efforts are being made to ensure that Investor's grievances are expeditiously redressed to the satisfaction of the investors.

Your Company and KFin Technologies Private Limited (Registrar & Share Transfer Agent) attend and resolves all the grievances of the investors promptly on their receipt, whether received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs etc.

#### Details of number of requests/ complaints received and resolved during the year ended 31<sup>st</sup> March, 2020 are as under:

Sr. No.	Nature of Complaints	Pending as on 1 <sup>st</sup> April, 2019	Received during the year	Disposed during the year	Pending as on 31 <sup>st</sup> March, 2020
1.	Non-Receipt of Annual Report	0	4	4	0
2.	Non-Receipt of Dividend Warrants	1	11	12	0
3.	BSE - Complaint by shareholders	0	0	0	0
4.	NSE - Complaint by shareholders	0	0	0	0
5.	SEBI - Complaint by shareholders	0	0	0	0
6.	ROC - Complaint by shareholders	0	0	0	0
	<b>Total</b>	<b>1</b>	<b>15</b>	<b>16</b>	<b>0</b>

#### 4) Special Committee of the Board of Directors:

The Board of Directors has constituted Special Committee of the Board of Director and delegated some of the powers enjoyed by the Board of Directors to the Special Committee of the Board of Directors, which are not prohibited by Section 179 of the Companies Act, 2013. The composition of the Special Committee of Board of Directors is as follows:

Name of the Members	Designation in the Committee	Nature of Directorship
Mr. Shrikant Zaveri	Chairman	Chairman & Managing Director
Ms. Binaisha Zaveri	Member	Whole-time Director
Ms. Raashi Zaveri	Member	Whole-time Director

The Company Secretary is the Secretary to the Committee.

During the year, two Special Committee Meetings of Board of Directors were held on 3<sup>rd</sup> April, 2019, 20<sup>th</sup> June, 2019.

The attendance record of the members of the Special Committee of Board of Directors is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr. Shrikant Zaveri	2	2
Ms. Binaisha Zaveri	2	1
Ms. Raashi Zaveri	2	2

#### 5) Corporate Social Responsibility Committee (CSR Committee):

The Corporate Social Responsibility Committee (CSR Committee) of the Board of Director was constituted as per the requirements of the Section 135 and all other applicable provision of the Companies Act, 2013. The Corporate Social Responsibility Committee (CSR Committee) of the Board of Director was constituted to carry out the functions and duties as mentioned in the Section 135 and activities as mentioned in Schedule VII of the Companies Act, 2013 and align to the CSR Policy of your Company.

The present committee consists of the following members:

Name of the Members	Designation in the Committee	Nature of Directorship
Mr. Shrikant Zaveri	Chairman	Chairman & Managing Director
Mr. Ajay Mehta	Member	Independent Director
Ms. Binaisha Zaveri	Member	Whole-time Director
Ms. Raashi Zaveri	Member	Whole-time Director

The Company Secretary is the Secretary to the Committee.

The terms of reference of Corporate Social Responsibility Committee are as under:

- To formulate and recommend to the Board a Corporate Social Responsibility Policy ('CSR Policy'), indicating the activities to be undertaken by your Company for the areas mapped under Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities listed in CSR Policy.
- Monitor the CSR Policy of the Company from time to time.
- Such other roles and functions as may be prescribed in the Companies Act, 2013 and Rules made thereunder.

Report on CSR Activities: As required under the Companies Act, 2013 and Rules made thereunder, the information on CSR activities undertaken by the Company during the year ended 31<sup>st</sup> March, 2020 is annexed to the Directors' Report. The CSR Policy is available on your Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)) at the below link:

[https://www.tbztheoriginal.com/storage/TBZ-CSR%20Policy\(24.06.20\)Ver-2.1.pdf](https://www.tbztheoriginal.com/storage/TBZ-CSR%20Policy(24.06.20)Ver-2.1.pdf).

All the recommendations of the Corporate Social Responsibility Committee were accepted by the Board of Director of your Company.

During the year, three Corporate Social Responsibility Committee Meetings were held on 14<sup>th</sup> May, 2019, 6<sup>th</sup> November, 2019 and 13<sup>th</sup> February, 2020.

The attendance record of the members of the Corporate Social Responsibility Committee is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr. Shrikant Zaveri	3	3
Mr. Ajay Mehta	3	3
Ms. Binaisha Zaveri	3	3
Ms. Raashi Zaveri	3	3

#### 6) Risk Management Committee:

As per the requirement of Regulation 21(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the constitution of a Risk Management Committee now shall be applicable to top 500 listed companies (earlier top 100 listed companies), determined on the basis of market capitalization, as at the end of the immediate previous financial year. Accordingly, constitution of Risk Management Committee is not compulsory for your Company, but to follow Corporate Governance in the right spirit your Company has voluntarily constituted the Risk Management Committee of the Board.

The Risk Management Committee of the Board of Directors was voluntarily constituted. Risk Management Committee provides assistance to the Board of Directors in fulfilling its objective of controlling/ monitoring various risks prevailing in the functioning of your Company in day to day life including the review and functioning of Gold Price Risk Management Policy of your Company as well as reviewing measures to be taken to mitigate the risk on hedging in domestic as well as international market, to evaluate and identify the major strategic, operational, regulatory risks inherent in the business of your Company, to evaluate and identify various types of external and internal risks and to suggest various control measures to be adopted. The Risk Management Committee also needs to review Cyber Security of your Company.

The present committee consists of the following members:

Name of the Members	Designation in the Committee	Nature of Directorship
Mr. Shrikant Zaveri	Chairman	Chairman & Managing Director
Mr. Ajay Mehta	Member	Independent Director
Ms. Binaisha Zaveri	Member	Whole-time Director
Ms. Raashi Zaveri	Member	Whole-time Director
Mr. Saurav Banerjee	Member	Chief Financial Officer
Mr. Sunil Gujarathi	Member	Head – MIS & Treasury

The Company Secretary is the Secretary to the Committee.

During the year, two Risk Management Committee Meetings were held on 14<sup>th</sup> May, 2019, 13<sup>th</sup> February, 2020.

The attendance record of the members of the Risk Management Committee is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr. Shrikant Zaveri	2	2
Ms. Binaisha Zaveri	2	2
Ms. Raashi Zaveri	2	2
Mr. Ajay Mehta	2	2
Mr. Saurav Banerjee	2	2
Mr. Sunil Gujarathi	2	2

#### 7) Separate Meeting of the Independent Directors (Separate Meeting):

As per the requirements of the Regulation 25(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of your Company have met on 13<sup>th</sup> February, 2020, inter-alia to:

1. Review and evaluate of the performance of non-independent directors and the Board as a whole;
2. Review and evaluate of the performance of the Chairperson of your Company, taking into account the views of Executive Directors and Non-Executive Directors (Independent Directors);
3. Access and evaluate the quality, quantity/ content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting consisted of the following members:

Name of the Members	Designation in the Committee	Nature of Directorship
Mr. Kamlesh Vikamsey	Chairman	Independent Director
Mr. Ajay Mehta	Member	Independent Director
Mr. Sanjay Asher	Member	Independent Director

During the year, one Separate Meeting of Independent Directors meeting was held on 13<sup>th</sup> February, 2020.

All the Independent Directors were present at the meeting.

### III. GENERAL BODY MEETINGS:

#### A. Annual General Meeting (AGM):

Location, date and time of the Annual General Meetings held in the last three years are as under:

Year	Location of the Meeting	Date	Time
2016-17	M. C. Ghia Hall, 4 <sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001.	19 <sup>th</sup> September, 2017	3.30 p.m.
2017-18	M. C. Ghia Hall, 4 <sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001.	31 <sup>st</sup> July 2018	3.30 p.m.
2018-19	Rangaswar Hall, 4 <sup>th</sup> Floor, Yashwantrao Chavan Pratishthan (Y. B. Chavan), General Jagannath Bhosle Marg, Besides Sachivalaya Gymkhana, Nariman Point, Mumbai – 400 021.	25 <sup>th</sup> September, 2019	3.30 p.m.

No Special Resolutions were passed in the AGM held on 19<sup>th</sup> September, 2017.

Seven Special Resolutions were passed in the AGM held on 31<sup>st</sup> July, 2018 which are as follows:

- (i) To fix the commission payable to Non-Executive Directors / Independent Directors
- (ii) To re-appoint Mr. Kamlesh Vikamsey (DIN: 00059620), as a Non-Executive Independent Director of the Company for further term of five consecutive years, i.e. from 1<sup>st</sup> April, 2019 up to 31<sup>st</sup> March, 2024.
- (iii) To re-appoint Mr. Sanjay Asher (DIN: 00008221), as a Non-Executive Independent Director of the Company for further term of five consecutive years, i.e. from 1<sup>st</sup> April, 2019 up to 31<sup>st</sup> March, 2024.
- (iv) To re-appoint Mr. Ajay Mehta (DIN: 00028405), as a Non-Executive Independent Director of the Company for further term of five consecutive years, i.e. from 1<sup>st</sup> April, 2019 up to 31<sup>st</sup> March, 2024.
- (v) To fix remuneration payable to Mr. Shrikant Zaveri (DIN: 00263725), Chairman & Managing Director of the Company for the balance period of two years of his appointment, i.e. from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020.
- (vi) To fix remuneration payable to Ms. Binaisha Zaveri (DIN: 00263657), Whole-time Director of the Company for the balance period of two years of her appointment, i.e. from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020.
- (vii) To fix remuneration payable to Ms. Raashi Zaveri (DIN: 00713688), Whole-time Director of the Company for the balance period of two years of her appointment, i.e. from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020.

No Special Resolutions were passed in the AGM held on 25<sup>th</sup> September, 2019.

No postal ballot activity was carried out during the previous financial year 2018-19 and current financial year 2019-20.

#### B. Extra Ordinary General Meeting (EGM):

During last three financial years, i.e. from year 2016-17 to 2018-19, your Company has not held any Extra Ordinary General Meeting (EGM). During the current financial year 2019-20 your Company has not held any Extra Ordinary General Meeting (EGM).

#### C. Details of Special Resolution passed through Postal Ballot, the persons who conducted the Postal Ballot exercise and details of the voting pattern:

No special resolution was passed through postal ballot during the previous financial year 2018-19 and current financial year 2019-20. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

#### IV. SUBSIDIARY COMPANY/(IES):

For the year under review, i.e. as on 31<sup>st</sup> March, 2020, your Company has one wholly owned subsidiary company namely; Tribhovandas Bhimji Zaveri (Bombay) Limited as per Section 2(87) of the Companies Act, 2013.

Your Company does not have any material subsidiary as defined under Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, viz. a subsidiary, whose income or net worth (i.e. paid-up capital and free reserves) exceeds 10% (w.e.f. 1<sup>st</sup> April, 2019 the limit was revised to 10% from 20%) of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the

immediate preceding accounting year. It is, therefore, not required to have an Independent Director of your Company on the Board of such subsidiary.

Your Company's Audit Committee reviews the consolidated financial statements of your Company as well as the financial statements of the subsidiary. The minutes of the Board Meetings, are periodically placed before the Board of Directors of your Company.

Your Company has framed and adopted a Policy for Determining Material Subsidiary, pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder and the requirements of the Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy can be downloaded from your Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)), at the below link:

[https://www.tbztheoriginal.com/storage/TBZ-Material%20Subsidiary%20Policy\(1.4.19\).pdf](https://www.tbztheoriginal.com/storage/TBZ-Material%20Subsidiary%20Policy(1.4.19).pdf)

## V. DISCLOSURES:

### A. Disclosure of materially significant Related Party Transactions:

All related party transactions that have been entered were in the ordinary course of business and were placed periodically before the Audit Committee and the Board of Directors. All transactions with the related parties were at arm's length.

There were no materially significant related party transactions, pecuniary transactions or relationships between your Company and its Directors for the financial year ended 31<sup>st</sup> March, 2020 that may have a potential conflict with the interest of your Company at large.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

Transactions with related parties, as per the requirements of Indian Accounting Standards (Ind. AS) - 24, are disclosed in this Annual Report and they are not in conflict with the interest of your Company at large.

Your Company has adopted Policy on materiality of Related Party Transactions and manner of dealing with Related Party Transactions as per the requirements

of the provisions of Regulation 23(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also to comply with the provisions of Section 188 of the Companies Act, 2013 and the Rules framed thereunder as amended from time to time. The Policy can be downloaded from your Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)) at the below link:

[https://www.tbztheoriginal.com/storage/TBZ-Policy%20on%20Materiality%20and%20dealing%20with%20RPT\(2020\)Version3.pdf](https://www.tbztheoriginal.com/storage/TBZ-Policy%20on%20Materiality%20and%20dealing%20with%20RPT(2020)Version3.pdf)

### B. Disclosure of Accounting Treatment:

Your Company has followed the Indian Accounting Standards (Ind AS) prescribed under Section 133 read with Section 469 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant rules of the Companies (Indian Accounting Standards) Rules, 2015, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable in the preparation of financial statements and has not adopted a treatment different from that prescribed in Indian Accounting Standards (Ind AS). The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

### C. Risk Management Framework:

Your Company has in place a mechanism to inform the Board Members about the Risk Assessment and Minimization procedures and periodical reviews to ensure that risk is controlled by the Executive Management through the means of a properly defined framework. For more details on Business Risk Management refer to the Directors' Report.

### D. Statutory Listing Compliances / (Strictures and Penalties):

Your Company has complied with the requirements of the Stock Exchanges / Securities and Exchange Board of India (SEBI) and statutory authorities on all matters related to the capital markets from the date of listing. There were no instances of strictures or penalties imposed on your Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any statutory authorities on any matter related to the capital market since date of listing (i.e. 9<sup>th</sup> May, 2012).

**E. Details of Utilisation of the funds out of the proceeds from the Public Issue:**

During the year under review, there were no IPO proceeds left from the Public Issue. Your Company has fully utilized the IPO proceeds from the Public Issue during the financial year 2012-13. IPO Proceeds were utilized for the purpose stated in the Prospectus and there were no deviations in utilization of funds from those stated in the Prospectus.

**F. Vigil Mechanism / Whistle Blower Policy**

Your Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour.

The Board of Director of your Company has adopted and established a Vigil Mechanism as per the requirements of the Companies Act, 2013 and as per the Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company has established / adopted a Whistle Blower Policy (Vigil Mechanism) for directors and employees of your Company to report concerns about unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct or ethics policy. The Whistle Blower Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. The policy provides adequate safeguard against victimization of director(s) / employee(s) who has availed the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. During the year under review, no employee or personnel has been denied access to the Audit Committee.

In this regard your Company has already created dedicated email id, viz. [wb.tbz@tbzoriginal.com](mailto:wb.tbz@tbzoriginal.com) which is monitored by Mr. Niraj Oza, Head Legal & Company Secretary and Compliance Officer of your Company, who is also the designated officer for the said purpose. The concern can also be raised in writing in the form of a letter signed by the concerned director(s) or employee(s) of your Company.

The policy document can be downloaded from your Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)), at the below link:

[https://www.tbztheoriginal.com/storage/TBZ-Whistle%20Blower%20Policy\(01.04.19\).pdf](https://www.tbztheoriginal.com/storage/TBZ-Whistle%20Blower%20Policy(01.04.19).pdf)

**G. Prevention of Insider Trading**

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders (earlier, Code of Conduct for Prevention of Insider Trading) for prevention of Insider Trading with a view to regulate trading in securities by the directors and designated employees of your Company. The Code requires pre-clearance for dealing in your Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to your Company and during the period when the Trading Window is closed. The Company Secretary & Compliance Officer is responsible for implementation of the Code.

All the Board Directors and the designated employees have confirmed compliance with the Code.

The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is available on your Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)) at the below link:

[https://www.tbztheoriginal.com/storage/TBZ\\_Fair\\_Disc\\_UPSI.pdf](https://www.tbztheoriginal.com/storage/TBZ_Fair_Disc_UPSI.pdf).

**H. Internal Controls**

Your Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. Your Company's business processes are on Oracle platforms / systems and have a strong monitoring and reporting process resulting in financial discipline and accountability.

**I. Policy for Determining Material Subsidiary**

Your Company is in compliance with the provisions in relation to material subsidiary wherever applicable. Your Company do not have any material subsidiary company. Policy for Determining Material Subsidiary is posted on your Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)), at the below link:

[https://www.tbztheoriginal.com/storage/TBZ-Material%20Subsidiary%20Policy\(1.4.19\).pdf](https://www.tbztheoriginal.com/storage/TBZ-Material%20Subsidiary%20Policy(1.4.19).pdf).

**J. Disclosure of commodity price risk and commodity hedging activities:**

This has been discussed under point no. VII (xxxiv) of this Corporate Governance Report.

**VI. MEANS OF COMMUNICATION:**

- i) The Quarterly/ Annual Financial Results of your Company are published in an English newspaper viz. 'The Free Press Journal', and in a vernacular newspaper (in Marathi) viz. 'Navshakti';
- ii) The following are also promptly displayed on your Company's website, [www.tbztheoriginal.com](http://www.tbztheoriginal.com) under the 'Investors' Section:
- Quarterly Results, Financial Results, Shareholding Pattern, Annual Report;
  - Official Press release in the 'Media Room' and 'Investor Information' Sections;
  - The Presentations made to institutional investors or to the analysts;
  - Investor Complaints/ Grievances Report, Corporate Governance Report, Reconciliation of Share Capital Audit Report and various compliance reports.
  - All the reports, statements, documents, filings and any other information that are required to be submitted with the Stock Exchanges will be simultaneously filed with / uploaded on your Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)).

Note: Annual Report, Notice of the Annual General Meetings and other communications to the Shareholder are sent through e-mail, post or courier.

However, this year in view of the continuing outbreak of COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and the difficulties involved in dispatching of physical copies of Annual Report, the Ministry of Corporate Affairs has vide its circulation no. 20/2020 dated 5<sup>th</sup> May, 2020, and Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 permitted:

- a) the Companies to send the Annual Report only by e-mail who have registered their email ID with the Company/Depositories;
- b) and conduct of 13<sup>th</sup> Annual General Meeting through video conferencing (VC) or other audio-visual means (OAVM) facility. Thereafter, the Annual Report for FY 2019-20 and Notice of 13<sup>th</sup> AGM of the Company is being sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars.

**iii) Filings with Stock Exchanges:**

All the reports, statements, documents, filings and any other information that are required to be submitted with the recognised stock exchanges as per the Listing Regulations, are disseminated / uploaded on website <https://listing.bseindia.com/> under "BSE Listing Centre" and on <https://www.connect2nse.com/> under "NSE Electronics Application Processing System (NEAPS)."

**VII. GENERAL SHAREHOLDERS INFORMATION:**

i) <b>Annual General Meeting</b>	Day, Date and Time	Wednesday, 30 <sup>th</sup> September, 2020 at 11.30 a.m. by way of Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
	Deemed Venue of the meeting	<b>Registered Office:</b> 241/ 43, Zaveri Bazar, Mumbai – 400 002.
ii) Financial Calendar – 2020-21 (Tentative) Results	Unaudited Results for the quarter ending 30 <sup>th</sup> June, 2020	Meeting to be held on or before following dates: On or before 14 <sup>th</sup> August, 2020
	Unaudited Results for the quarter ending 30 <sup>th</sup> September, 2020	On or before 14 <sup>th</sup> November, 2020
	Unaudited Results for the quarter ending 31 <sup>st</sup> December, 2020	On or before 14 <sup>th</sup> February, 2021
	Audited Results for the year ending 31 <sup>st</sup> March, 2021	On or before 30 <sup>th</sup> May, 2021
	AGM for the approval of the Audited accounts for the year ended 31 <sup>st</sup> March, 2021	On or before 30 <sup>th</sup> September, 2021
	Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
iii) Book Closure Date	Thursday, 24 <sup>th</sup> September, 2020 to Wednesday, 30 <sup>th</sup> September, 2020 (both days inclusive)	
iv) Dividend payment date and dividend per Equity Share	Your Company has not recommended any Final Dividend for the Financial year 2019-20. The Board of Directors of your Company has declared and paid Interim Dividend for the Financial Year 2019-20 of ₹ 1 (One Rupee only) per equity share of face value of ₹ 10 each, i.e. 10%. The same forming part of Notice of AGM for confirmation of the members.	



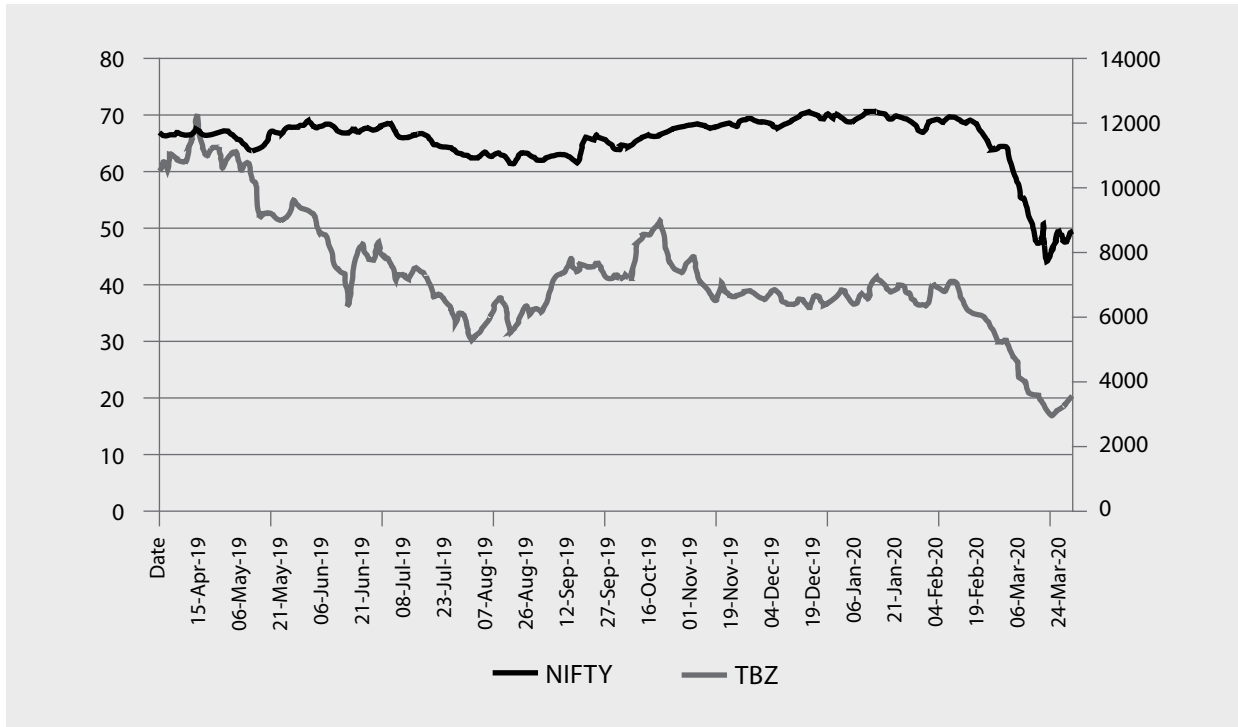
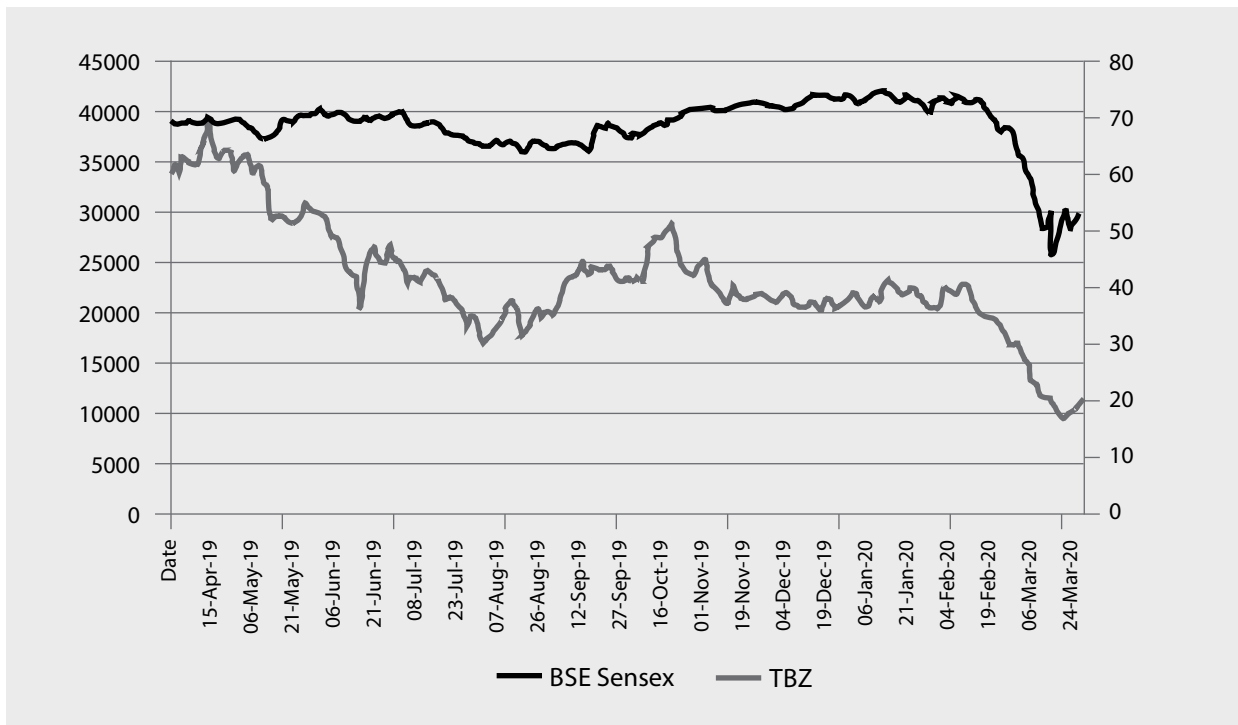
v) Listing on Stock Exchanges	The equity shares of your Company got listed on 9 <sup>th</sup> May, 2012 on: <b>BSE Limited (BSE)</b> Corporate Service Department, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 <b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, Plot No. C/1 G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
vi) Payment of Listing Fees	Your Company has paid applicable Listing Fees to the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for the financial years 2019-20 and 2020-21.
vii) Payment of Custodial Fees	Your Company (as on date of signing of this report) has already paid annual custodial fees to Central Depository Services (India) Limited (CDSL) for the financial year 2020-21. National Securities Depository Limited (NSDL) is yet to raise invoice for the financial year 2020-21, the payment will be made once the invoice is received from NSDL.
viii) Stock Code/ Symbol:	
Bombay Stock Exchange code:	534369
National Stock Exchange Symbol:	TBZ
ix) Dematerialization ISIN Number for NSDL & CDSL	INE760L01018
x) Corporate Identification Number (CIN No.)	L27205MH2007PLC172598
xi) Outstanding GDR/ ADR/ Warrants or any convertible instruments, conversion date and impact on equity.	Your Company has not issued any GDRs/ ADRs/ Warrants or any other convertible instrument.

As required under regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standard - 2 (SS-2), particulars of Directors seeking re-appointment at ensuing 13<sup>th</sup> AGM are given in the Annexure to the Notice of ensuing 13<sup>th</sup> AGM.

## xii) Stock Performance:

**Market Price Data (High / Low) during each month of the financial year 2019-20 at NSE & BSE:** High, Low prices (based on closing prices) and number of shares traded during each month in the financial year 2019-20 on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE):

Month	National Stock Exchange of India Limited (NSE)			Bombay Stock Exchange Limited (BSE)		
	High (₹)	Low (₹)	Total Number of Shares Traded	High (₹)	Low (₹)	Total Number of Shares Traded
April 2019	72.45	58.55	5,670,266	72.35	59.00	739,105
May 2019	66.45	51.00	3,950,440	66.60	50.00	680,522
June 2019	53.90	35.05	2,418,891	54.00	35.05	408,800
July 2019	48.70	30.60	1,687,480	48.60	30.65	277,584
August 2019	39.40	30.00	935,726	39.90	29.95	231,611
September 2019	48.85	35.00	1,851,009	48.85	33.35	301,063
October 2019	52.80	40.15	5,507,708	52.20	40.00	761,630
November 2019	45.90	35.60	2,508,806	46.00	36.70	230,098
December 2019	41.35	34.75	2,086,476	41.85	35.00	193,395
January 2020	42.80	35.05	2,119,325	42.20	35.40	263,859
February 2020	43.70	31.50	2,372,445	43.00	31.60	243,661
March 2020	35.60	16.45	3,264,824	35.45	16.50	1,016,473

**Performance of TBZ share price in comparison with NSE Nifty:****Performance of TBZ share price in comparison with BSE Sensex:**

**xiii) List of Top 10 Shareholders as on 31<sup>st</sup> March, 2020:**

Sr. No.	Name	Holding	% of Shareholding
1	Shrikant Gopaldas Zaveri	33,402,275	50.06%
2	Binaisha Shrikant Zaveri	5,285,000	7.92%
3	Raashi Zaveri	4,572,500	6.85%
4	Bindu Shrikant Zaveri	3,500,000	5.24%
5	Tribhovandas Bhimji Zaveri (TBZ) Private Limited	1,350,000	2.03%
6	Tribhovandas Bhimji Zaveri Jewellers (Mumbai) Private Limited	1,350,000	2.02%
7	Optimum Securities Private Limited	1,300,000	1.95%
8	Vijaykumar Patel	688,901	1.03%
9	Hela Holdings Pvt. Ltd.	505,500	0.76%
10	Vespera Fund Limited	359,706	0.54%
<b>Total</b>		<b>52,313,882</b>	<b>78.40%</b>

**xiv) Distribution of Shareholding as on 31<sup>st</sup> March, 2020:**

Holding	No. of Shareholders		No. of Shares & Amount		
	No. of Holders	% to Total Holders	Total Shares	Amount (in ₹)	% to Capital
1-5,000	19,467	84.10%	2,509,836	25,098,360	3.76%
5,001-10,000	1,719	7.43%	1,403,059	14,030,590	2.10%
10,001-20,000	912	3.94%	1,397,893	13,978,930	2.10%
20,001-30,000	346	1.50%	885,478	8,854,780	1.33%
30,001-40,000	176	0.76%	621,592	6,215,920	0.93%
40,001-50,000	144	0.62%	684,975	6,849,750	1.03%
50,001-100,000	199	0.86%	1,450,830	14,508,300	2.17%
100,001 and above	184	0.79%	57,776,957	577,769,570	86.58%
<b>Total</b>	<b>23,147</b>	<b>100%</b>	<b>66,730,620</b>	<b>667,306,200</b>	<b>100%</b>

**xv) Shareholding Pattern by ownership as on 31<sup>st</sup> March, 2020 as compared with that of 31<sup>st</sup> March, 2019:**

Particulars	As on 31 <sup>st</sup> March, 2020				As on 31 <sup>st</sup> March, 2019			
	No. of share holders	% of share holder	No. of shares held	% of shareholding	No. of shares holder	% of share holders	No. of shares held	% of shareholding
Promoter Director (Group)	4	0.02%	46,759,775	70.07%	4	0.02%	46,759,775	70.07%
Foreign Institutional Investors	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Resident Individuals	22,004	95.06%	11,363,686	17.03%	21,967	94.19%	10,401,655	15.59%
Bodies Corporates	228	0.99%	3,273,690	4.91%	376	1.61%	4,131,425	6.19%
Promoter Companies	2	0.01%	2,700,000	4.05%	2	0.01%	2,700,000	4.05%
Non Resident Indians	322	1.39	1,567,942	2.35%	377	1.62%	1,833,130	2.75%
Foreign Portfolio Investors	1	0.00%	359,706	0.54%	1	0.00%	359,706	0.54%
HUF	519	2.24%	448,662	0.67%	518	2.22%	363,709	0.54%
Clearing Members	63	0.27%	70,909	0.11%	69	0.30%	73,923	0.11%
Indian Financial Institutions	1	0.00%	38,824	0.06%	1	0.00%	27,553	0.04%
Banks	0	0.00%	0	0.00%	1	0.00%	77,424	0.12%
Trusts	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Mutual Funds	0	0.00%	0	0.00%	0	0.00%	0	0.00%
NBFC	1	0.00%	250	0.00%	5	0.02%	2,185	0.00%
Alternative Investment Fund	1	0.00%	146,993	0.22%	0	0.00%	0	0.00%
Unclaimed Suspense Account	0	0.00%	0	0.00%	2	0.01%	135	0.00%
IEPF	1	0.00%	183	0.00%	0	0.00%	0	0.00%
<b>Total</b>	<b>23,147</b>	<b>100%</b>	<b>66,730,620</b>	<b>100%</b>	<b>23,323</b>	<b>100%</b>	<b>66,730,620</b>	<b>100%</b>

**xvi) Dematerialisation of Shares:**

Your Company's Shares are compulsorily traded in dematerialized form and are available for trading through both the Depositories in India, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31<sup>st</sup> March, 2020, 100% of the total paid up capital, representing 66,730,395 Equity Shares were held in dematerialized form and the balance Nil% representing 225 Equity Shares were held in physical form. The statement of Equity Shares lying in dematerialised form with NSDL & CDSL and the Equity Shares lying in physical form as on 31<sup>st</sup> March, 2020 are under:

Particulars of Shares	Shares of ₹ 10 each		Total Shares	
	No. of Shareholders	% of Total	No. of Shareholders	% of Total
Dematerialised Form				
NSDL	12,752	55.09%	61,063,010	91.51%
CDSL	10,392	44.90%	5,667,385	8.49%
<b>Sub-total</b>	<b>23,144</b>	<b>99.99%</b>	<b>66,730,395</b>	<b>100%</b>
Physical Form	3	0.01%	225	0.00%
<b>Total</b>	<b>23,147</b>	<b>100%</b>	<b>66,730,620</b>	<b>100%</b>

**xvii) Share Transfer System:**

The share transfers/ transmissions are approved by the Stakeholders Relationship Committee. The Committee meets as and when required to consider other transfer proposals and attend to Shareholders' grievances. There are no share transfer requests pending as on 31<sup>st</sup> March, 2020.

Shares in physical form for transfer, should be lodged with the office of your Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, Hyderabad at the address given below or at the Corporate Office of your Company. The transfers are processed if technically found to be in order and complete in all respects. As per directives issued by SEBI, it is compulsory to trade in your Company's Equity Shares in dematerialised form.

Pursuant to Regulation 40(9) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, certificates on half yearly basis have been issued by a Company Secretary in Practice for due compliance of share transfer formalities by your Company. Pursuant to Regulation 76 of SEBI (Depositories and Participants) Regulation, 2018, certificates have been received from Company Secretary in Practice for timely dematerialisation of shares and for reconciliation of the share capital of the Company on a quarterly basis.

**xviii) Secretarial Audit:**

- Pursuant to Regulation 40(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates have been issued on a half-yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by your Company.

- A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

**xix) Consolidation of Folios and avoidance of multiple mailing:**

In order to enable your Company to reduce the duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names are requested to consolidate their holdings under one folio. Members may write to the Registrar indicating the folio numbers to be consolidated along with the original shares certificates to be consolidated.

**xx) Unclaimed / Unpaid IPO Refund Amount and Dividend as well as transfer of shares to IEPF Authority:****a) Unclaimed/ Outstanding Refundable portion of IPO Application Amount:**

To facilitate investors who have not claimed the Refundable portion of IPO Application amount (share application money) at the time of Initial Public Offer (IPO) of your Company, details of the unclaimed IPO application amount (share application money) are being displayed on your Company's website [www.tbztheoriginal.com](http://www.tbztheoriginal.com). Investors were requested to browse the said site to find out the outstanding amount, if any, and claim the same from the appropriate authority (Investor Education & Protection Fund) since

the amount has already been transferred to IEPF Account as on date of signing of this Report. Your Company has send repeated reminders for claiming their unclaimed / outstanding Refundable portion of IPO Application Amount. As on the financial year ended 31<sup>st</sup> March, 2020 the total amount of ₹ 34,290/- (Rupees Thirty Four Thousand Two Hundred Ninety only) were lying in unclaimed / unpaid IPO Refund Account.

As per requirement of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") amended from time to time, your Company has transferred unclaimed and unpaid IPO Refund Amount of ₹ 34,290/- (Rupees Thirty Four Thousand Two Hundred Ninety only) which were lying for the period of more than seven years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government on 14<sup>th</sup> May, 2019.

Given below are the tentative dates for transfer of unclaimed and unpaid dividend to the Investor Education and Protection Fund (IEPF) by your Company:

Financial Year	Dividend Payment Date	Proposed date for transfer to IEPF (*)
2012-2013	5 <sup>th</sup> September, 2013	5 <sup>th</sup> September, 2020
2013-2014	27 <sup>th</sup> September, 2014	27 <sup>th</sup> September, 2021
2014-2015	14 <sup>th</sup> September, 2015	14 <sup>th</sup> September, 2022
2015-2016	N.A. (**)	N.A. (**)
2016-2017	N.A. (**)	N.A. (**)
2017-2018	6 <sup>th</sup> August, 2018	6 <sup>th</sup> August, 2025
2018-19	3 <sup>rd</sup> October, 2019	3 <sup>rd</sup> October, 2026
2019-20 (Interim Dividend)	26 <sup>th</sup> March, 2020	25 <sup>th</sup> March, 2027

(\*) Indicative date actual date may vary.

(\*\*) There was no dividend declared during this financial year.

The Shareholders are requested to claim their unencashed Dividends, if any at the earlier.

**c) Transfer of Shares to IEPF:**

As per requirement of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") amended from time to time, your Company has transferred total 183 equity shares, in respect of which dividend has not been claimed by the members for seven consecutive years or more, were transferred by the Company to the demat account of the Investor Education and Protection Fund Authority (IEPF) during the financial year 2019-20. (out of which 135 equity shares were lying in the demat suspense account of your Company).

The details of shares transferred are available on your Company website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)) at the below link:

[https://www.tbztheoriginal.com/storage/TBZ\\_IEPF-4\\_Shares\\_2019.pdf](https://www.tbztheoriginal.com/storage/TBZ_IEPF-4_Shares_2019.pdf).

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against your Company in respect of the dividend/ shares so transferred. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares.

#### d) Appointment of Nodal Officer(s):

In terms of Rule 7(2A) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company which is required to credit amounts or shares to the fund or has deposited the amount or transferred the shares to the Fund shall nominate a Nodal Officer, who shall either be a Director or Chief Financial Officer or Company Secretary of the Company, for the purposes of verification of claims and coordination with IEPF Authority.

In accordance with IEPF Rules, the Board of Directors has appointed Mr. Niraj Oza, Head - Legal & Company Secretary as the Nodal Officer of the Company.

#### xxi) Unclaimed Shares:

As per the provisions of Schedule VI pursuant to Regulation 39(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the unclaimed shares lying in the escrow account shall be transferred to demat suspense account if there is no response even after sending three reminder notices to the persons concerned. Details of unclaimed equity shares of your Company are as follows:

Sr. No.	Particulars	Number of Shareholders	Number of Shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. 1 <sup>st</sup> April, 2019	2	135
2	Number of shareholders who approached issuer for transfer of shares from suspense account during the year;	0	0
3	Number of shareholders to whom shares were transferred from suspense account during the year;	0	0
4	Aggregate number of shareholders and outstanding shares in the suspense account lying at the end of the year i.e. 31 <sup>st</sup> March, 2020. (These Shares were transferred to IEPF Account of the Central Government during the financial year 2019-20)	0	0
5	The voting rights on these unclaimed shares lying in demat suspense account shall remain frozen till the rightful owner of such shares claims the shares.		

The first period of seven years of unclaimed / unpaid dividend amount got over on 28<sup>th</sup> September, 2019 and on this date the above two shareholders' holding total 135 equity shares which were lying in demat suspense account on completing the period of seven years where the shareholder has not claimed / unpaid dividend amount in past seven consecutive years and these shares were transferred to demat account of the Investor Education and Protection Fund (IEPF) Demat Account of the Authority during the Financial Year 2019-20.

#### xxii) Green Initiative in Corporate Governance:

Pursuant to Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, the Annual Report for 2019-20 is being sent through electronic mode to all the Members whose E-mail IDs are registered with your Company / Depository Participants for communication purposes, unless any member has requested for physical copy of the same. For Members who have not registered their E-mail IDs with your Company/ Depository Participants, a physical copy of the Annual Report 2019-20 is being sent by the permitted mode. Please note that as a Member you will be entitled to receive physical copies of all notices and documents free of cost, upon specific request to your Company. Members holding shares in physical mode and wishing to register / update their E-mail ID to receive the Annual Report and other documents in electronic mode are requested to fill the form "Consent for Receiving Documents

in Electronic Form" {which is forming part of this Annual Report and also available on website of your Company ([www.tbztheoriginal.com](http://www.tbztheoriginal.com))} and send the same to our Registrar and Share Transfer Agents viz., KFin Technologies Private Limited, Selenium, Tower B, Plot 31-32, Financial District, Gachibowli, Nanakramguda, Serilingampally, Hyderabad – 500 032.

To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with KFin Technologies Private Limited/ their respective Depository Participants.

**xxiii) Mandatory requirement of PAN:**

SEBI vide its circular dated 7<sup>th</sup> January, 2010 has made it mandatory to furnish copy of Income Tax PAN Card in the following cases:

- (i) Deletion of name of deceased shareholder(s), where the shares are held in the name of two or more shareholders.
- (ii) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder.
- (iii) Transposition of shares – in case of change in the order of names in which physical shares are held jointly in the name of two or more shareholders.

**xxiv) Address for correspondence:**

Shareholders correspondence like, share transfer/ dematerialisation of shares, payment of dividend and other query related to shares may be directed to your Company's Registrar and Share Transfer Agent, whose address is given below:

**a) For Share Transfer / Dematerialisation of shares, payment of Dividend and any other query relating to shares:**

**KFin Technologies Private Limited**

(Previously known as Karvy Fintech Private Limited)

Unit: Tribhovandas Bhimji Zaveri Limited  
Selenium Tower B, Plot 31-32,  
Financial District, Gachibowli,  
Nanakramguda, Serilingampally,  
Hyderabad – 500 032.

Tel No: +91 (040) 6716 1500

Fax No: +91 (040) 2300 1153

Toll Free No.: 1800 345 4001

E-Mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

Website Add.: [www.kfintech.com](http://www.kfintech.com)

Contact Person: Mr. V. Raghunath

SEBI Registration No: INR000000221

**b) For Investors assistance:**

**Corporate Office Address:**

**Mr. Niraj Oza**

Head - Legal & Company Secretary  
Tribhovandas Bhimji Zaveri Limited  
1106 to 1121, 11<sup>th</sup> Floor, West Wing,  
Tulsiani Chambers, 212,  
Backbay Reclamation, Free Press Journal Road,  
Nariman Point, Mumbai – 400 021.  
Tel. No.: +91 (022) 4925 5000

Email Add.: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com)

Website Add.: [www.tbztheoriginal.com](http://www.tbztheoriginal.com)

For any Investor assistance, the contact person is Mr. Niraj Oza, Head Legal & Company Secretary who is also the Compliance Officer of your Company and address of Correspondence is Corporate Office Address.

Your Company has an exclusive e-mail id viz. [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com) to enable investors to register their complaints, if any.

**c) Registered Office Address:**

Tribhovandas Bhimji Zaveri Limited  
241/ 43, Zaveri Bazar,  
Mumbai - 400 002.  
CIN No.: L27205MH2007PLC172598  
Tel. No.: +91 22 4046 5000 / 01/ 6130 0505  
Email Add.: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com)  
Website Add.: [www.tbztheoriginal.com](http://www.tbztheoriginal.com)

**xxv) Compliance Officer:**

Mr. Niraj Oza, Head Legal & Company Secretary is the Compliance Officer of your Company. The Company Secretary is primarily responsible to ensure Compliance with applicable statutory requirements and is the interface between the management and the regulatory authorities for governance matters.

**xxvi) Store addresses:**

Your Company has total Thirty nine (39) stores out of which thirty six (36) are own stores and three (3) franchisee stores operating as on 31<sup>st</sup> March, 2020 in twenty seven cities and thirteen states across India.

The addresses of the stores and franchisee stores forms part of Annexure to this report.

**xxvii) Credit Rating:**

During the year under review your Company has carried out two Credit Ratings from Acuite Ratings & Research Limited (ACUITE) on 23<sup>rd</sup> July, 2019 and another from CRISIL Ratings on 21<sup>st</sup> November, 2019.

Acuite Ratings & Research Limited (ACUITE) has reviewed the Credit Rating on the bank loan facilities of your Company for the amount of ₹ 40 Crores and given ratings of 'ACUITE A- / Stable'; vide; ACUITE Rating Letter dated 23<sup>rd</sup> July, 2019 which is stated as follows:

Total Rated Quantum of Bank Loan facilities	₹ 40 Crores
Long-Term Rating	ACUITE A- / (Stable)

CRISIL has reviewed the Credit Rating on the long-term bank facilities of your Company at 'CRISIL BBB+/ Stable' (Reaffirmed) vide letter Ref. No. TBZPL/235555/BLR/111946645 dated 21<sup>st</sup> November, 2019 which is stated as follows:

Total Bank Loan Facilities Rated	₹ 7,350 Million
Long-Term Rating	CRISIL BBB+/ Stable (Reaffirmed)

The details of the Credit Rating are available on your Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)) at below links:

[https://www.tbztheoriginal.com/storage/TBZ-Credit%20Rating\(23.7.19\).pdf](https://www.tbztheoriginal.com/storage/TBZ-Credit%20Rating(23.7.19).pdf).

[https://www.tbztheoriginal.com/storage/TBZ\\_Credit\\_Rating\\_221119.pdf](https://www.tbztheoriginal.com/storage/TBZ_Credit_Rating_221119.pdf).

**xxviii) Prevention of Sexual Harassment at workplace {Disclosure as required under Section 22 of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013}:**

Your Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various policies and practices. Your Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. Your Company has adopted a policy on Prevention of Sexual Harassment at Workplace which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior. An Internal

Complaints Committee ("ICC") has been set up from the senior management (with women employees constituting the majority) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy. All employees (permanent, contractual, temporary, trainees) are covered under the policy.

Your Directors further state that during the year under review, there were no complaint /cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. {There was no complaint received from any employee during the financial year 2019-20 and hence no complaint is outstanding as on 31<sup>st</sup> March, 2020 for redressal}.

The status of cases/ complaint filed, disposed of and pending in respect of Sexual Harassment of Women at Workplace for the financial year ended as on 31<sup>st</sup> March, 2020 (i.e. from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020) as given below:

Opening Cases/ complaint as on 1 <sup>st</sup> April, 2019	Cases/ complaint filed during the year ended 31 <sup>st</sup> March, 2020	Cases/ complaint disposed of during the year ended 31 <sup>st</sup> March, 2020	Cases/ complaint pending as on 31 <sup>st</sup> March, 2020
NIL	NIL	NIL	NIL

**xxix) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A):**

Your Company did not raise any funds through preferential allotment or qualified institutions placement till the date of signing of this Report. Hence, the requirement of providing utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) is not applicable to your Company.

**xxx) Certificate from Practicing Company Secretary (for Non-Disqualification of Directors):**

Your Company has received a certificate from M/s. A. U. Thakurdesai & CO. (PCS Registration No. 5083), Practicing Company Secretaries confirming that none of the Directors on the Board of your Company have been debarred or disqualified from being appointed or continuing as directors of companies by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.



**xxxi) Fees paid to Statutory Auditors and its affiliates:**

Total fees for all services paid by your Company and its subsidiaries, on a consolidated basis to M/s. S R B C & CO LLP, Chartered Accountants, Statutory Auditors and other firms in the network entity of which Statutory Auditor is a part, as included in the consolidated financial statement of your Company for the year ended 31<sup>st</sup> March, 2020:

(₹ in Lacs)	
Payment to Statutory Auditors	FY 2019-20
Statutory Audit Fees	34.50
Quarterly Limited Review	27.25
Reimbursement of Expenses	9.55
Corporate Governance Certificate	0.50
<b>Total</b>	<b>71.80</b>

(Note: Above amount is exclusive of applicable of taxes)

**xxxii) Recommendations of various Committees:**

All the recommendations of the various committees made were accepted by the Board.

**xxxiii) CEO / CFO Certification:**

The Chairman & Managing Director (in the capacity of Chief Executive Officer (CEO)) and the Chief Financial Officer (CFO) of your Company, have certified to the Board in accordance with Part B of Schedule II pursuant to Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 pertaining to CEO/ CFO certification for the financial year ended 31<sup>st</sup> March, 2020 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of your Company's affairs. The said certificate is annexed and forms part of the Annual Report.

**xxxiv) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

Your Company has a price review mechanism to protect against material movements in prices of Gold.

Gold price is directly driven by various international factors and stringent domestic government policies. Your Company monitors the Gold price on a regular basis using pricing trends and forecasts from internationally reputed news agencies and international factors. To mitigate the risk of gold price fluctuation, your Company's endeavour is

to maximize the procurement of gold under gold loan scheme from various banks which will help to reduce the risk due to gold price fluctuation by way of 'natural hedging'. In addition to procuring gold on loan, your Company also does hedging in domestic markets on the MCX Exchange as per business requirement, to protect your Company from gold price fluctuation.

Your Company procures gold from various banks and other domestic sources available and does not directly import Gold from the international market, in that connection, your Company is not directly exposed to Foreign Exchange Risk. As foreign exchange fluctuation has an impact on gold price, your Company is updated with the currency forecast received from various banks and keeps a close eye on important data announcements such as unemployment data of US, G 7 meetings, non-farm payroll of US, RBI announcements etc.

**xxxv) Adoption / compliance with Mandatory Requirements and status on Non-Mandatory (Discretionary) Requirements:**

All the mandatory requirements have been complied with as stated in this report on Corporate Governance. There is no non-compliance with any requirement of corporate governance report of sub-para (2) to (10) of the Corporate Governance Report as given in Schedule V(C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The disclosures of the compliance with Corporate Governance requirements specified in Regulations 17 to 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations) have been made in this Corporate Governance Report. Details required under clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the said Regulations are displayed on the website of your Company at [www.tbztheoriginal.com](http://www.tbztheoriginal.com).

The status on non-mandatory / discretionary requirements of Part E of Schedule II of Regulation 27(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

1. Your Company has an Executive Chairman on its Board. (Hence, the question of maintaining Non-Executive Chairperson's office at your Company's expenses and reimbursement of expenses incurred in performance of duties does not arise).

2. The quarterly / half yearly un-audited results of your Company after being subject to a Limited Review by the Statutory Auditors are published in newspapers viz. Free Press Journal (English newspaper) and Navshakti (Marathi newspaper) and on your Company's website [www.tbztheoriginal.com](http://www.tbztheoriginal.com). These results are not sent to shareholders individually.
3. There are no qualifications in the Audit Report (unmodified audit opinion) for the financial year 2019-20.
4. Till 10<sup>th</sup> September, 2015, i.e. the date of retirement of the Chief Executive Officer of your Company, there were separate persons for the post of Chairman & Managing Director and Chief Executive Officer (CEO). W.e.f. 10<sup>th</sup> September, 2015, onwards your Company do not have separate person to these posts.
5. Your Company has appointed M/s. Deloitte Touche Tohmatsu India LLP (Firm Registration No. AAE-8458), Chartered Accountants, Mumbai as Internal Auditors to perform the internal audit of your Company for the financial year 2019-20 and they report directly to the Audit Committee on a quarterly basis on their findings and corrective actions taken.

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**

**Shrikant Zaveri**

Chairman & Managing Director  
(DIN: 00263725)

**Raashi Zaveri**

Whole-time Director  
(DIN: 00713688)

Date: 12<sup>th</sup> August, 2020  
Place: Mumbai

## Annexure to Report on Corporate Governance

### Store Addresses:

<b>Stores of your Company in operation as on 31<sup>st</sup> March, 2020:</b>	
<b>Maharashtra</b>	
1	241/43, Zaveri Bazar, Mumbai - 400 002.
2	Upper Basement, Ground Floor, First Floor and Second Floor at G/1, Hirji Heritage, Gulmohar Road, Off. L.T. Road, Near Vrundas Hotel, Borivali (West), Mumbai – 400 092.
3	002 & 102, Prime Plaza, S.V. Road, Santacruz (West), Mumbai - 400 054.
4	Shop No. G2 & G3, Manaratna Business Park, Junction of Tilak Road and Derasar Lane, Ghatkopar (East), Mumbai - 400 077.
5	Gautam Tower, off Gokhale Road, Thane (West) - 400 601.
6	Seth House, 21/4B, Opposite Le-Royce Hotel, Bund Garden Road, Pune - 411 001.
7	Premise No. 5 (Unit No. 3), Ground Floor, Sunder Mahal, 141, Marine Drive, Mumbai – 400 020.
8	Shop No. 1, 2 & 3, Near St. Augustine High School, Tiberias Building, Stella, Village Barampur, District Thane, Vasai (West) - 401 202.
9	Shop No. 26, 27 and 28, Nirman Vyapar Kendra, Nirman Co-operative Society Limited, Plot No. 10, Sector- 17, Vashi, Navi Mumbai- 400703.
10	36 Turner Road, Bandra (W), Mumbai - 400 050.
11	R-City Mall, Ghatkopar (West)- Unit No. S – 67, Second Floor, North Wing, R- City Mall, L.B.S. Marg, Ghatkopar (West), Mumbai – 400 086.
12	Sea Woods Grand Central Mall - Unit No. F – 63 SH, on the First Floor, Sea Woods Grand Central Mall, Plot No. R-1, Sector 40, Sea Woods Railway Station, Nerul Node, Navi Mumbai – 400 706.
13	High Street Phoenix Mall (Lower Parel)- Unit No. G-15, North Sky Zone, Block No. 2, Ground Floor, Phoenix Mills Compound, 462, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.
14	Unit No. UG-71, on the Upper Ground Floor, Phoenix Market City Mall, S. No. 207, Behind Baker Gauges, Viman Nagar, Pune – 411 014.
15	1-A, Ground Floor, Mezzanine Floor, Centriole Apartment Condominium, Plot No. 90, Anand Park, ITI Road Aundh, Taluka Haveli, Pune – 411 007.
<b>Gujarat</b>	
16	Iscon Center, Shivranjani Cross Road, Satellite, Ahmedabad-380 015.
17	Lal Bunglow, SNS House, Athwa Lines, Surat - 395 007.
18	Janakpuri Complex, Dr. Yagnik Road, Opp. Hotel Imperial Palace, Rajkot - 360 001.
19	K.P. Infinity, Opposite Yes Bank Ltd., Near INOX Multiplex, Natubhai Circle, Race Course Road, Vadodara - 390 007.
20	7-11, Ground Floor, Fortune Square- II, Near Primary School, Next to Royal Dream Society, Vapi Daman Road, Vapi - 396 191.
21	Shop No. G1, Krishna Complex, Waga Wadi Road, Next to 'Ghar Shala', Bhavnagar - 364 001.
22	Shop 4, 5 & 6, Ground Floor, Sunshine Arcade, Plot No. 59, Sector 8, Tagore Road, Near Lord's Hotel, Gandhidham, Kutch, Gujarat - 370201.
23	'Avadh', P. N. Marg, Opp. Dhanvantri Ground, Nr. Welcome Tower, Jamnagar – 361 008, Gujarat.
<b>Andhra Pradesh (Hyderabad)</b>	
24	70 Greensland Road, Punjagutta, Hyderabad - 500 082.
25	Shop no I, Mogul's Court, Basheerbagh, Hyderabad - 500 001.
<b>Telangana (Vijaywada)</b>	
26	Opp Gateway Hotel, M.G. Road, Labbipet, Vijayawada - 520 010.
<b>Kerala (Kochi)</b>	
27	Jos Annexe Building, Jos Junction, Ernakullam, Kochi - 682 016.
<b>Madhya Pradesh (Indore)</b>	
28	576 Laxmi Tower, M.G. Road, opp Treasure Island, Indore - 452 001.

**Stores of your Company in operation as on 31<sup>st</sup> March, 2020:****West Bengal (Kolkata)**

29 Saraswati Niketan, 5 Camac Street, Kolkata - 700 016.

30 CIT Road, Scheme, VIM, Kankurgachi, Kolkata - 700 054.

**Chhattisgarh (Raipur)**

31 Shop No. 1, Ground Floor, Prem Store Premises, Malviya Road, Next to G.P.O., Raipur, Chhattisgarh - 492 001.

**Rajasthan (Udaipur)**

32 Plot No. 58, Ground Floor and First Floor, Near Royal Motors, Panchwati, Udaipur - 313 001.

**Jharkhand (Jamshedpur)**

33 Ground Floor, Narbheram Building, Main Road, Bistupur, Jamshedpur - 831 001.

**Uttar Pradesh (Noida & Lucknow)**

34 G-31 & G-32, 'G' Block, Next to HDFC Bank, Gautam Budha Nagar, Sector 18, Noida - 201 301.

35 Mezzanine Floor and Ground Floor, 11, Mahatma Gandhi Marg (M.G. Marg), Lucknow, Uttar Pradesh - 226 001.

**Karnataka (Bengaluru)**

36 Unit No. G-70, on the Lower Ground Floor, Phoenix Market City, Mahadevpura, Nr. Krishnarajapuram Flyover, Bengaluru - 560 048.

**Franchisee Store Addresses:****Jharkhand (Dhanbad)**

37 Shop No. 1, Ground Floor, Centre Point Mall, Bank More, Dhanbad - 826 001, Jharkhand.

38 A/2, 3AC Market Church Complex, Main Road, Ranchi, District - Ranchi - 834 001, Jharkhand.

**Bihar (Patna)**

39 Ground Floor & Mezanine Floor, C.S. Plot No. 166, Khata No. 170, under Thana No. 7, situated at Survey Mauza Dhakan-pura, Darbari Govinda Complex (D.G. Complex), Near Pant Bhavan, Boring Canal Road, P.S. S.K. Puri, Patna - 800 001, Bihar.

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**

**Shrikant Zaveri**  
Chairman & Managing Director  
(DIN: 00263725)

**Raashi Zaveri**  
Whole-time Director  
(DIN: 00713688)

Date: 12<sup>th</sup> August, 2020

Place: Mumbai

## Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

To  
The Board of Directors  
Tribhovandas Bhimji Zaveri Limited  
Mumbai.

Dear Sir/ Madam,

### Sub: CEO/CFO Certificate

#### (Issued in accordance with provisions of Part B of Schedule II pursuant to Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015)

We, Shrikant Zaveri, Chairman & Managing Director (in capacity of Chief Executive Officer) and Saurav Banerjee, Chief Financial Officer of Tribhovandas Bhimji Zaveri Limited, to the best of our knowledge and belief, certify that:

- (A) We have reviewed the Balance Sheet and Profit & Loss Account (standalone and consolidated) for the financial year ended 31<sup>st</sup> March, 2020 and all schedules and notes on accounts, as well as Cash Flow statements, and the Directors' Report and based on our knowledge and information, we state that:
- these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - these statements together present a true and fair view of your Company's affairs and are in compliance with existing Indian Accounting Standards (Ind AS), applicable laws and regulations.
- (B) We further state that to the best of our knowledge and belief, there are no transactions entered into by your Company during the year, which are fraudulent, illegal or in violation of your Company's Code of Conduct.
- (C) We along with Company's other certifying officers, accept responsibility for establishing and maintaining internal controls for financial reporting and that we have:
- evaluated the effectiveness of internal control system of your Company pertaining to financial reporting; and
  - 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 steps we taken or proposed to take to rectify these deficiencies.
- (D) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
- Significant changes, if any, in the internal control over financial reporting during the year;
  - Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in your Company's internal control system over financial reporting.

Yours sincerely,  
For **Tribhovandas Bhimji Zaveri Limited**

**Shrikant Zaveri**  
Chairman & Managing Director  
(in the capacity of CEO)  
(DIN: 00263725)

**Saurav Banerjee**  
Chief Financial Officer

Date: 12<sup>th</sup> August, 2020  
Place: Mumbai

## Declaration by the CEO under Part D of Schedule V pursuant to Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct

In ACCORDANCE WITH Part D of Schedule V pursuant to Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, applicable to them for the financial year ended 31<sup>st</sup> March, 2020.

Yours sincerely,  
For **Tribhovandas Bhimji Zaveri Limited**

**Shrikant Zaveri**  
Chairman & Managing Director  
(in the capacity of CEO)  
(DIN: 00263725)

Date: 12<sup>th</sup> August, 2020  
Place: Mumbai

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
TRIBHOVANDAS BHIMJI ZAVERI LIMITED,  
241/43, ZAVERI BAZAR,  
MUMBAI - 400 002

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of TRIBHOVANDAS BHIMJI ZAVERI Limited having CIN L27205MH2007PLC172598 and having registered office at 241/43, ZAVERI BAZAR, MUMBAI 400 002 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	SHRIKANT GOPALDAS ZAVERI	00263725	24/07/2007
2	BINAISHA SHRIKANT ZAVERI	00263657	24/07/2007
3	RAASHI SHRIKANT ZAVERI	00713688	01/07/2008
4	KAMLESH SHIVJI VIKAMSEY	00059620	26/08/2010
5	SANJAY KHATAU ASHER	00008221	14/12/2010
6	AJAY CHIMANLAL MEHTA	00028405	14/12/2010

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 **A. U. Thakurdesai & Co.**,  
Company Secretaries

Sd/-

**A. U. Thakurdesai**  
Membership No.: FCS 4117  
CP No.: 5083

UDIN : F004117B000367414

Place: Mumbai

Date : June 23, 2020

**Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Members of  
Tribhovandas Bhimji Zaveri Limited  
1106, 11<sup>th</sup> Floor,  
Tulsiani Chambers,  
Free Press Journal Road,  
Nariman Point,  
Mumbai – 400021

1. The Corporate Governance Report prepared by Tribhovandas Bhimji Zaveri Limited (hereinafter the "Company"), contains details as specified in regulation 17 to 27, clause (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock exchange.

**Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
  - i. Read and understood of the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Register of Directors as on March 31, 2020 and verified that at least one independent woman director was on the Board of Directors throughout the year;

- iv. Obtained and read the minutes of the following committee meetings held April 1, 2019 to March 31, 2020:
    - (a) Board of Directors meeting;
    - (b) Special Committee of the Board of Directors;
    - (c) Audit committee;
    - (d) Annual General meeting (AGM);
    - (e) Nomination and remuneration committee;
    - (f) Corporate Social Responsibility committee;
    - (g) Separate meeting of the Independent Directors;
    - (h) Risk management committee; and
    - (i) Stakeholder Relationship Committee
  - v. Obtained necessary declarations from directors of the Company;
  - vi. Obtained and read the policy adopted by the Company for related party transactions;
  - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee;
  - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### Opinion

9. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, that we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 4 above.

### Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **SRBC & COLLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

**per Vijay Maniar**  
Partner  
Membership Number: 36738



# Independent Auditor's Report

To the Members of Tribhovandas Bhimji Zaveri Limited

## Report on the Audit of the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying standalone Ind AS financial statements of Tribhovandas Bhimji Zaveri Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder,

and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Emphasis of Matter

We draw attention to Note 42.15 of the accompanying standalone Ind AS financial statements which describes the uncertainties and impact of COVID-19 pandemic on the operations of the Company.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements.

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><i>Existence and valuation of Inventories (as described in note 2.2 (e) of the significant accounting policies, and note 12 for details in standalone Ind AS financial statements)</i></p> <p>The carrying value of Inventories of the Company is INR 119,393.17 lacs as at March 31, 2020. The Company's Inventories mainly comprised of gold, diamond, silver and platinum in the distribution centres and retail outlets. Valuation of Inventories is at lower of cost and net realizable value.</p>	<p>Our audit procedures over existence and valuation of Inventories included the following:</p> <ul style="list-style-type: none"> <li>We obtained an understanding, evaluated the design and tested the operating effectiveness of key controls that the Company has in relation to Inventories process, in particular, we:</li> </ul>

## Standalone

Key audit matters	How our audit addressed the key audit matter
<p>Significant portion of Inventories costs includes gold diamond, platinum and silver which are subject to risk of changes in the market value. The assessment of net realizable value of Inventories is based on estimates and judgements by the management in respect of, among others, the economic condition, sales forecast, marketability of products and the quality of gold and diamond used to make jewellery products. Furthermore, there is higher inherent risk of theft and pilferage given the high intrinsic value and portable nature of individual inventory items.</p> <p>Considering the above, we concluded that existence and valuation of inventories as a key audit matter for our audit.</p>	<ul style="list-style-type: none"> <li>a. Attended on a sample basis daily cycle physical counts at distribution centres and selected retail outlets. We observed the daily count procedures performed in distribution centres and retail outlets;</li> <li>b. In respect of samples tested for physical verification by management we inspected the respective daily cycle physical count reports for reconciliation of daily ending Inventories to the record in the Inventories system;</li> <li>c. In respect of samples tested for physical verification by management we read the in-house certificate of authenticity of diamond jewellery products;</li> </ul> <ul style="list-style-type: none"> <li>• We have observed periodic Inventories counts and performed "two way" sample count procedures for distribution centres and selected retail outlets of the Company. We compared our sample count results with the counts performed by the Company and the records in the Inventories system.</li> <li>• We compared the net realizable values on sample basis of gold, silver and platinum Inventories calculated based on the current market price with their carrying value of Inventories.</li> <li>• We compared the results of independent gemological appraisal report of selected samples to the weight and purity of diamond jewellery with records in the Inventories system.</li> <li>• We evaluated the independence and objectivity of the gemologist appointed by management.</li> </ul>
Key audit matters	How our audit addressed the key audit matter
<p><i>Implementation of Ind AS 116 - Leases (as described in note 2.2 (j) of the significant accounting policies, and note 4 for details in standalone Ind AS financial statements)</i></p> <p>On March 30, 2019, MCA notified Ind AS 116 Leases and it replaced Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.</p> <p>The company has applied the modified introspective method to ongoing leases as of April 01, 2019.</p> <p>The adoption of Ind AS 116 resulted in transitional impact amounting to ₹ 918.80 lakhs (net of straight lining of lease rentals of ₹ 137.69 lakhs and deferred tax asset of ₹ 493.52 lakhs) in retained earnings.</p> <p>As at March 31, 2020, the Company has ₹ 7,378.78 lakhs of Right of use (RoU) assets and ₹ 8,786.42 lakhs of Lease liabilities.</p> <p>Application of Ind AS 116, requires significant judgement and estimate in identification of lease arrangement, determining the RoU assets and lease liabilities based on terms of the underlying lease agreements, hence we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the Company's accounting policy with respect to recognition of leases and for assessing compliance with Ind AS 116.</li> <li>• Obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to accounting of leases under Ind AS 116.</li> <li>• Tested the accuracy and completeness of the underlying lease master by agreeing the underlying data pertaining to lease rentals, term, escalation and other relevant terms and conditions to lease agreements and recomputed on a sample basis calculation involved.</li> <li>• Assessed the underlying assumptions and estimates including the applicable discount rates.</li> <li>• We also assessed the Company's disclosures made in accordance with the requirements of Ind AS 116.</li> </ul>

We have determined that there are no other key audit matters to communicate in our report.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements,

## Standalone

including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 42.3.(i) to the standalone Ind AS financial statements;
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investors Education and Protection Fund by the Company

For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

**per Vijay Maniar**  
Partner

Membership Number: 36738  
UDIN: 20036738AAAADF6319

Mumbai: June 24, 2020

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF TRIBHOVANDAS BHIMJI ZAVERI LIMITED ('THE COMPANY')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, a portion of the property, plant and equipment has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
- (c) According to the information and explanation given by the management and on the basis of our examination of the records of the Company, the title deeds of immovable property are held in the name of the Company.
- (ii) The inventory, except stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in books of account. In respect of inventory lying with third parties, these have been substantially confirmed by them
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company. Accordingly, paragraph 3 (vi) of the order is not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, customs duty, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in few cases. As explained the Company did not have any dues on account of sales tax, value added tax and duty of excise.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, customs duty, goods and service tax, 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 records of the Company, there are no dues outstanding of income-tax, sales-tax, wealth-tax, service tax, duty of custom, excise duty, goods and service tax, value added tax and cess on account of any dispute which have not been deposited with the appropriate authorities other than those mentioned below:

## Standalone

Name of the Statute	Nature of Dues	Unpaid amount involved (₹ in lakhs)*	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Customs Duty	25.00	FY 2007-08	Additional commissioner of Customs
Maharashtra Value Added Tax Act, 2002	Value added tax	286.24	FY 2011-12	Joint Commissioner of Sales Tax (Appeals)
Central Sales Tax Act, 1956	Central sales tax	1.07	FY 2011-12	Joint Commissioner of Sales Tax (Appeals)
Local Body Tax Act	Local body tax	31.53	FY 2012-13	Commissioner
Local Body Tax Act	Local body tax	0.34	FY 2016-17 and FY 2017-18	Commissioner
Maharashtra Value Added Tax Act, 2002	Value added tax	15.99	FY 2013-14	Joint Commissioner of Sales Tax (Appeals)

\* The above amounts are net of amounts paid under protest

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank. There are no dues payable to any financial institution, debenture holder and government.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any monies by way of initial public offer / further public offer (including debt instruments) during the year. In our opinion and according to information and explanation given by the management, monies raised by the Company by way of term loans were applied for the purpose for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no material fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi company and the Nidhi Rules 2014 are not applicable to it. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements as required under Indian Accounting Standard (Ind AS) 24.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him/her as referred to in section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, paragraph 3 (xvi) of the order is not applicable.

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Vijay Maniar**

Partner

Membership Number: 36738

UDIN: 20036738AAAADF6319

Mumbai: June 24, 2020

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF TRIBHOVANDAS BHIMJI ZAVERI LIMITED

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

We have audited the internal financial controls over financial reporting of Tribhovandas Bhimji Zaveri Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements**

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

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

## Standalone

**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial

statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & COLLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Vijay Maniar**

Partner

Membership Number: 36738

UDIN: 20036738AAAADF6319

Mumbai: June 24, 2020



# Standalone Balance Sheet

as at 31 March 2020

	Notes	As at 31 March 2020	As at 31 March 2019
₹ in Lacs			
<b>ASSETS</b>			
<b>1) Non current assets</b>			
(a) Property, plant and equipment	3	7,637.99	8,577.07
(b) Right-to-use assets	4	7,378.78	-
(c) Investment property	5	1,829.19	1,847.49
(d) Intangible assets	6	218.57	327.99
(e) Investment in subsidiaries	7	202.33	202.33
(f) Financial assets			
(i) Loans	8	716.61	1,071.63
(g) Deferred tax assets (net)	9	681.26	24.18
(h) Non current tax assets	10	296.75	84.46
(i) Other non current assets	11	275.11	812.06
<b>Total Non Current Assets</b>		<b>19,236.59</b>	<b>12,947.21</b>
<b>2) Current assets</b>			
(a) Inventories	12	1,19,093.17	1,18,692.91
(b) Financial assets			
(i) Trade receivables	13	300.42	2,586.18
(ii) Cash and cash equivalents	14	228.67	645.62
(iii) Bank balance other than above	15	3,878.44	3,326.23
(iv) Security deposit	16	371.20	47.62
(v) Others financial assets	17	287.27	157.31
(c) Other current assets	18	4,191.34	4,715.71
<b>Total Current Assets</b>		<b>1,28,350.51</b>	<b>1,30,171.58</b>
<b>Total Assets</b>		<b>1,47,587.10</b>	<b>1,43,118.79</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1) Equity</b>			
(a) Equity share capital	19	6,673.06	6,673.06
(b) Other equity	20	42,511.95	42,740.81
<b>Equity attributable to equity holders of the company</b>		<b>49,185.01</b>	<b>49,413.87</b>
<b>2) Liabilities</b>			
<b>Non current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	49.32	1.35
(ii) Lease liability	22	6,061.49	-
(iii) Other financial liabilities	23	-	46.40
(b) Provisions	24	604.57	569.72
(c) Other non current liabilities	25	-	157.73
<b>Total Non Current Liabilities</b>		<b>6,715.38</b>	<b>775.20</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	26	54,785.64	60,542.73
(ii) Lease liability	27	2,724.93	-
(iii) Trade payables	28		
a) Total outstanding dues of micro enterprises and small enterprises		1,280.21	83.81
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		18,004.43	19,456.86
(iv) Other financial liabilities	29	163.35	57.39
(b) Provisions	30	506.27	445.02
(c) Other current liabilities	31	14,221.88	12,343.91
<b>Total Current Liabilities</b>		<b>91,686.71</b>	<b>92,929.72</b>
<b>Total Equity and Liabilities</b>		<b>1,47,587.10</b>	<b>1,43,118.79</b>
Summary of Significant accounting policies	2		
The accompanying notes referred to above an integral part of the standalone financial statements	3 to 42		

As per our report of even date attached  
For **S R B C & CO LLP**  
ICAI Firm Registration No: 324982E/E300003  
Chartered Accountants

**Vijay Maniar**  
Partner  
Membership No: 36738

**Shrikant Zaveri**  
Chairman and Managing Director  
DIN:00263725

**Saurav Banerjee**  
Chief Financial Officer

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**  
CIN: L27205MH2007PLC172598

**Raashi Zaveri**  
Whole Time Director  
DIN:00713688

**Niraj Oza**  
Head-Legal & Company Secretary  
Membership No.:A20646

Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

Standalone

# Standalone Statement of Profit and Loss

for the year ended 31 March 2020

₹ in Lacs

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
<b>INCOME</b>			
Revenue from operations	32.1	1,80,986.62	1,76,358.11
Other operating revenue	32.2	18.64	24.54
Total revenue from operations		<b>1,81,005.26</b>	<b>1,76,382.65</b>
Other income	33	542.01	560.48
<b>Total income</b>		<b>1,81,547.27</b>	<b>1,76,943.13</b>
<b>EXPENSES</b>			
Cost of material consumed	34	1,36,712.86	1,44,165.44
Purchase of stock-in-trade	35	6,503.57	12,767.35
Changes in inventories of finished goods, work-in-progress and stock-in-trade	36	3,432.24	(16,535.75)
Labour Charges		9,003.31	11,092.93
Employee benefits expense	37	7,615.24	7,318.13
Finance costs	38	5,611.28	4,637.20
Depreciation and amortisation expense	39	3,199.67	991.91
Other expenses	40	6,582.01	10,194.52
<b>Total expenses</b>		<b>1,78,660.18</b>	<b>1,74,631.73</b>
<b>Profit before tax</b>		<b>2,887.09</b>	<b>2,311.40</b>
Current tax		857.00	992.00
Deferred tax credit		(163.56)	(211.18)
<b>Income tax expense</b>	41	<b>693.44</b>	<b>780.82</b>
<b>Profit for the year</b>		<b>2,193.65</b>	<b>1,530.58</b>
<b>Other Comprehensive Loss</b>			
Items that will not be reclassified subsequently to profit or loss			
a) Remeasurements of employee defined benefit obligation		(126.19)	(169.23)
b) Income tax relating to above		30.31	57.17
<b>Other Comprehensive Loss</b>		<b>(95.88)</b>	<b>(112.06)</b>
<b>Total Comprehensive Income for the year</b>		<b>2,097.77</b>	<b>1,418.52</b>
Earnings per equity share			
Basic & Diluted (₹)	42.1	3.29	2.29
Summary of Significant accounting policies			
The accompanying notes referred to above an integral part of the standalone financial statements			
		3 to 42	

As per our report of even date attached  
For **S R B C & CO LLP**  
ICAI Firm Registration No: 324982E/E300003  
Chartered Accountants

**Vijay Maniar**  
Partner  
Membership No: 36738

**Shrikant Zaveri**  
Chairman and Managing Director  
DIN:00263725

**Saurav Banerjee**  
Chief Financial Officer

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**  
CIN: L27205MH2007PLC172598

**Raashi Zaveri**  
Whole Time Director  
DIN:00713688

**Niraj Oza**  
Head-Legal & Company Secretary  
Membership No.:A20646

Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

# Standalone Statement of Cash flows

for the year ended 31 March 2020

₹ in Lacs

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		<b>2,887.09</b>	<b>2,311.40</b>
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation of property, plant & equipment and intangible asset	39	3,199.67	991.91
Finance cost	38	5,611.28	4,637.20
Interest income on bank deposits and others	33	(211.04)	(164.35)
Loss on sales of property, plant and equipment	40	182.76	20.46
Bad debts written off	40	83.51	2.19
Rental income from investment property	33	(147.60)	(147.60)
Liabilities/Provision no longer require written back (net)	33	(39.56)	(106.61)
<b>Operating profit before working capital changes</b>		<b>11,566.11</b>	<b>7,544.60</b>
<b>Movements in working capital:</b>			
(Increase)/decrease in trade and other receivables		2,257.25	(292.17)
(Increase) in inventories		(400.26)	(16,512.12)
(Increase)/decrease in other current financial assets		(489.43)	64.54
(Increase)/decrease in other current assets		524.38	(3,739.88)
(Increase)/decrease in other non-current financial assets		300.02	(137.28)
Decrease in other non-current assets		524.89	274.63
Increase/(decrease) in trade payables		(256.03)	10,513.41
Increase in other non-current financial liabilities		5.89	4.85
Increase in other current liabilities		1,966.79	6,184.21
Increase/(decrease) in non-current liabilities		(122.89)	50.96
Increase/(decrease) in provisions		(64.94)	139.35
<b>Cash generated for operations</b>		<b>15,811.78</b>	<b>4,095.10</b>
Direct taxes paid (net of refund)		(1,089.42)	(1,032.90)
<b>Net cash flows from operating activities (A)</b>		<b>14,722.36</b>	<b>3,062.20</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment, intangible assets and capital advances		(301.46)	(1,467.34)
Proceeds from sale of property, plant and equipment		58.95	2.53
Bank deposits (having original maturity of more than three months)		(552.22)	(673.62)
Rental income from investment property	33	147.60	147.60
Interest received on deposits	33	238.45	76.27
<b>Net cash flow used in investing activities (B)</b>		<b>(408.68)</b>	<b>(1,914.56)</b>

## Standalone

# Standalone Statement of Cash Flows

for the year ended 31 March 2020

₹ in Lacs

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from non current borrowings		70.00	-
Repayment of non-current borrowings		(10.08)	(5.60)
Proceeds from / (repayment of) current borrowings (net)		(5,758.04)	3,685.84
Dividend paid		(1,407.84)	(603.36)
Payment of lease liability		(3,026.90)	-
Finance cost paid		(4,597.76)	(4,668.64)
<b>Net cash flow used in financing activities (C)</b>		<b>(14,730.62)</b>	<b>(1,591.76)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>		<b>(416.94)</b>	<b>(444.11)</b>
Cash and cash equivalent at beginning of year		645.62	1,089.73
<b>Cash and cash equivalent at end of year</b>		<b>228.67</b>	<b>645.62</b>
<b>Notes to cash flow statement</b>			
1 Components of cash and cash equivalents:			
Cash on hand	14	92.38	462.92
Balances with banks			
- on current accounts	14	136.30	182.70
		<b>228.67</b>	<b>645.62</b>
The accompanying notes referred to above an integral part of the standalone financial statements	3 to 42		

As per our report of even date attached  
For **S R B C & CO LLP**  
ICAI Firm Registration No: 324982E/E300003  
Chartered Accountants

**Vijay Maniar**  
Partner  
Membership No: 36738

**Shrikant Zaveri**  
Chairman and Managing Director  
DIN:00263725

**Saurav Banerjee**  
Chief Financial Officer

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**  
CIN: L27205MH2007PLC172598

**Raashi Zaveri**  
Whole Time Director  
DIN:00713688

**Niraj Oza**  
Head-Legal & Company Secretary  
Membership No.:A20646

Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

# Standalone Statement of Changes in Equity

for the year ended 31 March 2020

## A. Equity Share Capital

₹ in Lacs

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
Equity shares of ₹ 10 each issued, subscribe and fully paid				
<b>As at 1 April 2019</b>	<b>6,67,30,620</b>	<b>6,673.06</b>	<b>6,67,30,620</b>	<b>6,673.06</b>
Issue of share capital	-	-	-	-
<b>As at 31 March 2020</b>	<b>6,67,30,620</b>	<b>6,673.06</b>	<b>6,67,30,620</b>	<b>6,673.06</b>

## B. Other Equity

₹ in Lacs

	Reserves and Surplus			Other Comprehensive Income	Total Other equity
	Securities premium (refer note 20)	General reserve (refer note 20)	Retained earnings (refer note 20)	Re-measurement of defined benefit plan (refer note 20)	
<b>As at 1 April 2018</b>	<b>16,791.35</b>	<b>1,401.47</b>	<b>23,863.05</b>	<b>(61.82)</b>	<b>41,994.05</b>
Effect of adoption of new accounting standard Ind AS 115 Revenue from Contracts with Customers	-	-	(68.40)	-	(68.40)
<b>Adjusted balance as at 1 April 2018</b>	<b>16,791.35</b>	<b>1,401.47</b>	<b>23,794.65</b>	<b>(61.82)</b>	<b>41,925.65</b>
Dividend	-	-	(500.48)	-	(500.48)
Dividend Distribution Tax	-	-	(102.88)	-	(102.88)
Profit for the year	-	-	1,530.58	-	1,530.58
Other comprehensive income for the year	-	-	-	(112.06)	(112.06)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>927.22</b>	<b>(112.06)</b>	<b>815.16</b>
<b>As at 31 March 2019</b>	<b>16,791.35</b>	<b>1,401.47</b>	<b>24,721.87</b>	<b>(173.88)</b>	<b>42,740.81</b>
<b>As at 1 April 2019</b>	<b>16,791.35</b>	<b>1,401.47</b>	<b>24,721.87</b>	<b>(173.88)</b>	<b>42,740.81</b>
Effect of adoption of new accounting standard IND AS 116 Leases	-	-	(918.80)	-	(918.80)
<b>Adjusted balance as at 1 April 2019</b>	<b>16,791.35</b>	<b>1,401.47</b>	<b>23,803.07</b>	<b>(173.88)</b>	<b>41,822.01</b>
Profit for the year	-	-	2,193.65	-	2,193.65
Dividend	-	-	(1,167.78)	-	(1,167.78)
Dividend Distribution Tax	-	-	(240.05)	-	(240.05)
Other comprehensive income for the year	-	-	-	(95.88)	(95.88)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>785.81</b>	<b>(95.88)</b>	<b>689.94</b>
<b>As at 31 March 2020</b>	<b>16,791.35</b>	<b>1,401.47</b>	<b>24,588.88</b>	<b>(269.76)</b>	<b>42,511.95</b>

As per our report of even date attached  
For **S R B C & CO LLP**  
ICAI Firm Registration No: 324982E/E300003  
Chartered Accountants

**Vijay Maniar**  
Partner  
Membership No: 36738

**Shrikant Zaveri**  
Chairman and Managing Director  
DIN:00263725

**Saurav Banerjee**  
Chief Financial Officer

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**  
CIN: L27205MH2007PLC172598

**Raashi Zaveri**  
Whole Time Director  
DIN:00713688

**Niraj Oza**  
Head-Legal & Company Secretary  
Membership No.:A20646

Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

## Standalone

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## 1 Corporate information

Tribhovandas Bhimji Zaveri Limited ('TBZ' or the "the Company) known under the brand 'TBZ- the Original' was incorporated on 24 July 2007 by conversion of a partnership firm Tribhovandas Bhimji Zaveri under Part IX of the Companies Act, 1956 whereby the partners of the partnership firm became shareholders with the shareholdings as agreed amongst the partners. The Company has been converted to a public limited company w.e.f. 3 December 2010. The Company is in the business of retail sales of ornaments made of gold, diamond, silver, platinum and precious stones through its 36 showrooms and 3 franchisee outlets located across in India.

## 2 Basis of Preparation of financial statements and significant accounting policies

### 2.1 Basis of Preparation of financial statements

Accounting policies and methods of computation followed in the financial statements are same as compared with the annual financial statements for the year ended 31 March 2019, except for adoption of new standard or any pronouncement effective from 1 April 2019.

Ind AS 116 Leases, become mandatory for reporting periods beginning on or after 01 April 2019 replaces the existing lease standards. The Company has applied modified retrospective approach and accordingly has included the impact of Ind AS 116 applicable to these financial statements refer note 4.

#### a. Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS), notified under the Companies (Indian Accounting Standards) Rules, 2015, and other relevant provisions of the Companies Act, 2013 ("the Act") as amended.

The standalone financial statements were authorized for issue by the Company's Board of Directors at their meeting held on 24<sup>th</sup> June 2020.

#### b. Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (INR), and all the values are rounded to the nearest Lacs with two decimals, except when otherwise indicated.

#### c. Basis of measurement

The standalone financial statements have been prepared on accrual basis under the historical cost convention, except for the following assets and liabilities which have been measured at fair value as required by relevant Ind AS:

- derivative financial instruments,
- certain financial assets and liabilities (refer accounting policy regarding financial instruments), and
- defined employee benefit liability

#### d. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, (regardless of whether that price is directly observable or estimated using another valuation technique). In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability, at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

**e. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's standalone financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

**(a) Measurement of defined benefit obligations**

The cost of the defined benefit gratuity plan and other post-employment retirement benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation

involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note – 42.5.

For the purpose of assessing the leave availment rate, the Company considered the past leave availment history of the employees.

**(b) Measurement and likelihood of occurrence of provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

A disclosure for contingent liabilities is made where there is a possible obligation

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made in the financial statements.

**(c) Recognition of taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**(d) Provision for sales return**

The Company developed a statistical model for forecasting sales returns. The model used the historical return data of each franchise to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Company

**(e) Provision for inventory**

The Company provides provision based on policy, past experience, current trend and future expectations of the inventory held by them.

**(f) Useful life of property, plant and Equipments**

Useful lives of property, plant and equipments and intangible assets The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During financial year ended 31 March 2020, there were no changes in useful lives of property plant and equipment and intangible assets other than those resulting from store closures / shifting of premises.

The Company at the end of each reporting period, based on external and internal sources of information, assesses indicators and mitigating factors of whether a store (cash generating unit) may have suffered an impairment loss. If it is determined that an impairment loss has been suffered, it is recognised in statement of profit or loss.

**(g) Embedded derivative**

The Company enters into purchase gold contract, in which the amount payable is not fixed based on gold price on the date of purchase, but instead is affected by changes in gold prices in future. Such transactions are entered into to protect against the risk of gold price movement in the purchased gold. Accordingly, such unfixed payables (gold loan) are considered to have an embedded derivative. The Company designates the gold price risk in such instruments as hedging instruments, with gold inventory considered to be the hedged item. The hedged risk is gold prices movement.

**(h) Going concern**

During the current year ended March 31, 2020, management has performed an assessment of the entity's ability to continue as a going concern. Based on the assessment, management believe that there is no material uncertainty with respect to any events or conditions that may cast a significant doubt on the entity to continue as a going concern, hence the standalone financial statements have been prepared on going concern basis.

**(i) Impairment of equity investment in a subsidiary company.**

The accumulated losses of a subsidiary company viz. Tribhovandas Bhimji Zaveri (Bombay) Limited, have eroded its net worth. Tribhovandas Bhimji Zaveri (Bombay) Limited is taking ongoing steps to revamp its business operations.

Based on its future business plans and strategic growth projections, the Company has determined that no impairment is



# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

required at this stage. Further, the Company has provided a letter of financial support to Tribhovandas Bhimji Zaveri (Bombay) Limited and therefore no provision has been considered necessary.

## f. Current -non-current classification

All assets and liabilities are classified into current and non-current.

### Assets

An asset is classified as current when it satisfies any of the following criteria :

- a. it is expected to be realised in, or is intended for sale or consumption in, the Company normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the Company does not have as unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### Operating Cycle :

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

## 2.2 Significant accounting policies

### a) Property, plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any.

The cost of Property, plant and equipment comprises its purchase price/acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from tax authorities), any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase/completion is capitalized only if it is probable that future economic benefit associated with the expenditure will flow to the company.

Property, plant and equipment not ready for the intended use on the date of balance sheet are disclosed as "Capital work-in-progress". Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

If significant parts of an item of property, plant and equipment have different lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses arising from disposal or retirement of property, plant and equipment are recognised in the Statement of Profit and Loss.

Depreciation on PPE has been provided under pro-rata basis using straight line method over the estimated useful life of the assets. Freehold land is not depreciated.

## Standalone

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

Property, plant and equipment	Management estimate of useful life	Useful life as per Schedule II
Factory buildings	30 years	30 years
Other buildings	60 years	60 years
Leasehold improvement	Primary period of lease	Primary period of lease
Plant and machinery	15 years	15 years
Computer equipment	3 to 6 years	3 to 6 years
Furniture and fittings	5 to 10 years	10 years
Vehicles	8 years	8 years

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate.

Depreciation for the year is recognised in the Statement of Profit and Loss.

## b) Intangible assets

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of such assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. All costs relating to the acquisition are capitalised.

Intangible assets are amortised in the Statement of Profit or Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

The Company's intangible assets comprise of Computer software which are being amortised on a straight line basis over their estimated useful life of five years. Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

## c) Impairment of non financial assets

Assessment for impairment is done at each balance sheet date as to whether there is

any indication that a non-financial asset may be impaired. For the purpose of assessing impairment, the smallest identifiable Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or Company's of assets is considered as a cash generating unit.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of profit and loss. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

## d) Investments Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company depreciates investment properties over a period of 30 years on a straight-line basis over its estimated useful life.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

## e) Inventories

Inventories which comprise raw materials, finished goods, stock-in-trade and packing materials are carried at the lower of cost or net realizable value. Cost is determined on weighted average basis.

Cost of inventories comprises all costs of purchase and, other duties and taxes (other than those subsequently recoverable from tax authorities), costs of conversion and all other costs incurred in bringing the inventory to their present location and condition. In respect of purchase of goods at prices that are yet to be fixed at the year end, adjustments to the provisional amounts are recognised based on the year end closing gold rate.

Diamond finished jewellery is valued at specific cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

## f) Borrowing Costs

Borrowing costs consist of interest and other costs (including exchange differences to the extent regarded as an adjustment to the interest costs) incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition or construction of an asset, as defined in Ind AS 23, that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of such assets. All other borrowing costs are recognized as an expense in the period in which they are incurred.

## g) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer and sales under sale or return basis arrangements where in the Company has during previous financial year adopted modified retrospective approach in line with Ind As 115, Revenue from Contracts with customers, mandatory for reporting periods beginning on or after 1 April 2018.

### i) Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. In determining the transaction price for the sale of product, the Company considers the effects of variable consideration.

#### (a) Variable consideration

Revenue is measured at fair value of consideration received or receivable net of returns, trade and scheme discounts, volume rebate excluding taxes or duties collected on behalf of the government.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of product provide customers with a right of return. The rights of return give rise to variable consideration.

## (b) Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

## (c) Assets and liabilities arising from rights of return

### Right of return assets:

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products

### Refund liabilities:

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

### ii) Service Income

Service income is recognized on rendering of services at a point in time.

### iii) Gift Card

Sales are recognized when the vouchers are redeemed and goods are sold to the customers.

### iv) Interest Income

Interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial assets or to the amortised cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments (for example : prepayment and extension), but does not consider the expected credit losses. Interest income is included in other income in the Statement of Profit and Loss.

## h) Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the dates of the transactions. Exchange differences arising on foreign currency transactions settled during the period are recognized in the Statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into functional currency at

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

the exchange rates at the reporting date. The resultant exchange differences are recognized in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

## i) Employee benefits

### Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

### Post-employment benefits

#### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contribution to a Government administered scheme and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards provident fund and employee state insurance, which are defined contribution plans, at the prescribed rates. The Company's contribution is recognised as an expense in the Statement of profit and loss during the period in which the employee renders the related service.

#### Defined benefit plans

##### Gratuity

The Company operates a defined benefit gratuity plan in India. The Company contributes to a gratuity trust maintained by an independent

insurance company. The Company's liabilities under the Payment of Gratuity Act are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in 'Employee benefits expense' in the Statement of Profit and Loss. Re-measurement gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

#### Other long-term employee benefits

##### Compensated absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of profit and loss.

## j) Leases

As per Ind AS 116- Lease, the determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## Where the Company is the lessee

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated as per straight line method. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

## Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

## k) Income taxes

Income tax expense comprises current tax and deferred tax. It is recognised in the Statement of profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

### Current tax

The Income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in India.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date, and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current tax and deferred tax relating to items recognised outside the Statement of Profit and Loss

is recognised outside the Statement of Profit and Loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized, it is credited to the Statement of profit and loss and is considered as (MAT Credit Entitlement). Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

## **l) Earnings per share (EPS)**

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

## **m) Provision, contingent liabilities and contingent assets**

The Company creates a provision when there is a present obligation (legal or constructive) as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are discounted to its present value if the effect of time value of money is considered to be material. These are reviewed at each year end date and adjusted to reflect the best current estimate. The unwinding of the discount is recognized as

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may or may not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## n) Investment in Subsidiaries

The Company has elected to account for its equity investments in subsidiaries under Ind AS 27 on separate financial statements, at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of profit and loss.

## o) Cash and cash equivalents

Cash and Cash Equivalents in the balance sheet and for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months and short-term highly liquid investments with an original maturity of three months or less net of outstanding bank over drafts as they are considered an integral part of the Company's cash management.

## p) Financial instruments

A Financial instruments is any contract that gives rise to a financial assets of one entity and a financial liability or equity instrument of another entity.

### Financial Assets

#### Initial recognition and measurement:

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost,

fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (g) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

### Financial asset :

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- a) Debt instruments at amortised cost
- b) Debt instruments at fair value through other comprehensive income (FVTOCI)



# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

- c) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

## Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in statement of profit or loss. This category generally applies to trade and other receivables.

## Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of Profit & Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is

reclassified from the equity to statement of Profit & Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

## Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. The Company has not designated any debt instrument as at FVTPL.

## Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income. There is no recycling of the amounts from Other Comprehensive Income to Statement of Profit & Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

## De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

## Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortized cost and financial assets measured at FVOCI. For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade

receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss

## Financial liabilities :

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

## Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

## Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation

## De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original

liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

## Offsetting

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

## q) Derivative financial instruments and hedge accounting

### Embedded derivative

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified variable.

Derivative are initially measured at fair value. Subsequent to initial recognition, derivative are measured at fair value, and changes there in are generally recognised in profit and loss.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

## Standalone

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## 3 Property, plant and equipment

₹ in Lacs

	Leasehold improvements	Building	Plant and machinery*	Furniture and fittings	Computers	Vehicles	Total
<b>Cost</b>							
<b>As at 1 April 2018</b>	<b>1,702.14</b>	<b>4,081.55</b>	<b>1,754.43</b>	<b>1,438.91</b>	<b>504.20</b>	<b>112.51</b>	<b>9,593.74</b>
Additions	505.79	0.58	508.73	343.51	36.77	31.36	1,426.74
Deductions / adjustment during the year	33.63	-	6.05	16.75	1.02	-	57.45
<b>As at 31 March 2019</b>	<b>2,174.30</b>	<b>4,082.13</b>	<b>2,257.11</b>	<b>1,765.67</b>	<b>539.95</b>	<b>143.87</b>	<b>10,963.03</b>
<b>As at 1 April 2019</b>	<b>2,174.30</b>	<b>4,082.13</b>	<b>2,257.11</b>	<b>1,765.67</b>	<b>539.95</b>	<b>143.87</b>	<b>10,963.03</b>
Additions	24.86	8.08	15.93	43.24	8.85	130.72	231.68
Deductions / adjustment during the year	79.29	-	33.44	84.26	1.25	102.75	300.99
<b>As at 31 March 2020</b>	<b>2,119.87</b>	<b>4,090.21</b>	<b>2,239.60</b>	<b>1,724.65</b>	<b>547.55</b>	<b>171.84</b>	<b>10,893.72</b>
<b>Depreciation</b>							
<b>As at 1 April 2018</b>	<b>392.68</b>	<b>155.00</b>	<b>248.55</b>	<b>415.11</b>	<b>275.15</b>	<b>33.24</b>	<b>1,519.73</b>
Depreciation for the year	284.91	69.55	178.72	242.35	107.36	17.75	900.64
Deductions / adjustment during the year	23.06	-	1.99	8.70	0.66	-	34.41
<b>As at 31 March 2019</b>	<b>654.53</b>	<b>224.55</b>	<b>425.28</b>	<b>648.76</b>	<b>381.85</b>	<b>50.99</b>	<b>2,385.96</b>
<b>As at 1 April 2019</b>	<b>654.53</b>	<b>224.55</b>	<b>425.28</b>	<b>648.76</b>	<b>381.85</b>	<b>50.99</b>	<b>2,385.96</b>
Depreciation for the year	388.67	69.89	144.76	232.11	92.59	16.07	944.09
Deductions / adjustment during the year	17.17	-	7.79	0.79	1.07	47.51	74.33
<b>As at 31 March 2020</b>	<b>1,026.03</b>	<b>294.44</b>	<b>562.25</b>	<b>880.08</b>	<b>473.37</b>	<b>19.55</b>	<b>3,255.72</b>
<b>Net book value as at:-</b>							
<b>31 March 2019</b>	<b>1,519.77</b>	<b>3,857.58</b>	<b>1,831.83</b>	<b>1,116.91</b>	<b>158.10</b>	<b>92.88</b>	<b>8,577.07</b>
<b>31 March 2020</b>	<b>1,093.84</b>	<b>3,795.77</b>	<b>1,677.35</b>	<b>844.57</b>	<b>74.18</b>	<b>152.29</b>	<b>7,637.99</b>

### Notes:

- Property plant and equipment are pledged as security for working capital loans and vehicles against vehicle loans (refer note 21 and 26).
- Plant and Machinery includes net block amounting to ₹ 368.17 lacs (31 March 2019: ₹ 405.96 lacs) being the carrying value of plant and machinery situated at Kandivali (West), Mumbai given on operating lease rental.(\*)
- As at 31 March 2020, Buildings with carrying amount of ₹ 3,795.77 lacs (31 March 2019 ₹ 3,857.58 lacs) are subject to first pari passu charge to secured borrowings (refer note 26)

## 4 Right to Use Assets and Lease Liability

### Company as a lessee

Effective 1<sup>st</sup> April, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on the date of initial application i.e. April 01, 2019.. The Company has used the modified retrospective approach for transitioning to Ind AS 116 with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of retained earnings at the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

At the commencement date of a lease, the Company has recognised a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The Company has separately recognised the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

The Company shall remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The Company will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

The operating leases recorded on the balance sheet following implementation of Ind AS 116 are principally in respect of leasehold land and other identified assets representing right to use as per contracts excluding low value assets and short term leases of 12 months or less.

The Company has recognised right of use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right of use assets for most leases were recognised based on the carrying amount as if the standard had always been applied since the inception of lease, apart from the use of incremental borrowing rate at the date of initial application. For new lease entered in current year, the right of use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company has also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether lease's are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

The Company has adopted modified retrospective approach as per para C8 (c)(i) of IND AS 116 - Leases to its leases, effective from annual reporting period beginning April 01, 2019. This has resulted in recognizing a Right of Use assets of ₹ 7,940.05 Lacs in standalone Financial Statements and Lease Liability of ₹ 9,564.02 Lacs in standalone Financial statements as on April 1, 2019 and difference between Right of Use Assets and Lease Liability of ₹ 1,056.49 Lacs (net of deferred tax assets of ₹ 567.48 Lacs) in standalone Financial Statements has been adjusted in retained earnings. Further in standalone Financial statements, a provision towards straight-lining of lease rentals amounting to ₹ 137.69 Lacs (net of deferred tax liability amounting to ₹ 73.96 Lacs) has been adjusted against the retained earnings. In the statement of profit and loss for the current year, operating lease expenses has changed from rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability. To this extent performance for year ended March 31, 2020 is not comparable with previous year audited financial statements.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	₹ in Lacs
	<b>Building</b>
Cost	
<b>As at 1 April 2019</b>	<b>7,940.05</b>
Reclassified on account of adoption of Ind AS 116	332.83
Additions	1,269.04
Deductions / adjustment during the year	-
<b>As at 31 March 2020</b>	<b>9,541.92</b>
	<b>9,541.92</b>

## Standalone

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

	₹ in Lacs
	<b>Building</b>
<b>Depreciation</b>	
<b>As at 1 April 2019</b>	-
Reclassified on account of adoption of Ind AS 116	
Depreciation for the year	2,163.14
Deductions / adjustment during the year	
<b>As at 31 March 2020</b>	<b>2,163.14</b>
<b>Net book value as at:-</b>	
<b>31 March 2020</b>	<b>7,378.78</b>

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	₹ in Lacs
	<b>Amount</b>
As at 1 April 2019	9,564.02
Additions	1,187.09
Accretion of interest	970.85
Lease paid	(2,935.54)
<b>As at 31 March 2020</b>	<b>8,786.42</b>
Non Current	6,061.49
Current	2,724.93

The maturity analysis of lease liabilities are disclosed in Note no 42.13.2.B

The following are the amounts recognised in statement of profit or loss:

	₹ in Lacs
	<b>Amount</b>
Depreciation expense of right-of-use assets	2,163.14
Interest expense on lease liabilities	970.85
Expense relating to short-term leases (included in other expenses)	29.96
Variable lease payments (included in other expenses)	12.50
<b>Total amount recognised in profit or loss</b>	<b>3,176.45</b>

The Company had total cash outflows for leases of ₹ 3,026.90 lakhs in 31 March 2020. The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹ 1,269.04 lakhs in 31 March 2020.

## 5 Investment property

	₹ in Lacs		
	Freehold Land	Building	Total
<b>Cost</b>			
<b>As at 1 April 2018</b>	<b>1,419.34</b>	<b>484.57</b>	<b>1,903.91</b>
Additions	-	-	-
Deductions / adjustment during the year	-	-	-
<b>As at 31 March 2019</b>	<b>1,419.34</b>	<b>484.57</b>	<b>1,903.91</b>
<b>As at 1 April 2019</b>	<b>1,419.34</b>	<b>484.57</b>	<b>1,903.91</b>
Additions	-	-	-

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

	₹ in Lacs		
	Freehold Land	Building	Total
Deductions / adjustment during the year	-	-	-
<b>As at 31 March 2020</b>	<b>1,419.34</b>	<b>484.57</b>	<b>1,903.91</b>
<b>Depreciation</b>			
<b>As at 1 April 2018</b>	-	<b>38.15</b>	<b>38.15</b>
Depreciation for the year	-	18.27	18.27
Deductions / adjustment during the year	-	-	-
<b>As at 31 March 2019</b>	-	<b>56.42</b>	<b>56.42</b>
<b>As at 1 April 2019</b>	-	<b>56.42</b>	<b>56.42</b>
Depreciation for the year	-	18.30	18.30
Deductions / adjustment during the year	-	-	-
<b>As at 31 March 2020</b>	-	<b>74.72</b>	<b>74.72</b>
<b>Net book value as at:-</b>			
<b>31 March 2019</b>	<b>1,419.34</b>	<b>428.15</b>	<b>1,847.49</b>
<b>31 March 2020</b>	<b>1,419.34</b>	<b>409.85</b>	<b>1,829.19</b>

**Notes:**

- a) As at 31 March 2020, Buildings with carrying amount of ₹ 409.85 lacs (31 March 2019 ₹ 428.15 lacs) are subject to first pari passu charge to secured borrowings (refer note 26)

**Information regarding income and expenditure of Investment property**

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Rental income derived from investment properties	147.60	147.60
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	<b>147.60</b>	<b>147.60</b>
Less – Depreciation	18.30	18.27
<b>Profit arising from investment properties before indirect expenses</b>	<b>129.30</b>	<b>129.33</b>

The Company's investment properties consist of one commercial property in India. The management has determined that the investment property consist of one class of assets factory based on the nature, characteristics and risks of property.

As at 31 March 2020 and 31 March 2019, the fair values of the building is ₹ 2,778.00 lacs and ₹ 2,750.73 lacs respectively. These valuations are based on valuations performed by independent valuer. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment property have been provided in Note 42.13.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## 6 Intangible assets

₹ in Lacs

	Computer software	Total
<b>Cost</b>		
<b>As at 1 April 2018</b>	<b>153.89</b>	<b>153.89</b>
Additions	331.69	331.69
Deductions / adjustment during the year	-	-
<b>As at 31 March 2019</b>	<b>485.58</b>	<b>485.58</b>
<b>As at 1 April 2019</b>	<b>485.58</b>	<b>485.58</b>
Additions	8.46	8.46
Deductions / adjustment during the year	153.92	153.92
<b>As at 31 March 2020</b>	<b>340.12</b>	<b>340.12</b>
<b>Amortisation</b>		
<b>As at 1 April 2018</b>	<b>84.59</b>	<b>84.59</b>
Amortisation for the year	73.00	73.00
Deductions / adjustment during the year		
<b>As at 31 March 2019</b>	<b>157.59</b>	<b>157.59</b>
<b>As at 1 April 2019</b>	<b>157.59</b>	<b>157.59</b>
Amortisation for the year	74.14	74.14
Deductions / adjustment during the year	110.18	110.18
<b>As at 31 March 2020</b>	<b>121.55</b>	<b>121.55</b>
<b>Net book value as at:-</b>		
<b>31 March 2019</b>	<b>327.99</b>	<b>327.99</b>
<b>31 March 2020</b>	<b>218.57</b>	<b>218.57</b>

## 7 Investment in Subsidiaries:

(Unquoted at cost unless otherwise stated)

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
- Investments in equity instruments (refer note 42.7)		
5,020 (31 March 2019: 5,020) equity shares of ₹ 100 each, fully paid up in Tribhovandas Bhimji Zaveri (Bombay) Limited a wholly owned subsidiary	202.33	202.33
	<b>202.33</b>	<b>202.33</b>
Aggregate book value of unquoted non current investment	202.33	202.33

## 8 Loans

(Unsecured, considered good)

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
<b>To related parties</b>		
- Security deposits (refer note 42.7)	90.15	83.42
<b>To parties other than related parties</b>		
- Security deposits	626.46	988.21
	<b>716.61</b>	<b>1,071.63</b>



# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## 9 Deferred tax assets (net)

### a The major components of income tax (income)/expense are:

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Deferred tax assets	1,009.24	562.91
Deferred tax Liability	(327.98)	(538.73)
<b>Net deferred tax</b>	<b>681.26</b>	<b>24.18</b>

### b Deferred tax relates to following

	Balance sheet		Statement of Profit and Loss	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Property, plant and equipment	(327.98)	(538.73)	(210.75)	0.45
Employee benefits	333.59	421.23	87.64	(86.36)
Fair valuation of gold loan derivative	-	-	-	(63.07)
Provision for doubtful debts	22.30	1.77	(20.53)	24.64
Leases	35.62	74.17	38.61	(21.10)
Provision for sales return	50.31	65.74	15.43	(65.74)
Impact of change in tax rate	73.96	-	(73.96)	-
Deferred tax asset on adoption of Ind AS 116 Leases	493.47	-	-	-
<b>Deferred tax expense/(income)</b>			<b>(163.56)</b>	<b>(211.18)</b>
<b>Net deferred tax assets/(Liabilities)</b>	<b>681.26</b>	<b>24.18</b>		

## 10 Non-current tax assets

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Advance tax (net of provision for tax of ₹ 2,753.55 (31 March 2019, ₹ 992.00 Lacs))	296.75	84.46
	<b>296.75</b>	<b>84.46</b>

## 11 Other non current assets

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Advances for capital expenditure	4.68	16.75
Balance with government authorities (other than income tax)	266.85	354.69
Prepayments		
- To related party (refer note 42.7)	-	4.23
- To other than related party	3.58	436.39
	<b>275.11</b>	<b>812.06</b>

Standalone

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## 12 Inventories\*

(valued at the lower of cost and net realisable value)

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Raw material**	19,973.56	16,130.63
Finished goods**	37,643.30	52,931.33
Stock-in-trade**	61,445.35	49,589.56
Packing material	30.96	41.39
	<b>1,19,093.17</b>	<b>1,18,692.91</b>

During the year ₹ 1,125.00 Lac (Previous year: ₹ Nil) is recognized as an expense for inventories carried at net realizable value.

\*Working Capital Borrowing are secured by hypothecation of inventories of the Company (refer note 26).

\*\*Cost of precious stones forming part of the jewellery is determined by management based on technical estimate of the purity and clarity of diamonds used, on which the auditors have placed reliance, as this being a technical matter.

The cost of inventories is recognized as an expenses includes ₹ 75.00 Lac (Previous year: ₹ 35.00 Lac) in respect of provision for making charges for aged inventory

## 13 Trade receivables\*

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good**	300.42	2,586.18
Considered credit impairment	32.81	5.06
	<b>333.23</b>	<b>2,591.24</b>
Less: Impairment allowance (allowance for bad and doubtful debts)	(32.81)	(5.06)
Considered credit impairment		
<b>Total</b>	<b>300.42</b>	<b>2,586.18</b>

\*Working capital borrowing are secured by hypothecation of trade receivables of the Company (refer note 26).

\*\* Includes receivable from credit card companies amounting to ₹ NIL (31 March 2019: ₹ 153.44 Lakhs)

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are generally not interest-bearing.

**The movement in allowance for doubtful receivables is as follows:**

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	5.06	5.06
Provision created/(reversed) during the year	27.75	-
Considered credit impaired		
Considered credit impairment	-	-
Balance as at the end of the year	<b>32.81</b>	<b>5.06</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## 14 Cash and cash equivalents

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- on current accounts	136.29	182.70
Cash on hand	92.38	462.92
	<b>228.67</b>	<b>645.62</b>

As at 31 March 2020, the company had available ₹ 63,811.36 Lacs (31 March 2019 ₹ 4,430.71 Lacs) of undrawn committed borrowing facilities

## 15 Bank balances other than cash and cash equivalents

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Bank deposits (with original maturity for more than 3 months but less than 12 months)*	3,872.90	3,324.15
Earmarked balance with banks		
- Unclaimed dividend#	5.54	1.74
- Unclaimed share application money#	-	0.34
	<b>3,878.44</b>	<b>3,326.23</b>

#Includes restricted amount towards unclaimed Dividend of ₹ 5.54 (31 March 2019 ₹ 1.74 Lacs) and unclaimed share application money due for refund of ₹ NIL (31 March 2019 ₹ 0.34 lac)

\* Deposit with carrying amount of ₹ 5.54 Lacs (31 March 2019 ₹ 5.54) are under lien to secure working capital facilities availed from banks.

Deposit with carrying value of ₹ 3310.10 Lacs (31 March 2019 ₹ 2635.30 Lacs) are under lien to secure working capital facilities availed from banks.

\*Deposit with a carrying value of ₹ 7.50 Lacs (31 March 2019 ₹ 7.50 Lacs) are towards base capital given to Multi Commodity Exchange India Ltd

## 16 Security deposit (Unsecured, considered good)

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
<b>To parties other than related parties</b>		
- Security deposits	371.20	47.62
	<b>371.20</b>	<b>47.62</b>

## 17 Other financial assets (Unsecured, considered good)

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
<b>To related parties</b>		
Advance to suppliers (refer note 42.7)	157.38	-
<b>To parties other than related parties</b>		
Interest accrued on fixed deposits	129.89	157.31
	<b>287.27</b>	<b>157.31</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## 18 Other current assets

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
<b>To related parties</b>		
Advance to suppliers (refer note 42.7)	-	249.81
Prepayment (refer note 42.7)	-	6.72
<b>To parties other than related parties</b>		
Advance to suppliers	168.47	109.90
Advances to employees and others	10.18	65.09
Prepayment	261.05	235.63
Balance with government authorities (Other than income tax)	627.97	1,232.90
Refund Assets	3,123.67	2,815.66
	<b>4,191.34</b>	<b>4,715.71</b>

## 19 Equity share capital

### Authorised share capital

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
<b>As at the beginning of the year</b>	<b>7,50,00,000</b>	<b>7,500.00</b>	<b>7,50,00,000</b>	<b>7,500.00</b>
Increase during the year	-	-	-	-
<b>As at the end of the year</b>	<b>7,50,00,000</b>	<b>7,500.00</b>	<b>7,50,00,000</b>	<b>7,500.00</b>

### Issued equity share capital

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
<b>At the beginning and at the year end</b>	<b>6,67,30,620</b>	<b>6,673.06</b>	<b>6,67,30,620</b>	<b>6,673.06</b>
Increase during the year	-	-	-	-
<b>At the end of the year</b>	<b>6,67,30,620</b>	<b>6,673.06</b>	<b>6,67,30,620</b>	<b>6,673.06</b>

### a 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. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his share of paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## b Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹ 10 each fully paid up held by:				
Shrikant Zaveri	3,34,02,275	50.06%	3,34,02,275	50.06%
Binaisha Zaveri	52,85,000	7.92%	52,85,000	7.92%
Raashi Zaveri	45,72,500	6.85%	45,72,500	6.85%
Bindu Zaveri	35,00,000	5.24%	35,00,000	5.24%

## 20 Other equity

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
<b>Securities premium account</b>		
<b>As at the beginning of the year</b>	<b>16,791.35</b>	<b>16,791.35</b>
Add: Securities premium collected during the year	-	-
<b>As at the end of the year</b>	<b>16,791.35</b>	<b>16,791.35</b>
<b>General reserves</b>		
<b>As at the beginning of the year</b>	<b>1,401.47</b>	<b>1,401.47</b>
Add: Transfer during the year	-	-
<b>As at the end of the year</b>	<b>1,401.47</b>	<b>1,401.47</b>
<b>Surplus in profit and loss</b>		
<b>As at the beginning of the year</b>	<b>24,721.87</b>	<b>23,863.05</b>
Add/Less: Opening provision for sales return of Ind AS 115: Revenue	-	(68.40)
Add/Less: Opening impact of Ind AS 116: Leases	(918.80)	-
<b>Adjusted balance as at 01 April 2019</b>	<b>23,803.07</b>	<b>23,794.65</b>
Add/Less: Profit for the year	2,193.65	1,530.58
Add/Less: Equity dividend for the year ended	(1,167.78)	(603.36)
Add/Less: Dividend Distribution Tax	(240.05)	-
<b>As at the end of the year</b>	<b>24,588.88</b>	<b>24,721.87</b>
<b>Other comprehensive income</b>		
<b>As at the beginning of the year</b>	<b>(173.88)</b>	<b>(61.82)</b>
Add: Re-measurement gains/(losses) on defined benefit plans	(126.19)	(169.23)
Add: Income tax effect	30.31	57.17
<b>As at the end of the year</b>	<b>(269.76)</b>	<b>(173.88)</b>
	<b>42,511.95</b>	<b>42,740.81</b>

### Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with provisions of the Companies Act 2013.

### General reserves

The general reserve is mainly created / built by the Company from time to time by transferring the profits from the retained earnings. The reserve may be utilised mainly to declare dividend as permitted under Companies Act 2013.

### Surplus in profit and loss

Retained earnings comprise of the Company's undistributed profits after taxes.

### Other comprehensive income

Items of other comprehensive income consist of re-measurement gain/(losses) on defined benefit plan of the Company.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## 21 Non current borrowings

			₹ in Lacs	
Secured	Effective interest rate %	Maturity	As at 31 March 2020	As at 31 March 2019
<b>Term loans</b>				
- from banks	8.75% to 9.65%	Sept'20 & Nov'23	49.32	1.35
			<b>49.32</b>	<b>1.35</b>
Amount disclosed as current maturities of long term borrowings under the head other current liabilities (refer note 29)				
- from banks			17.08	6.08
			<b>17.08</b>	<b>6.08</b>

The term loans from banks are secured by authentication of vehicle purchased.

The term loans shall be repayable on monthly Installments till 5 September 2020 and 1 November 2023.

The Company has not defaulted for any loans payable, and there has been no breach of any loan covenants

## 22 Lease liability

			₹ in Lacs	
			As at 31 March 2020	As at 31 March 2019
Lease liability (refer note 4)			6,061.49	-
			<b>6,061.49</b>	-

## 23 Other financial liabilities

			₹ in Lacs	
			As at 31 March 2020	As at 31 March 2019
<b>From related parties</b>				
- Security deposits (refer note 42.7)			-	46.40
			-	<b>46.40</b>

## 24 Non-current provisions

			₹ in Lacs	
			As at 31 March 2020	As at 31 March 2019
<b>Provision for employee benefits</b>				
- Provision for gratuity (refer note 42.5 (b))			604.57	569.72
			<b>604.57</b>	<b>569.72</b>

## 25 Other non-current liabilities

			₹ in Lacs	
			As at 31 March 2020	As at 31 March 2019
<b>From other than related parties</b>				
- Deferred rent liability			-	157.73
			-	<b>157.73</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## 26 Current borrowings

₹ in Lacs

- Secured	Effective interest rate	Maturity	As at 31 March 2020	As at 31 March 2019
<b>Loans repayable on demand from Banks</b>				
- Working capital demand loan*	10.05% to 11.05%	Various dates	16,632.67	3,250.00
- Gold Loan	2.05% to 3.74%	Various dates	21,873.30	29,989.50
- Cash credit	9.9% to 12.05%	On demand	16,279.67	27,303.23
			<b>54,785.64</b>	<b>60,542.73</b>

\*Working capital demand loan and the Cash credit facilities are part of a consortium arrangement with banks. The above facilities are secured by primary security by way of hypothecation charge on the entire current assets of the Company, present and future, on first pari passu basis among the members of the consortium.

Further, the facility is secured by collateral security on first pari passu charge basis among the members of the consortium

- By way of mortgage over premises at Zaveri Bazar, Mumbai, premises at Surat, premises at Kandivali Industrial Estate, Mumbai, premises at Nariman Point, Mumbai, premises at Punjagutta, Hyderabad.
- By way of hypothecation charge over Property, Plant and Equipment installed/erected at Surat, at Kandivali Industrial Estate, Mumbai, at Pune, and all movable and immovable assets present in all the Company's showrooms."

The facility is also secured by way of extension of mortgage charge on Second pari passu basis over commercial premises at Santacruz, Mumbai belonging to Shri Shrikant Zaveri (Chairman and Managing Director) and the personal guarantee of Shri Shrikant Zaveri the Chairman and Managing Director of the Company.

Deposit with carrying value of 3310.10 Lacs (31 March 2019 ₹ 2635.30 Lacs) are under lien to secure working capital facilities availed from banks. The facilities are also secured by Bank Guarantee of ₹ 13889.94 lacs (31 March 2019: ₹ 18,384 lacs).

## 27 Lease liability

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
- Lease liability (refer note 4)	2,724.93	-
	<b>2,724.93</b>	<b>-</b>

## 28 Trade payables

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
Due to		
- Total outstanding dues of micro enterprises and small enterprises; and (refer note 42.4)	1,280.21	83.81
- Total outstanding dues of creditors other than micro enterprises and small enterprises	18,004.43	19,456.86
	<b>19,284.64</b>	<b>19,540.67</b>

## Standalone

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## 29 Other financial liabilities

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
<b>From related parties</b>		
- Security deposits (refer note 42.7)	48.83	-
<b>From parties other than related parties</b>		
Current maturities of long term borrowings (refer note 21)	17.08	6.08
Interest accrued but not due on borrowings	91.90	49.23
Share application money due for refund*	-	0.34
Amount liable to be deposited in Investor Education and Protection Fund but not yet due for deposit		
- Unclaimed dividend	5.54	1.74
	<b>163.35</b>	<b>57.39</b>

\*During May 2012, the Company had received application money for allotment of equity shares via Initial Public Offer (IPO). However, due to over subscription the application money became due for refund. There is no interest payable on share application money.

## 30 Current provisions

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
<b>Provision for employee benefits</b>		
- Provision for gratuity (refer note 42.5 (b))	192.43	159.42
- Provision for compensated absences	313.84	285.60
	<b>506.27</b>	<b>445.02</b>

## 31 Other current liabilities

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
Advance from customers	1,944.10	1,435.79
Customers dues under schemes / arrangements	8,147.25	7,027.02
Refund liability	3,323.39	3,006.56
Statutory liabilities#	150.60	173.50
Creditors for capital expenditure	97.16	146.43
Deferred rent liability	-	53.92
Accrual for expenses	559.38	500.69
	<b>14,221.88</b>	<b>12,343.91</b>

#Statutory liabilities includes Tax deducted at source, Goods and service tax, Employee state insurance, Provident fund and Profession tax.

Other current liabilities are non-interest bearing and have an average of 10-months term.

Undisputed statutory dues are generally settled in the next months.

Company's scheme do not qualify as deposits and Company has obtained legal opinion to that effect.



# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## 32 Revenue from contract with customers

### 32.1 Sale of product

	₹ in Lacs	
	Year ended 31 March 2020	Year ended 31 March 2019
- Sale of goods	1,80,986.62	1,76,358.11
<b>Total</b>	<b>1,80,986.62</b>	<b>1,76,358.11</b>
India	1,80,986.62	1,76,358.11
Outside india	-	-
<b>Contract balances</b>		
Trade receivables*	300.42	2,586.18
*Trade receivables are generally not interest-bearing.		
<b>Reconciliation of revenue as recognised in Statement of Profit and Loss with the contracted price</b>		
Revenue as per contracted price	1,81,795.42	1,92,114.37
Less: Adjustments		
Price adjustments such as discounts, rebates and sales promotion schemes	708.81	1,333.00
Sales return	100.00	14,423.26
Other adjustments	-	-
<b>Revenue as per Statement of Profit and Loss</b>	<b>1,80,986.62</b>	<b>1,76,358.11</b>
<b>Refund assets and Refund liabilities:</b>		
Refund assets	3,123.67	2,815.66
Refund liabilities	3,323.39	3,006.56
<b>Disaggregated revenue information:</b>		
Revenue from retail operations	1,73,743.98	1,67,967.69
Revenue from non-retail operations	7,242.64	8,390.42
<b>Revenue from contract with customers</b>	<b>1,80,986.62</b>	<b>1,76,358.11</b>

### 32.2 Other operating revenue

	₹ in Lacs	
	Year ended 31 March 2020	Year ended 31 March 2019
- Repairing revenue	18.64	24.54
<b>Total</b>	<b>18.64</b>	<b>24.54</b>

## 33 Other income

	₹ in Lacs	
	Year ended 31 March 2020	Year ended 31 March 2019
Interest Income		
- Interest income on bank deposits	211.04	164.35
- Interest Income (Other)	102.96	81.72
Other Non-Operating Income		
- Rental income from investment property (refer note 42.7)	147.60	147.60
- Gain on termination of lease liability	9.54	-
- Miscellaneous Income	31.29	60.20
- Liabilities/Provisions no longer required written back	39.56	106.61
	<b>542.01</b>	<b>560.48</b>

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# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## 34 Cost of material consumed

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Inventory at the beginning of the year</b>	16,130.63	16,164.06
Add: Purchases	1,40,555.79	1,44,132.01
	<b>1,56,686.42</b>	<b>1,60,296.07</b>
Less: Inventory at the end of the year	(19,973.56)	(16,130.63)
<b>Cost of material consumed</b>	<b>1,36,712.86</b>	<b>1,44,165.44</b>

## 35 Purchase of stock-in-trade

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
Purchase of stock-in-trade	6,503.57	12,767.35
	<b>6,503.57</b>	<b>12,767.35</b>

## 36 Changes in inventories of finished goods and stock-in-trade

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
Opening inventory		
- Finished goods	52,931.33	45,112.24
- Stock-in-trade	49,589.56	40,872.90
	<b>1,02,520.89</b>	<b>85,985.14</b>
Closing inventory		
- Finished goods	37,643.30	52,931.33
- Stock-in-trade	61,445.35	49,589.56
	<b>99,088.65</b>	<b>1,02,520.89</b>
<b>(Increase)/Decrease in stock</b>	<b>3,432.24</b>	<b>(16,535.75)</b>

## 37 Employee benefits expenses

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	6,897.09	6,641.11
Contribution to provident and other funds (refer note 42.5(a))		
- Provident fund	275.62	249.93
- Other fund	37.20	48.16
Gratuity expenses (refer note 42.5 (b))	162.65	119.75
Compensated absences (refer 42.5 (c))	53.14	40.86
Staff welfare expenses	189.54	218.32
	<b>7,615.24</b>	<b>7,318.13</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## 38 Finance costs

	₹ in Lacs	
	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
Interest expenses	4,137.50	4,204.57
Other borrowing costs	502.93	432.63
Interest expense on lease liability	970.85	-
	<b>5,611.28</b>	<b>4,637.20</b>

## 39 Depreciation and amortisation expenses

	₹ in Lacs	
	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
Depreciation on property, plant and equipment (refer note 3)	944.09	900.64
Depreciation on right to use assets (refer note 4)	2,163.14	-
Amortisation of intangible assets (refer note 5)	74.14	73.00
Depreciation on investment property (refer note 6)	18.30	18.27
	<b>3,199.67</b>	<b>991.91</b>

## 40 Other expenses

	₹ in Lacs	
	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
Power and fuel	380.83	414.09
Water charges	12.32	10.98
Boxes and packing material	285.97	257.13
Repairs and maintenance		
- Plant & machinery	221.96	183.78
- Others	353.90	278.96
Jobwork charges	58.94	87.76
Rent (refer note 42.6)	42.46	2,862.34
Advertisement and sales promotion	3,094.45	3,842.88
Freight and forwarding charges	117.65	123.88
Commission and service charges	9.63	64.21
Insurance	43.54	42.19
Travelling and conveyance expenses	129.35	231.91
Rates and taxes	122.07	112.67
Legal and professional fees	298.88	396.94
Royalty	-	(4.94)
Postage, telegrams and telephone charges	58.90	46.02
Payment to auditors:		
- Statutory audit	26.50	25.50
- Limited review of quarterly results	25.65	21.00
- Other services	0.50	-
- Out of pocket expenses	8.91	1.85

Standalone

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
Security charges	223.51	229.58
Loss on sales of property, plant and equipment	182.76	20.46
Bank charges	589.97	692.78
Provision for doubtful debts/advances	83.51	-
Bad debts written off	-	2.19
Contribution towards Corporate Social Responsibility (refer note 42.2)	47.80	22.99
Directors sitting fees	5.70	5.60
Commission to directors (refer note 42.7)	18.00	22.50
Miscellaneous expenses	138.35	199.27
	<b>6,582.01</b>	<b>10,194.52</b>

## 41 Income tax expense

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
<b>The major components of income tax expenses for the year ended 31 March 2020 and 31 March 2019 are:</b>		
<b>(i) Amounts recognised in profit and loss</b>		
<b>Current income tax</b>	<b>857.00</b>	<b>992.00</b>
<b>Deferred income tax liability / (asset)</b>		
Origination and reversal of temporary differences	(163.56)	(211.18)
<b>Deferred tax expenses / (income)</b>	<b>(163.56)</b>	<b>(211.18)</b>
<b>Tax expense for the year</b>	<b>693.44</b>	<b>780.82</b>
<b>(ii) Amounts recognised in other comprehensive income</b>		
<b>Items that will not be reclassified to profit &amp; loss</b>		
Remeasurements of defined benefit plans	30.31	57.17
<b>(iii) Reconciliation of effective tax rate</b>		
Profit before tax	2,887.09	2,311.40
Company's domestic tax rate	25.17%	34.94%
<b>Tax using the company's domestic tax rate</b>	<b>726.64</b>	<b>807.60</b>
<b>Tax effect of:</b>		
Expense not allowed for tax purpose-Donations & CSR	5.70	5.06
Impact of change in tax rate	6.55	-
Others	46.65	38.66
	<b>693.44</b>	<b>780.82</b>
Current tax	857.00	992.00
Deferred tax	(163.56)	(211.18)
<b>Total tax</b>	<b>693.44</b>	<b>780.82</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## 42 Notes to Accounts

### 42.1 Earning Per Share (EPS)

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Profit after taxation	2,193.65	1,530.58
Weighted Average Number of Equity Shares	6,67,30,620	6,67,30,620
Add: effect of potential issues of options	Nil	Nil
Number of shares considered as weighted average shares and potential shares outstanding	6,67,30,620	6,67,30,620
Basic earnings per share (₹)	3.29	2.29
Diluted earnings per share (₹)	3.29	2.29

### 42.2 Corporate social responsibility (CSR)

As per Section 135 of the Companies Act 2013, a CSR Committee has been formed by the Company. The areas of CSR activities are to eradicate hunger, poverty and malnutrition, promoting healthcare, including preventive health care and sanitation. The Company also wants to promote education, including special education and employment, enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. As part of above, the Company has undertaken CSR activities through Cancer Patient Aid Association (CPAA), Ahmedabad Women's Action Company (AWAG), Stree Mukti Sanghatan, Voice Tree Technologies Private Limited, Baroda Citizen Council (BCC), Bharatiya Street Shakti and West Wind Foundation which are specified in Schedule VII of the Companies Act, 2013.

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Gross amount required to be spent during the year	47.76	17.96
Amount spent during the year on :		
1) Construction / acquisition of assets		
a) Paid in cash	-	-
b) Yet to be paid	-	-
2) Other than (1) above		
a) Paid in cash	47.80	22.99
b) Yet to be paid	-	-
<b>Total</b>	<b>47.80</b>	<b>22.99</b>

### 42.3 Contingent liabilities and commitments

#### (i) Contingent Liabilities

Claims against the Company not acknowledged as debts

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
a) Guarantees given	13,850.00	18,384.00
b) Other matters for which the Company is contingently liable		
i) Sales tax matters	303.64	308.54
ii) Local body tax matters	31.53	31.54
iii) Custom duty matters	25.00	18.25

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

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

The Company's pending litigations comprises of claims against the Company primary for shortfall of Forms F and disallowance of input credit, with Sales/VAT tax and other authorities. The Company has reviewed all its pending litigations and proceedings, and has adequately provided for where provisions are required and disclosed the contingent liabilities, where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statement.

The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long-term contracts has been made in the books of account.

Other matters - Provident fund

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28<sup>th</sup> February, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.

## (ii) Commitments

Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances) as at 31 March 2020 is ₹ 0.88 lacs (31 March 2019: ₹ 2.97 Lacs).

The Company has provided a letter of financial support upto 31 March 2020 to its wholly owned subsidiary company, Tribhovandas Bhimji Zaveri (Bombay) Limited.

## (iii) Leases

### Operating lease commitments as a lessee

The Company has entered into agreements for taking on lease certain residential / store premises. These lease have terms of between five to nine years. All leases include a clause to enable upward revision of the rental charge basis the prevailing market conditions.

The Company has recognized the shoroom rent expenses in the books of accounts. Rental expenses under operating leases (including cancellable and non-cancellable) aggregating ₹ NIL (31 March 2019: ₹ 2,866.44) have been included under "other expenses" in the Statement of Profit and Loss as disclosed under note 40.

The future minimum lease payments in respect of non-cancellable operating leases as at 31 March 2020 are as follows -

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Amount due within one year from the balance sheet date	-	2,915.35
Amount due for the period after one year and before five years	-	7,629.50
Amount due for the period after five years	-	2,432.84

Note: w.e.f 1<sup>st</sup> April, 2019, IND AS 116 "Leases" supersedes IND AS 17 "Leases". Refer note 4 for disclosures.

### Operating lease commitments as a lessor

The Company has recognized rent income on investment property and plant and machinery given on operating lease to its wholly owned subsidiary. Rent income aggregating to ₹ 147.60 lacs (31 March 2019: ₹ 147.60 lacs) have been included under "other income" in the Statement of Profit and Loss as disclosed under note 33.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

The future minimum lease receipts in respect of non-cancellable operating leases as at 31 March 2020 are as follows -

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Amount receivable within one year from the balance sheet date	110.70	147.60
Amount receivable for the period after one year and before five years	-	110.70
Amount receivable for the period after five years	-	-

## 42.4 Dues to Micro, Small and Medium Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprise.

On the basis of the information and records available with management, the following disclosures are made for the amounts due to Micro, Small and Medium enterprises who have registered with the Competent authorities.

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
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	1,280.21	83.81
Interest due on the above	28.21	2.19
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
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, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	28.21	2.19
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 of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

## 42.5 Gratuity and Other Post-employment benefit plans

### a) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employees State Insurance, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund and other funds for the year aggregated to ₹ 312.82 Lacs (31 March 2019: ₹ 298.09 Lacs) which is shown under notes to financial statements 37 – 'Employee benefits'.

## Standalone

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## b) Defined benefit plans

The Company operates gratuity plan through a Trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972. The gratuity plan is funded. The Company contributes to the Fund based on the actuarial valuation report. The Company has contributed to the Insurer Managed Fund. The following tables summarise 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:

₹ in Lacs

	Gratuity (funded)	
	As at 31 March 2020	As at 31 March 2019
<b>I Change in Benefit Obligation</b>		
<b>Liability at the beginning of the year</b>	<b>885.46</b>	<b>652.42</b>
Interest cost	68.77	56.40
Current service cost	106.02	73.30
Benefit paid	(98.22)	(65.89)
Actuarial (gain) / loss on obligations	126.19	169.23
<b>Liability at the end of the year</b>	<b>1088.22</b>	<b>885.46</b>
<b>Bifurcation of Present value of obligation at the end of the year as per revised Schedule III of the Companies Act, 2013</b>		
Current liabilities (Short term)	192.43	159.42
Non-Current liabilities (Long term)	895.80	726.04
<b>Present value of obligation</b>	<b>1,088.22</b>	<b>885.46</b>
<b>II Amount recognised in the Balance Sheet</b>		
Liability at the end of the year	1,088.22	885.46
Fair value of plan assets at the end of the year	(290.24)	(156.32)
<b>Amount recognised in the Balance Sheet</b>	<b>797.00</b>	<b>729.14</b>
Current provisions	192.43	159.42
Non-current provisions	604.57	569.72
	<b>797.00</b>	<b>729.14</b>
<b>III Expenses recognised in the Statement of Profit and Loss</b>		
Current service cost	106.02	73.30
Interest cost	68.77	56.40
Investment Income	(12.14)	(9.95)
Net actuarial (gain) / loss to be recognised		
Gratuity paid		
Adjustment to opening balance of plan assets		
<b>Expense recognised in Statement of Profit and Loss</b>	<b>162.65</b>	<b>119.75</b>
<b>IV Expenses recognised in the Other Comprehensive Income</b>		
Change in demographic assumptions	38.64	-
Change in Financial assumptions	79.88	160.06
Experience variance (i.e Actual experience vs assumptions)	7.67	9.17
Return on plan assets	-	-
<b>Expense recognised in the Other Comprehensive Income</b>	<b>126.19</b>	<b>169.23</b>



# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

₹ in Lacs

	Gratuity (funded)	
	As at 31 March 2020	As at 31 March 2019
<b>V Balance Sheet Reconciliation</b>		
Opening net liability	729.14	490.16
Adjustment to opening balance	-	-
Expense recognized in the Statement of Profit and Loss	162.65	119.75
Expense recognized in the Statement of OCI	126.19	169.23
Gratuity paid	-	-
Contribution Paid	(220.00)	(50.00)
<b>Amount recognised in Balance Sheet</b>	<b>797.00</b>	<b>729.14</b>
<b>VI Composition of plan assets</b>		
Qualifying insurance policies*	290.24	156.32
A split of plan asset between various asset classes is as below:		
<b>Unquoted other debt instruments</b>	<b>290.24</b>	<b>156.32</b>
<b>VII Movement in fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	156.32	162.26
Adjustment to opening balance of plan assets	-	-
Contributions paid into the plan	220.00	50.00
Benefits paid by the plan	(98.22)	(65.89)
Investment Income	12.14	9.95
Actuarial (losses) / gains	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>290.24</b>	<b>156.32</b>
<b>VIII Principal actuarial assumptions</b>		
Discount rate per annum	6.70%	7.75%
Expected rate of return on plan Assets	7.75%	7.75%
Salary escalation rate per annum	5.50%	6.00%
Mortality	Indian Assured lives Mortality (2012-14) Ultimate	Indian Assured lives Mortality (2006-08) Ultimate
Employee Turnover rate	2.00% - 22.00%	0% - 28.00%

**IX The principal actuarial risks to which the Company is exposed are investment risk, interest rate risk, salary risk and longevity risk**

Investment risk	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
Interest risk	The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.
Longevity risk	The Company has used certain mortality and attrition assumptions in the valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
Salary Risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

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# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## IX Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
Defined Benefit Obligation (Base)	1,088.22	885.46

	As at 31 March 2020		As at 31 March 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	1,233.21	968.44	1,030.08	768.71
(% change compared to base due to sensitivity)	13.30%	(-11.00%)	16.30%	(-13.20%)
Salary Growth Rate (- / + 1%)	966.16	1,233.51	765.97	1,031.21
(% change compared to base due to sensitivity)	(-11.20%)	13.40%	(-13.50%)	16.50%
Attrition Rate (- / + 50% of attrition rates)	1,074.77	1,099.31	887.58	883.57
(% change compared to base due to sensitivity)	(-1.20%)	1.00%	0.20%	0.20%
Mortality Rate (- / + 10% of mortality rates)	1,087.70	1,088.75	884.50	886.41
(% change compared to base due to sensitivity)	0.00%	0.00%	(-0.10%)	0.10%

## X Maturity Profile of Defined Benefit Obligation

	As at 31 March 2020	As at 31 March 2019
Weighted average duration (based on discounted cashflows)	12 years	15 years

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
Expected cash flows over the next (valued on undiscounted basis):		
1 year	192.43	159.12
2 to 5 years	171.24	72.47
6 to 10 years	263.77	135.34
More than 10 years	2,352.55	3,297.16

The Company expects to pay ₹ 240 lacs (31 March 2019 ₹ 120 lacs) to the fund in the year ending 31 March 2021.

\*The Company has maintained funds with Life Insurance Corporation of India and HDFC Life. The details of major category of plan assets held by the insurance companies is not available and hence the disclosure thereof is not made. The expected long-term rate of return on plan assets is based exclusively on the historical returns, without adjustments.

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.

### c) Other long-term employee benefits

#### Compensated absences

The liability towards compensated absences (annual and sick leave) for the year ended 31 March 2020 based on actuarial valuation carried out by using Projected unit credit method resulted in a (reversal)/charged of ₹ 53.14 Lacs (31 March 2019: ₹ 40.86 Lacs).

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## Annual and sick leave assumptions

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Discount rate per annum	6.70%	7.75%
Salary escalation rate per annum	5.50%	6.00%
Mortality	Indian Assured lives Mortality (2012-14) Ultimate	Indian Assured lives Mortality (2006-08) Ultimate
Employee turnover rate	2.00% - 22.00%	0 - 26.00%

## 42.6 Long-term contracts

The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and determined that there are no long term contracts (including derivative contracts) which require provision under any law / accounting standards for material foreseeable losses.

## 42.7 Information on related party transactions as required by the Indian Accounting Standard (IND AS) - 24 for the year ended 31 March 2020

- I. Name of related parties

### Key Managerial Personnel

- 1 Shrikant Zaveri, Chairman and Managing Director
- 2 Binaisha Zaveri, Whole Time Director
- 3 Raashi Zaveri, Whole Time Director
- 4 Saurav Banerjee, Chief Financial Officer
- 5 Niraj Oza, Company Secretary
- 6 Ajay Mehta, Independent Director
- 7 Kamlesh Vikamsey, Independent Director
- 8 Sanjay Asher, Independent Director

### Relative of Key Managerial Personnel

- 1 Kunal S Vaishnav

### Entities over which Key Managerial personnel and/or their relatives exercise significant influence

- 1 TBZ Limited Employees Gratuity Trust

### Subsidiary

- 1 Tribhovandas Bhimji Zaveri (Bombay) Limited

## Transactions during the year and balances as at year end with related parties:

₹ in Lacs				
Nature of transaction	Key Managerial Personnel	Relative of Key Managerial Personnel	Entities over which Key Managerial personnel and/or their relatives exercise significant influence	Subsidiaries
Making and melting charges paid (net of GST)	-	-	-	1,621.25
	-	-	-	(1,972.66)
Remuneration paid**	857.14	-	-	-
	(849.44)	-	-	-
Sitting fees paid	5.70	-	-	-
	(5.60)	-	-	-

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# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

₹ in Lacs

Nature of transaction	Key Managerial Personnel	Relative of Key Managerial Personnel	Entities over which Key Managerial personnel and/or their relatives exercise significant influence	Subsidiaries
Commission paid	18.00	-	-	-
	(22.50)	-	-	-
Gratuity trust fund	-	-	220.00	-
	-	-	(50.00)	-
Rent received (net of GST)	-	-	-	147.60
	-	-	-	(147.60)
Reimbursement of expenses				4.66
				-
Rent paid (net of GST)	226.43	-	-	-
	(215.65)	-	-	-
Legal fees paid	-	2.88	-	-
	-	(2.29)	-	-
Loan repaid	-	-	-	-
	(15.00)	-	-	-
<b>Balance as at 31 March 2020*</b>				
Prepayments receivable- non current	-	-	-	-
	(4.23)	-	-	-
Prepayments receivable- current	-	-	-	-
	(6.72)	-	-	-
Security deposits receivable	90.15	-	-	-
	(83.42)	-	-	-
Deposit payable	-	-	-	48.83
	-	-	-	(46.40)
Prepayments payable				-
				(6.72)
Commission payable	22.50	-	-	-
	(22.50)	-	-	-
Advance to suppliers	-	-	-	157.38
	-	-	-	(249.81)
Inventory held with 3rd Party				897.36
				(700.60)
Trade payable	-	-	-	-
	-	(0.32)	-	-
Investment	-	-	-	202.33
	-	-	-	(202.33)

**Notes:**

- 1) All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.
- 2) No amount in respect of the related parties have been written off / back during the year.
- 3) ESIC is not applicable to KMPs and Provident Fund is opted only by the Company Secretary.
- 4) For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owned by related parties (31 March 2019 ₹ NIL lacs). The assessment is undertaken at each financial year through examining the financial position of the related party and the market in which related party operates.
- 5) The borrowing is secured by personal guarantee of the Chairman and Managing Director of the Company (refer note 26).
- 6) \*Amounts pertaining to year ended 31 March 2019 are in brackets.
- 7) \*\* Remuneration to key managerial personnel does not include charge for gratuity and leave encashment as employee-wise break-up is not available.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## 42.8 Dividend on Equity Shares

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Dividend on equity shares paid during the year (includes Dividend distribution tax)	1,407.83	603.36
Proposed dividend on equity shares recognised as liability	-	-
Proposed dividend on equity shares not recognised as liability	-	-
Final dividend of ₹ 0.75/- per share	500.48	500.48
Interim dividend of ₹ 1.00/- per share	667.31	-
Dividend distribution tax on dividend paid during the year		
On Final dividend	102.88	102.88
On Interim dividend	137.17	-

## 42.9 Segment reporting

The Company's business activity falls within a single primary business segment of "Jewellery" and one reportable geographical segment which is "within India". Accordingly, the company is a single segment company in accordance with Indian Accounting Standard 108 "Operating Segment".

## 42.10 Disclosure pursuant to change with SEBI (Listing obligation and disclosure requirement, 2015) and section 186 of the Companies Act, 2013

No loans have been given by the Company to any third party or its subsidiary companies.

The details of investment in subsidiary companies are given in Note 7.

## 42.11 Fair value hedge of gold price risk in inventory

The Company enters into contracts for purchase of gold wherein the Company has the option to fix the purchase price based on market price of gold during a stipulated time period. The prices are linked to gold prices. Accordingly, these contracts are considered to have an embedded derivative (represented in the said option to fix the price) that is required to be separated from the host contract which is the gold loan liability. Such feature is kept to hedge against exposure in the value of inventory of gold due to volatility in gold prices. The Company designates the embedded derivative in the payable for such purchases as the hedging instrument in fair value hedging of inventory. The Company designates only the spot-to-spot movement of the gold inventory as the hedged risk. The carrying value of inventory which are designated under fair value hedge relationship are measured at fair value at each reporting date. There is no ineffectiveness in the relationships designated by the Company for hedge accounting.

Disclosure of effects of fair value hedge accounting on financial position:

Hedged item - Changes in fair value of inventory attributable to change in gold prices

Hedging instrument - Changes in fair value of the option to fix prices of gold purchases, as described above

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# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

As at 31 March 2020

₹ in Lacs

Commodity price risk	Carrying amount of hedged item		Carrying amount of hedging instrument		Notional value of hedge item	Notional value of hedging instrument	Maturity date	Balance sheet classification	Impact of change in fair value relating to the hedged risk (spot)
	Assets	Liabilities	Assets	Liabilities					
Hedged item - Inventory of gold	21,873.30	-	NA	NA	21,873.30	NA	Range - with in 6 months	Inventory	2,695.00
Hedging instrument - Option to fix gold price	NA	NA	-	2,695.00	NA	2,695.00	Range - with in 6 months	Current borrowing	2,695.00

As at 31 March 2019

₹ in Lacs

Commodity price risk	Carrying amount of hedged item		Carrying amount of hedging instrument		Notional value of hedge item	Notional value of hedging instrument	Maturity date	Balance sheet classification	Impact of change in fair value relating to the hedged risk (spot)
	Assets	Liabilities	Assets	Liabilities					
Hedged item - Inventory of gold	29,989.50	-	NA	NA	29,989.50	NA	Range - with in 6 months	Inventory	140.28
Hedging Instrument - Option to Fix gold price	NA	NA	-	140.28	NA	140.28	Range - with in 6 months	Current borrowing	140.28

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## 42.12 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The primary objective of the Company's Capital Management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in the economic environment and the requirements of the financial covenants, if any.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity.

The company's adjusted net debt to equity ratio was as follows.

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Total borrowings	54,852.04	60,556.24
Less: Cash and cash equivalent	228.67	645.62
<b>Adjusted net debt</b>	<b>54,623.37</b>	<b>59,910.62</b>
Total equity	49,185.01	49,413.87
<b>Adjusted net debt to equity ratio</b>	<b>1.11</b>	<b>1.21</b>

## 42.13 Financial Instruments - Fair values and risk management

### 42.13.1 Financial Instruments - Fair values

#### Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below.

- a) The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements)

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

31 March 2020	Carrying amount			Fair value			
	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-current financial assets</b>							
Security deposits	-	716.61	716.61	-	-	-	-
<b>Current financial assets</b>							
Trade receivables	-	300.42	300.42	-	-	-	-
Cash and cash equivalents	-	228.67	228.67	-	-	-	-
Bank balances other than above	-	3,878.44	3,878.44	-	-	-	-

₹ in Lacs

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# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

₹ in Lacs

31 March 2020	Carrying amount			Fair value			
	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Security deposits	-	371.20	371.20	-	-	-	-
Others financial assets	-	287.27	287.27	-	-	-	-
<b>Non-current financial liabilities</b>							
Borrowings	-	49.32	49.32	-	-	-	-
Lease liability	-	6,061.49	6,061.49	-	-	-	-
<b>Current financial liabilities</b>							
Borrowings	21,873.30	32,912.34	54,785.64	21,873.30	-	-	21,873.30
Lease liability	-	2,724.93	2,724.93	-	-	-	-
Current maturities of long term borrowings	-	17.08	17.08	-	-	-	-
Trade payables	-	19,284.64	19,284.64	-	-	-	-
Others financial liabilities	-	146.27	146.27	-	-	-	-
<b>Assets for which fair values are disclosed</b>							
Investment property (refer Note 5):							
Factory	-	1,829.19	1,829.19	-	-	2,778.00	2,778.00

₹ in Lacs

31 March 2019	Carrying amount			Fair value			
	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-current financial assets</b>							
Security deposits	-	1,071.63	1,071.63	-	-	-	-
<b>Current financial assets</b>							
Trade receivables	-	2,586.18	2,586.18	-	-	-	-
Cash and cash equivalents	-	645.62	645.62	-	-	-	-
Bank balances other than above	-	3,326.23	3,326.23	-	-	-	-
Security deposits	-	47.62	47.62	-	-	-	-
Others financial assets	-	157.31	157.31	-	-	-	-
<b>Non-current financial liabilities</b>							
Borrowings	-	1.35	1.35	-	-	-	-
Security deposits	-	46.40	46.40	-	-	-	-
<b>Current financial liabilities</b>							
Borrowings	29,989.50	30,553.23	60,542.73	29,989.50	-	-	29,989.50
Current maturities of long term borrowings	-	6.08	6.08	-	-	-	-
Trade payables	-	19,540.67	19,540.67	-	-	-	-
Other financial liabilities	-	51.31	51.31	-	-	-	-
<b>Assets for which fair values are disclosed</b>							
Investment property (refer Note 5):							
Factory	-	1,847.49	1,847.49	-	-	2,750.73	2,750.73



# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## 42.13.2 Financial risk management

The company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payable. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### A Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's exposures to trade receivables (mainly institutional customers and credit sales), deposits with landlords for store properties taken on leases and other receivables including balances with banks.

#### Trade receivables and other deposits

The Company's retail business is predominantly on 'cash and carry' basis which is largely through cash and credit card collections. The credit risk on such credit card collections is minimal, since they are primarily owned by customers' card issuing banks. The Company has adopted a policy of dealing with only credit worth counterparties in case of institutional customers and credit sales and the credit risk exposure for institutional customers and credit sales are managed by the Company by credit worthiness checks. The Company also carries credit risk on lease deposits with landlords for store properties taken on leases, for which agreements are signed and property possessions timely taken for store operations. The risk relating to refunds of deposits after store shut down is managed through successful negotiations or appropriate legal actions, where necessary.

#### Other financial assets

The Company maintains exposure in cash and cash equivalents and term deposits with banks. The Cash and cash equivalents and term deposits are held with the banks with good credit ratings.

The Company's maximum exposure to credit risk as at 31st March 2020 and 31st March 2019 is the carrying value of each class of financial assets.

### B Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31 March, 2020 and 31 March, 2019. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

#### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments:

Standalone

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

₹ in Lacs

31 March 2020	Less than 1 year	More than 1 year but less than 5 years	More than 5 years	Carrying amount
<b>Non current financial liabilities</b>				
Borrowings				
Secured Term loans from banks	-	49.32	-	49.32
Lease Liability	1,676.81	4,004.76	379.92	6,061.49
Security deposits	48.83	-	-	48.83
<b>Current financial liabilities</b>				
Borrowings				
Working capital demand loan from banks	16,632.67	-	-	16,632.67
Gold loan	21,873.30	-	-	21,873.30
Cash credit from banks	16,279.67	-	-	16,279.67
Lease Liability	2,724.93	-	-	2,724.93
Trade payables	19,284.64	-	-	19,284.64
Other current financial liabilities	163.35	-	-	163.35

₹ in Lacs

31 March 2019	Less than 1 year	More than 1 year but less than 5 years	More than 5 years	Carrying amount
<b>Non current financial liabilities</b>				
Borrowings				
Secured Term loans from banks	-	1.35	-	1.35
Security deposits	-	46.40	-	46.40
<b>Current financial liabilities</b>				
Borrowings				
Working capital demand loan from banks	3,250.00	-	-	3,250.00
Gold loan	29,989.50	-	-	29,989.50
Cash credit from banks	27,303.23	-	-	27,303.23
Trade payables	19,540.67	-	-	19,540.67
Other current financial liabilities	57.39	-	-	57.39

As of 31 March 2020 and 31 March 2019 the Company had unutilized credit limits from banks of ₹ 63,811.36 lacs and ₹ 4,430.71 lacs.

## C Market risk

### i. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### ii. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

## Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

₹ in Lacs

	Nominal amount	
	As at 31 March 2020	As at 31 March 2019
<b>Fixed-rate instruments</b>		
<b>Financial assets</b>		
Deposits with banks	3,872.90	3,324.14
<b>Financial liabilities</b>		
Secured term loans from banks	66.40	7.43
Working capital demand loans from banks	16,632.67	29,989.50
<b>Floating-rate instruments</b>		
<b>Financial liabilities</b>		
Cash credit from banks	16,279.67	27,303.23
Gold loan	21,873.30	29,989.50

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

## Sensitivity

The sensitivity to profit and loss in case of a reasonable possible change in interest rate of +/- 80 basis points (previous year +/- 80 basis points), keeping all other variables constant, would have resulted in an impact on profits by ₹ 381.78 Lacs (previous year ₹ 469.62 Lacs)

### iii Price risk

Exposure from Borrowings:

The Company's exposure to price risk also arises from borrowings of the Company that are at unfixed prices, and therefore, payment is sensitive to changes in gold price. The option to fix gold prices are classified in the balance sheet as fair value through profit or loss. The option to fix gold prices are at unfixed prices to hedge against potential losses in value of inventory of gold held by the Company.

The Company applies fair value hedge for the gold purchased whose price is to be fixed in future. Therefore, there will no impact of the fluctuation in the price of the gold on the Company's profit for the period.

## 42.14 Events after the reporting period

The Company has evaluated subsequent events from the balance sheet date through 24 June 2020, the date at which the financial statement were available to be issued, and determine that there are no material items to disclose other than those disclosed above.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2020

## 42.15 Impart assessment of Covid 19

The retail industry as a whole has been adversely impacted by the spread of COVID-19 and consequently the lockdown resulting out of it. The Company has faced significant headwinds due to COVID~19 which have impeded the operations of the Company adversely beginning from the latter half of March 2020 onwards particularly by way of store closures due to complete lockdown. This unprecedented disruption has had a negative impact on the quarterly performance and continues to impact the business and financial statement. In this crisis, our priorities are to protect the employees and their families from COVID-19, besides our customers visiting our stores and the society at large.

The Company has reopened all its stores and has restored store operations from the first week of June as permitted by the Government and Local/Regulatory authorities, with controlled movement, maintaining social distancing, taking appropriate and stringent hygiene measures and following the directions of regulatory authorities.

The Company believes that the pandemic is not likely to impact the carrying value of its assets. The Company continues to closely monitor the developments and possible effects that may result from the current pandemic, on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these standalone financial statement.

As per our report of even date attached  
For **S R B C & CO LLP**  
ICAI Firm Registration No: 324982E/E300003  
Chartered Accountants

**Vijay Maniar**  
Partner  
Membership No: 36738

**Shrikant Zaveri**  
Chairman and Managing Director  
DIN:00263725

**Saurav Banerjee**  
Chief Financial Officer

Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**  
CIN: L27205MH2007PLC172598

**Raashi Zaveri**  
Whole Time Director  
DIN:00713688

**Niraj Oza**  
Head-Legal & Company Secretary  
Membership No.:A20646

Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

# Independent Auditor's Report

To the Members of Tribhovandas Bhimji Zaveri Limited

## Report on the Audit of the Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Tribhovandas Bhimji Zaveri Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss, including the Consolidated statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "consolidated Ind AS financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, its consolidated profit including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered

Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Emphasis of Matter

We draw attention to Note 41.17 of the accompanying consolidated Ind AS financial statements which describes the uncertainties and impact of COVID-19 pandemic on the operations of the Group.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements.

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><i>Existence and valuation of Inventories (as described in note 2.2 (d) of the significant accounting policies, and note 11 for details in consolidated Ind AS financial statements)</i></p> <p>The carrying value of Inventories amounted to INR 118,071.98 lacs as at March 31, 2020. The Inventories mainly comprised of gold, diamond, silver and platinum in the distribution centres and retail outlets. Valuation of Inventories is at lower of cost and net realizable value.</p>	<p>Our audit procedures over existence and valuation of Inventories included the following:</p> <ul style="list-style-type: none"> <li>We obtained an understanding, evaluated the design and tested the operating effectiveness of key controls that the Holding Company has in relation to Inventories process, in particular, we:</li> </ul>

## Consolidated

Key audit matters	How our audit addressed the key audit matter
<p>Significant portion of Inventories costs includes gold, diamond, platinum and silver which are subject to risk of changes in the market value. The assessment of net realizable value of Inventories is based on estimates and judgements by the management in respect of, among others, the economic condition, sales forecast, marketability of products and the quality of gold and diamond used to make jewellery products. Furthermore, there is higher inherent risk of theft and pilferage given the high intrinsic value and portable nature of individual inventory items.</p> <p>Considering the above, we concluded that existence and valuation of inventories as a key audit matter for our audit.</p>	<ol style="list-style-type: none"> <li>a. Attended on a sample basis daily cycle physical counts at distribution centres and selected retail outlets. We observed the daily count procedures performed in distribution centres and retail outlets;</li> <li>b. In respect of samples tested for physical verification by management we inspected the respective daily cycle physical count reports for reconciliation of daily ending Inventories to the record in the Inventories system;</li> <li>c. In respect of samples tested for physical verification by management we read the in-house certificate of authenticity of, diamond jewellery products;</li> </ol> <ul style="list-style-type: none"> <li>• We have observed periodic Inventories counts and performed "two way" sample count procedures for distribution centres and selected retail outlets of the Holding Company. We compared our sample count results with the counts performed by the Holding Company and the records in the Inventories system.</li> <li>• We compared the net realizable values on sample basis of gold, silver and platinum Inventories calculated based on the current market price with their carrying value of Inventories.</li> <li>• We compared the results of independent gemological appraisal report of selected samples to the weight and purity of diamond jewellery with records in the Inventories system.</li> <li>• We evaluated the independence and objectivity of the gemologist appointed by management.</li> </ul>
Key audit matters	How our audit addressed the key audit matter
<p><i>Implementation of Ind AS 116 - Leases (as described in note 2.2 (i) of the significant accounting policies, and note 4 for details in consolidated Ind AS financial statements)</i></p> <p>On March 30, 2019, MCA notified Ind AS 116 Leases and it replaced Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.</p> <p>The Group has applied the modified retrospective method to ongoing leases as of April 01, 2019.</p> <p>The adoption of Ind AS 116 resulted in transitional impact amounting to ₹ 932.02 lakhs (net of straight lining of lease rentals of ₹ 137.69 lakhs and deferred tax asset of ₹ 493.52 lakhs) in retained earnings.</p> <p>As at March 31, 2020, the Company has ₹ 7,453.26 lakhs of Right of use (RoU) assets and ₹ 8,863.97 lakhs of Lease liabilities.</p> <p>Application of Ind AS 116, requires significant judgement and estimate in identification of lease arrangement, determining the RoU assets and lease liabilities based on terms of the underlying lease agreements, hence we considered this as a key audit matter</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the Group's accounting policy with respect to recognition of leases and for assessing compliance with Ind AS 116.</li> <li>• Obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Group has in relation to accounting of leases under Ind AS 116.</li> <li>• Tested the accuracy and completeness of the underlying lease master by agreeing the underlying data pertaining to lease rentals, term, escalation and other relevant terms and conditions to lease agreements and recomputed on a sample basis calculation involved.</li> <li>• Assessed the underlying assumptions and estimates including the applicable discount rates.</li> <li>• We also assessed the Group's disclosures made in accordance with the requirements of Ind AS 116.</li> </ul>

We have determined that there are no other key audit matters to communicate in our report.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### **Responsibilities of Management for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial

## Consolidated

statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, based on our audit we report, to the extent applicable, that:
  - (a) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and report of the other auditors;
  - (b) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose preparation of the consolidated Ind AS financial statements;
  - (c) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (d) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary Company, none of the directors of the Group's Companies is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act;
- (e) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary Company with reference to these consolidated Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;
- (f) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company and its subsidiary to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Group has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements – Refer Note 41.3.(i) to the consolidated Ind AS financial statements;
  - ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investors Education and Protection Fund by of the Holding Company and its subsidiary Company incorporated in India during the year ended March 31, 2020

For **S R B C & COLLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

**per Vijay Maniar**  
Partner  
Membership Number: 36738  
UDIN: 20036738AAAADG1785

Mumbai; June 24, 2020



## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF TRIBHOVANDAS BHIMJI ZAVERI LIMITED

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

In conjunction with our audit of the consolidated Ind AS financial statements of Tribhovandas Bhimji Zaveri Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Tribhovandas Bhimji Zaveri Limited (hereinafter referred to as the "Holding Company") and its subsidiary Company, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

### Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

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

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

## Consolidated

**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements**

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

**Opinion**

In our opinion, the Holding Company, its subsidiary Company, which are companies incorporated in India,

have maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & COLLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

**per Vijay Maniar**  
Partner  
Membership Number: 36738  
UDIN: 20036738AAAADG1785

Mumbai; June 24, 2020

# Consolidated Balance Sheet

as at 31 March 2020

₹ in Lacs

	Notes	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	3	9,773.18	10,750.38
(b) Right-to-use assets	4	7,453.26	-
(c) Intangible assets	5	220.39	329.94
(d) Financial assets			
(i) Other investments	6	1.13	2.56
(ii) Loans	7	722.83	1,077.86
(e) Deferred tax assets (net)	8	671.36	-
(f) Non current tax assets	9	401.92	138.89
(g) Other non-current assets	10	275.11	814.93
<b>Total Non-current assets</b>		<b>19,519.18</b>	<b>13,114.56</b>
<b>2 Current assets</b>			
(a) Inventories	11	1,18,071.98	1,17,923.32
(b) Financial assets			
(i) Trade receivables	12	300.42	2,586.18
(ii) Cash and cash equivalents	13	236.40	657.87
(iii) Bank balance other (ii) above	14	3,878.44	3,326.23
(iv) Security deposit	15	371.20	47.62
(v) Others financial assets	16	129.89	157.31
(c) Other current assets	17	4,317.58	4,518.78
<b>Total Current assets</b>		<b>1,27,305.91</b>	<b>1,29,217.31</b>
<b>Total Assets</b>		<b>1,46,825.09</b>	<b>1,42,331.87</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	18	6,673.06	6,673.06
(b) Other equity	19	41,400.98	41,707.34
<b>Equity attributable to equity holders of the company</b>		<b>48,074.04</b>	<b>48,380.40</b>
<b>2 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	49.32	1.35
(ii) Lease liability	21	6,061.49	-
(b) Provisions	22	719.18	661.83
(c) Deferred tax liabilities (net)	23	-	0.10
(d) Other non-current liabilities	24	-	157.73
<b>Total Non-current liabilities</b>		<b>6,829.99</b>	<b>821.01</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	25	54,785.64	60,542.73
(ii) Lease liability	26	2,802.48	-
(iii) Trade payables	27		
a) Total outstanding dues of micro enterprises and small enterprises		1,281.28	85.35
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		18,110.68	19,521.12
(iv) Other financial liabilities	28	114.72	57.59
(b) Provisions	29	522.84	477.11
(c) Other current liabilities	30	14,303.42	12,446.56
<b>Total Current liabilities</b>		<b>91,921.06</b>	<b>93,130.46</b>
<b>Total Equity and Liabilities</b>		<b>1,46,825.09</b>	<b>1,42,331.87</b>
Summary of significant accounting policies	2		
The accompanying notes referred to above an integral part of the consolidated financial statements	3 to 41		

As per our report of even date attached  
For **S R B C & CO LLP**  
ICAI Firm Registration No: 324982E/E300003  
Chartered Accountants

**Vijay Maniar**  
Partner  
Membership No: 36738

**Shrikant Zaveri**  
Chairman and Managing Director  
DIN:00263725

**Saurav Banerjee**  
Chief Financial Officer

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**  
CIN: L27205MH2007PLC172598

**Raashi Zaveri**  
Whole Time Director  
DIN:00713688

**Niraj Oza**  
Head-Legal & Company Secretary  
Membership No.:A20646

Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

Consolidated

# Consolidated Statement of Profit and Loss

for the year ended 31 March 2020

₹ in Lacs

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
<b>INCOME</b>			
Revenue from operations	31.1	1,80,986.62	1,76,358.11
Other operating revenue	31.2	18.64	24.54
Total revenue from operations		<b>1,81,005.26</b>	<b>1,76,382.65</b>
Other income	32	404.61	422.22
<b>Total income</b>		<b>1,81,409.87</b>	<b>1,76,804.87</b>
<b>EXPENSES</b>			
Cost of material consumed	33	1,36,712.86	1,43,464.84
Purchase of stock-in-trade	34	6,503.57	12,767.35
Changes in inventories of finished goods and stock-in-trade	35	3,683.85	(15,814.60)
Labour Charges		7,382.06	9,660.61
Employee benefits expense	36	8,081.69	7,812.76
Finance costs	37	5,611.28	4,637.20
Depreciation and amortisation expense	38	3,225.01	1,019.62
Other expenses	39	7,403.59	10,942.57
<b>Total expenses</b>		<b>1,78,603.91</b>	<b>1,74,490.35</b>
<b>Profit before tax</b>		<b>2,805.96</b>	<b>2,314.52</b>
Current tax		857.00	992.00
Deferred tax credit		(177.93)	(235.46)
Tax in respect of earlier years		(14.62)	1.60
<b>Income tax expense</b>	<b>40</b>	<b>664.45</b>	<b>758.14</b>
<b>Profit for the year</b>		<b>2,141.51</b>	<b>1,556.38</b>
<b>Other Comprehensive Loss</b>			
Items that will not be reclassified subsequently to profit or loss			
a) Re-measurement of employee defined benefit obligation		(136.92)	(161.76)
b) Re-measurement (loss)/profit on quoted investment		(1.43)	(0.80)
c) Income tax relating to above		30.31	57.17
<b>Other Comprehensive Loss</b>		<b>(108.04)</b>	<b>(105.39)</b>
<b>Total Comprehensive Income for the year</b>		<b>2,033.47</b>	<b>1,450.99</b>
<b>Net Profit attributable to:</b>			
Owners of the parent		2,141.51	1,556.38
Non-controlling interests		-	-
<b>Other Comprehensive loss attributable to:</b>			
Owners of the parent		(108.04)	(105.39)
Non-controlling interests		-	-
<b>Total Comprehensive Income attributable to:</b>			
Owners of the parent		2,033.47	1,450.99
Non-controlling interests		-	-
Earnings per equity share			
Basic & Diluted (₹)	41.1	3.21	2.33
Summary of significant accounting policies	2		
The accompanying notes referred to above an integral part of the consolidated financial statements	3 to 41		

As per our report of even date attached  
For **S R B C & CO LLP**  
ICAI Firm Registration No: 324982E/E300003  
Chartered Accountants

**Vijay Maniar**  
Partner  
Membership No: 36738

**Shrikant Zaveri**  
Chairman and Managing Director  
DIN:00263725

**Saurav Banerjee**  
Chief Financial Officer

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**  
CIN: L27205MH2007PLC172598

**Raashi Zaveri**  
Whole Time Director  
DIN:00713688

**Niraj Oza**  
Head-Legal & Company Secretary  
Membership No.:A20646

Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

# Consolidated Statement of Cash flows

for the year ended 31 March 2020

₹ in Lacs

	Notes	Year ended 31 March 2020	Year ended 31 Mar 2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before tax		2,805.96	2,314.52
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation of property, plant and equipment, intangible asset, investment property and right to use assets	38	3,225.01	1,019.62
Finance cost	37	5,611.28	4,637.20
Interest income on bank deposits and others	32	(211.04)	(164.35)
Loss on sales of property, plant and equipment (net)	39	182.76	20.46
Dividend income from mutual fund	32	(0.02)	(0.02)
Bad debts written off	39	83.51	2.19
Rental income	32	(0.70)	(0.65)
Liabilities/Provision no longer require written back (net)	32	(41.29)	(106.61)
<b>Operating cash flow before working capital changes</b>		<b>11,655.47</b>	<b>7,722.36</b>
<b>Movements in working capital</b>			
(Increase)/decrease in trade and other receivables		2,257.24	(292.17)
(Increase)/decrease in inventories		(148.66)	(15,790.97)
(Increase)/decrease in other current financial assets		(317.71)	64.54
(Increase)/decrease in other current assets		201.20	(3,731.45)
(Increase)/decrease in other non-current financial assets		301.45	(137.61)
(Increase)/decrease in other non-current assets		527.75	278.39
Increase/(decrease) in trade payables		(214.50)	10,455.69
Increase/(decrease) in other non-current financial liabilities		3.46	1.24
Increase/(decrease) in current liabilities		1,947.47	5,526.48
Increase/(decrease) in other non-current liabilities		(100.39)	50.96
Increase/(decrease) in provisions		(91.18)	97.42
<b>Cash generated for operations</b>		<b>16,021.62</b>	<b>4,244.88</b>
Direct taxes paid (Net of refund)		(1,150.37)	(1,008.70)
<b>Net cash flow from operating activities (A)</b>		<b>14,871.25</b>	<b>3,236.18</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment and intangible assets and capital advances		(309.46)	(1,500.10)
Proceeds from sale of property, plant and equipment		60.39	3.79
Dividend received	32	0.02	0.02
Bank deposits (having original maturity of more than three months)		(552.21)	(673.62)
Rental income	32	0.70	0.65
Interest received on deposits	32	238.46	80.05
<b>Net cash flow used in investing activities (B)</b>		<b>(562.10)</b>	<b>(2,089.21)</b>

Consolidated

# Consolidated Statement of Cash Flows

for the year ended 31 March 2020

₹ in Lacs

	Notes	Year ended 31 March 2020	Year ended 31 Mar 2019
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from non current borrowings		70.00	-
Repayment of non current borrowings		(10.08)	(5.61)
Proceeds from / (repayment of) current borrowings (net)		(5,758.04)	3,685.84
Dividend paid		(1,407.84)	(603.36)
Payment of lease liability		(3,026.90)	-
Finance cost paid		(4,597.76)	(4,668.64)
<b>Net cash used in financing activities (C)</b>		<b>(14,730.62)</b>	<b>(1,591.77)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>		<b>(421.47)</b>	<b>(444.80)</b>
Cash and cash equivalent at beginning of year		657.87	1,102.67
<b>Cash and cash equivalent at end of year</b>		<b>236.40</b>	<b>657.87</b>
<b>Notes to cash flow statement</b>			
<b>1 Components of cash and cash equivalents:</b>			
Cash on hand	13	92.58	462.96
Balances with banks			
- on current accounts	13	143.82	194.91
		<b>236.40</b>	<b>657.87</b>
The accompanying notes referred to above an integral part of the consolidated financial statements	3 to 41		

As per our report of even date attached  
For **S R B C & CO LLP**  
ICAI Firm Registration No: 324982E/E300003  
Chartered Accountants

**Vijay Maniar**  
Partner  
Membership No: 36738

**Shrikant Zaveri**  
Chairman and Managing Director  
DIN:00263725

**Saurav Banerjee**  
Chief Financial Officer

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**  
CIN: L27205MH2007PLC172598

**Raashi Zaveri**  
Whole Time Director  
DIN:00713688

**Niraj Oza**  
Head-Legal & Company Secretary  
Membership No.:A20646

Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

# Consolidated Statement of Changes in Equity

for the year ended 31 March 2020

## A. Equity Share Capital

₹ in Lacs

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
Equity shares of ₹ 10 each issued, subscribed and fully paid				
<b>As at 1 April 2019</b>	<b>6,67,30,620</b>	<b>6,673.06</b>	<b>6,67,30,620</b>	<b>6,673.06</b>
Issue of share capital	-	-	-	-
<b>As at 31 March 2020</b>	<b>6,67,30,620</b>	<b>6,673.06</b>	<b>6,67,30,620</b>	<b>6,673.06</b>

## B. Other Equity

₹ in Lacs

	Reserves and Surplus			Other Comprehensive Income	Total Other equity
	Securities premium (refer note 19)	General reserve (refer note 19)	Retained earnings (refer note 19)	Re-measurement of defined benefit plan (refer note 19)	
<b>As at 1 April 2018</b>	<b>16,791.35</b>	<b>1,401.47</b>	<b>22,827.98</b>	<b>(27.22)</b>	<b>40,993.59</b>
Effect of adoption of new accounting standard Ind AS 115 Revenue from Contracts with Customers	-	-	(68.40)	-	(68.40)
<b>Adjusted balance as at 1 April 2018</b>	<b>16,791.35</b>	<b>1,401.47</b>	<b>22,759.58</b>	<b>(27.22)</b>	<b>40,925.19</b>
Dividend	-	-	(500.48)	-	(500.48)
Dividend Distribution Tax	-	-	(102.88)	-	(102.88)
Profit for the year	-	-	1,556.38	-	1,556.38
Others	-	-	(65.46)	-	(65.46)
Other comprehensive income for the year	-	-	-	(105.40)	(105.40)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>887.56</b>	<b>(105.40)</b>	<b>782.15</b>
<b>As at 31 March 2019</b>	<b>16,791.35</b>	<b>1,401.47</b>	<b>23,647.14</b>	<b>(132.62)</b>	<b>41,707.34</b>
<b>As at 1 April 2019</b>	<b>16,791.35</b>	<b>1,401.47</b>	<b>23,647.14</b>	<b>(132.62)</b>	<b>41,707.34</b>
Effect of adoption of new accounting standard Ind AS 116 Leases	-	-	(932.02)	-	(932.02)
<b>Adjusted balance as at 1 April 2019</b>	<b>16,791.35</b>	<b>1,401.47</b>	<b>22,715.12</b>	<b>(132.62)</b>	<b>40,775.33</b>
Profit for the year	-	-	2,141.51	-	2,141.51
Dividend	-	-	(1,167.78)	-	(1,167.78)
Dividend Distribution Tax	-	-	(240.05)	-	(240.05)
Other comprehensive income for the year	-	-	-	(108.04)	(108.04)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>733.69</b>	<b>(108.04)</b>	<b>625.64</b>
<b>As at 31 March 2020</b>	<b>16,791.35</b>	<b>1,401.47</b>	<b>23,448.80</b>	<b>(240.64)</b>	<b>41,400.98</b>

As per our report of even date attached  
For **S R B C & CO LLP**  
ICAI Firm Registration No: 324982E/E300003  
Chartered Accountants

**Vijay Maniar**  
Partner  
Membership No: 36738

**Shrikant Zaveri**  
Chairman and Managing Director  
DIN:00263725

**Saurav Banerjee**  
Chief Financial Officer

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**  
CIN: L27205MH2007PLC172598

**Raashi Zaveri**  
Whole Time Director  
DIN:00713688

**Niraj Oza**  
Head-Legal & Company Secretary  
Membership No.:A20646

Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

Consolidated

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 1 Corporate information

Tribhovandas Bhimji Zaveri Limited ('TBZ' or the "the Company") known under the brand 'TBZ- the Original' was incorporated on 24 July 2007 by conversion of a partnership firm Tribhovandas Bhimji Zaveri under Part IX of the Companies Act, 1956 whereby the partners of the partnership firm became shareholders with the shareholdings as agreed amongst the partners. The Company has been converted to a public limited company w.e.f. 3 December 2010. The Company is in the business of retail sales of ornaments made of gold, diamond, silver, platinum and precious stones through its 36 showrooms and 3 franchisee outlets located across in India.

Tribhovandas Bhimji Zaveri (Bombay) Limited ("the subsidiary Company") was incorporated on 24 April 1986, in Mumbai. The Company has been converted to a public company w.e.f. 27 December 2010. The Company is involved in the business of goldsmiths, silversmiths, gem merchants and other related activities.

These consolidated financial statements comprise the company and its subsidiary (referred to collectively as the 'Group').

## 2 Basis of Preparation of financial statements and significant accounting policies

### 2.1 Basis of Preparation of financial statements

Accounting policies and methods of computation followed in the Consolidated Financial Statements are same as compared with the annual financial statements for the year ended 31 March 2019, except for adoption of new standard or any pronouncements effective from 1 April 2019.

Ind AS 116 Leases, become mandatory for reporting periods beginning on or after 01 April 2019 replaces the existing lease standards. The Group has applied modified retrospective approach and accordingly has included the impact of Ind AS 116 applicable to these financial statements refer note 31.1

#### a. Statement of compliance

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS), notified under the Companies (Indian Accounting Standards) Rules, 2015, and

other relevant provisions of the Companies Act, 2013 ("the Act") as amended.

The financial statements were authorized for issue by the Group's Board of Directors at their meeting held on 24 June 2020.

#### b. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), and all the values are rounded to the nearest Lacs with two decimals, except when otherwise indicated.

#### c. Basis of measurement

The financial statements have been prepared on accrual basis under the historical cost convention, except for the following assets and liabilities which have been measured at fair value as required by relevant Ind AS:

- derivative financial instruments,
- certain financial assets and liabilities (refer accounting policy regarding financial instruments), and
- defined employee benefit liability

#### d. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, (regardless of whether that price is directly observable or estimated using another valuation technique). In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability, at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

## e. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are

beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

## (a) Measurement of defined benefit obligations

The cost of the defined benefit gratuity plan and other post-employment retirement benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note – 41.5.

For the purpose of assessing the leave availment rate, the Group considered the past leave availment history of the employees.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

**(b) Measurement and likelihood of occurrence of provisions and contingencies**

A provision is recognised when the Group has a present obligation as a result of past events and 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made in the financial statements.

**(c) Recognition of taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**(d) Provision for sales return**

The Group developed a statistical model for forecasting sales returns. The model used the historical return data of each franchise to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group

**(e) Provision for inventory**

The Group provides provision based on policy, past experience, current trend and future expectations of the inventory held by them.

**(f) Useful life of property, plant & equipments and Intangible assets**

The Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During financial year ended 31 March 2020, there were no changes in useful lives of property plant and equipment and intangible assets other than those resulting from store closures / shifting of premises.

The Group at the end of each reporting period, based on external and internal sources of information, assesses indicators and mitigating factors of whether a store (cash generating unit) may have suffered an impairment loss. If it is determined that an impairment loss has been suffered, it is recognised in statement of profit or loss

**(g) Embedded derivative**

The Group enters into purchase gold contract, in which the amount payable is not fixed based on gold price on the date of purchase, but instead is affected by changes in gold prices in future. Such transactions are entered into to protect against the risk of gold price movement in the purchased gold. Accordingly, such unfixed payables (gold loan) are considered to have an embedded derivative. The Group designates the gold price risk in such instruments as hedging instruments, with gold inventory considered to be the hedged item. The hedged risk is gold prices movement.

**(h) Going concern**

During the current year ended March 31, 2020, management has performed an assessment of the entity's ability to continue as a going concern. Based on

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for the year ended 31 March 2020

the assessment, management believe that there is no material uncertainty with respect to any events or conditions that may cast a significant doubt on the entity to continue as a going concern, hence the financial statements have been prepared on going concern basis.

**(i) Impairment of equity investment in a subsidiary company.**

The accumulated losses of a subsidiary company viz. Tribhovandas Bhimji Zaveri (Bombay) Limited, have eroded its net worth. Tribhovandas Bhimji Zaveri (Bombay) Limited is taking ongoing steps to revamp its business operations.

Based on its future business plans and strategic growth projections, the Parent Company has determined that no impairment is required at this stage. Further, the Parent Company has provided a letter of financial support to Tribhovandas Bhimji Zaveri (Bombay) Limited and therefore no provision has been considered necessary.

**f. Current -non-current classification**

All assets and liabilities are classified into current and non-current.

**Assets**

An asset is classified as current when it satisfies any of the following criteria :

- a. it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Group's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the Group does not have as unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

**Operating Cycle :**

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

**Basis of consolidation:**

These consolidated financial statements relate to Tribhovandas Bhimji Zaveri Limited ("the Company") and entities controlled by the Company. Control is achieved when the Company has power over the entity, is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect the entity's returns by using its power over the entity.

The financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances,

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# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

intra-group transactions and unrealised profit or losses. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group.

Goodwill is recognised when a change in Group's ownership interest (or otherwise), results in the Group acquiring control over a Company

Changes in the Group's ownership interests in subsidiary that do not result in the Group losing control over the subsidiary are accounted for as equity transaction (i.e transactions with owners in their capacity as owners)

Goodwill arising on consolidation is tested for impairment at each reporting date. If the recoverable amount of cash generating unit to which the goodwill is attributed is less than the carrying amount of the unit an impairment loss is recognised, first to reduce the carrying amount of goodwill (and thereafter to the balance assets of the unit, pro rata to their carrying amounts).

Non-controlling interests are presented in the consolidated balance sheet within equity, separately from the equity of the owners of the Company. Total Comprehensive Income of subsidiary is attributed to the owners and to the non-controlling interests, (even if this results in the non-controlling interests having a deficit balance).

Entities controlled by the Company are consolidated from the date the control commences until the date control ceases.

The subsidiary companies which are included in the consolidation and the Company's holdings therein are as under:

Name of the Company	Country incorporation	Ownership interest 31 March 2020	Ownership interest 31 March 2019
Tribhovandas Bhimji Zaveri (Bombay) Limited	India	100%	100%

## 2.2 Significant accounting policies

### a) Property, plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any.

The cost of Property, plant and equipment comprises its purchase price/acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from tax authorities), any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase/completion is capitalized only if it is probable that future economic benefit associated with the expenditure will flow to the Group.

Property, plant and equipment not ready for the intended use on the date of balance sheet are disclosed as "Capital work-in-progress". Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

If significant parts of an item of property, plant and equipment have different lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses arising from disposal or retirement of property, plant and equipment are recognised in the Statement of Profit and Loss.

Depreciation on PPE has been provided under pro-rata basis using straight line method over the estimated useful life of the assets. Freehold land is not depreciated.

Property, plant and equipment	Management estimate of useful life	Useful life as per Schedule II
Factory buildings	30 years	30 years
Other buildings	60 years	60 years
Leasehold improvement	Primary period of lease	Primary period of lease
Plant and machinery	15 years	15 years
Computer equipment	3 to 6 years	3 to 6 years
Furniture and fittings	5 to 10 years	10 years
Vehicles	8 years	8 years

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate.

Depreciation for the year is recognised in the Statement of Profit and Loss.

## b) Intangible assets

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of such assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. All costs relating to the acquisition are capitalised.

Intangible assets are amortised in the Statement of Profit or Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

The Group's intangible assets comprise of Computer software which are being amortised on a straight line basis over their estimated useful life of five years. Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

## c) Impairment of non financial assets

Assessment for impairment is done at each balance sheet date as to whether there is any indication that a non-financial asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash

generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of profit and loss. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

## d) Inventories

Inventories which comprise raw materials, finished goods, stock-in-trade and packing materials are carried at the lower of cost or net realizable value. Cost is determined on weighted average basis.

Cost of inventories comprises all costs of purchase and, other duties and taxes (other than those subsequently recoverable from tax authorities), costs of conversion and all other costs incurred in bringing the inventory to their present location and condition. In respect of purchase of goods at prices that are yet to be fixed at the year end, adjustments to the provisional amounts are recognised based on the year end closing gold rate.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

Diamond finished jewellery is valued at specific cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

## e) Borrowing Costs

Borrowing costs consist of interest and other costs (including exchange differences to the extent regarded as an adjustment to the interest costs) incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition or construction of an asset, as defined in Ind AS 23, that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of such assets. All other borrowing costs are recognized as an expense in the period in which they are incurred.

## f) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer and sales under sale or return basis arrangements where in the Group has during this financial year adopted modified retrospective approach in line with Ind As 115, Revenue from Contracts with customers, mandatory for reporting periods beginning on or after 1 April 2018.

### i) Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods

is transferred to the customer, generally on delivery of the goods. In determining the transaction price for the sale of product, the Group considers the effects of variable consideration.

### (a) Variable consideration

Revenue is measured at fair value of consideration received or receivable net of returns, trade and scheme discounts, volume rebate excluding taxes or duties collected on behalf of the government.

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of product provide customers with a right of return. The rights of return give rise to variable consideration.

### (b) Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

**(c) Assets and liabilities arising from rights of return**

**Right of return assets:**

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products

**Refund liabilities:**

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

**ii) Service Income :**

Service income is recognized on rendering of services at a point in time.

**iii) Gift Card :**

Sales are recognized when the vouchers are redeemed and goods are sold to the customers.

**iv) Interest Income :**

Interest income is recorded using the Effective Interest Rate (EIR). EIR is the

rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial assets or to the amortised cost of a financial liability. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instruments (for example : prepayment and extension), but does not consider the expected credit losses. Interest income is included in other income in the Statement of Profit and Loss.

**g) Foreign currency transactions**

Foreign currency transactions are recorded at the exchange rates prevailing on the dates of the transactions. Exchange differences arising on foreign currency transactions settled during the period are recognized in the Statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into functional currency at the exchange rates at the reporting date. The resultant exchange differences are recognized in the Statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

**h) Employee benefits**

**Short-term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

## Post-employment benefits

### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays specified contribution to a Government administered scheme and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards provident fund and employee state insurance, which are defined contribution plans, at the prescribed rates. The Group's contribution is recognised as an expense in the Statement of profit and loss during the period in which the employee renders the related service.

### Defined benefit plans

#### Gratuity

The Group operates a defined benefit gratuity plan in India. The Group contributes to a gratuity trust maintained by an independent insurance Group. The Group's liabilities under the Payment of Gratuity Act are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in 'Employee benefits expense' in the Statement of Profit and Loss. Re-measurement gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. They are included in retained

earnings in the Statement of changes in equity and in the Balance Sheet. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

## Other long-term employee benefits

### Compensated absences

The Group provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Group makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of profit and loss.

## i) Leases

As per Ind AS 116- Lease, the determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### Where the Group is the lessee

A lease is classified at the inception date as a finance lease or an operating lease. Leases, where substantial portion of risk and reward of ownership are retained by the lessor, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease period.

### Where the Group is the lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset is classified as an operating lease. Assets subject to operating leases are included in the property, plant and equipment. Rental income on an operating lease is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss.



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## j) Income taxes

Income tax expense comprises current tax and deferred tax. It is recognised in the Statement of profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

### Current tax

The Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in India.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date, and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current tax and deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax (MAT) is recognized as an asset only when and to the extent there is

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# Notes to the Consolidated Financial Statements

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convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized, it is credited to the Statement of profit and loss and is considered as (MAT Credit Entitlement). Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Group for a specified period of time, hence, it is presented as Deferred Tax Asset.

## k) Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

## l) Provision, contingent liabilities and contingent assets

The Group creates a provision when there is a present obligation (legal or constructive) as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are discounted to its present value if the effect of time value of money is considered to be material. These are reviewed at each year end date and adjusted to reflect the best current estimate. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present

obligation that may or may not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## m) Investment in Subsidiaries

The Group has elected to account for its equity investments in subsidiaries under Ind AS 27 on separate financial statements, at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of profit and loss.

## n) Cash and cash equivalents

Cash and Cash Equivalents in the balance sheet and for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months and short-term highly liquid investments with an original maturity of three months or less net of outstanding bank over drafts as they are considered an integral part of the Group's cash management.

## o) Financial instruments

A Financial instruments is any contract that gives rise to a financial assets of one entity and a financial liability or equity instrument of another entity.

### Financial Assets

#### Initial recognition and measurement:

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

# Notes to the Consolidated Financial Statements

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The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (g) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

## Financial asset :

### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- a) Debt instruments at amortised cost
- b) Debt instruments at fair value through other comprehensive income (FVTOCI)
- c) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

- d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

### Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst

# Notes to the Consolidated Financial Statements

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holding FVTOCI debt instrument is reported as interest income using the EIR method.

## Financial instruments

### Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit & Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

### De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Impairment of financial assets

In accordance with Ind-AS 109, the Group applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortized cost and financial assets measured at FVOCI.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Group's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss

## **Financial liabilities :**

### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered

into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit & Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

### **Loans and borrowings**

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### **Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation

## De-recognition

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

## Offsetting

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

## o) Derivative financial instruments and hedge accounting

### Embedded derivative

An embedded derivative is a component of a hybrid (combined) instrument that also includes

a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified variable.

Derivative are initially measured at fair value. Subsequent to initial recognition, derivative are measured at fair value, and changes there in are generally recognised in profit and loss.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 3 Property, plant and equipment

₹ in Lacs

	Freehold land	Leasehold improvements	Building	Plant and machinery	Furniture and fittings	Computers	Vehicles	Total
<b>Cost</b>								
<b>As at 1 April 2018</b>	<b>1,443.72</b>	<b>1,702.16</b>	<b>4,676.17</b>	<b>1,952.55</b>	<b>1,464.90</b>	<b>509.52</b>	<b>112.51</b>	<b>11,861.53</b>
Additions	-	505.80	1.19	538.37	345.17	36.78	31.36	1,458.67
Deductions / adjustment during the year	-	33.63	-	7.81	16.75	1.02	-	59.21
<b>As at 31 March 2019</b>	<b>1,443.72</b>	<b>2,174.33</b>	<b>4,677.36</b>	<b>2,483.11</b>	<b>1,793.32</b>	<b>545.28</b>	<b>143.87</b>	<b>13,260.99</b>
<b>As at 1 April 2019</b>	<b>1,443.72</b>	<b>2,174.33</b>	<b>4,677.36</b>	<b>2,483.11</b>	<b>1,793.32</b>	<b>545.28</b>	<b>143.87</b>	<b>13,260.99</b>
Additions	-	24.86	8.08	20.96	44.42	10.65	130.72	239.68
Deductions / adjustment during the year	-	79.32	-	34.88	84.26	1.25	102.75	302.47
<b>As at 31 March 2020</b>	<b>1,443.72</b>	<b>2,119.87</b>	<b>4,685.44</b>	<b>2,469.18</b>	<b>1,753.48</b>	<b>554.68</b>	<b>171.84</b>	<b>13,198.20</b>
<b>Depreciation</b>								
<b>As at 1 April 2018</b>	-	<b>392.68</b>	<b>202.65</b>	<b>273.90</b>	<b>420.04</b>	<b>276.71</b>	<b>33.27</b>	<b>1,599.25</b>
Depreciation for the year	-	284.92	92.59	197.08	245.45	108.53	17.75	946.32
Deductions / adjustment during the year	-	23.06	-	2.53	8.71	0.66	-	34.96
<b>As at 31 March 2019</b>	-	<b>654.54</b>	<b>295.24</b>	<b>468.45</b>	<b>656.78</b>	<b>384.58</b>	<b>51.02</b>	<b>2,510.61</b>
<b>As at 1 April 2019</b>	-	<b>654.54</b>	<b>295.24</b>	<b>468.45</b>	<b>656.78</b>	<b>384.58</b>	<b>51.02</b>	<b>2,510.61</b>
Depreciation for the year	-	388.67	92.99	161.29	234.83	93.73	16.07	987.58
Deductions / adjustment during the year	-	17.17	-	6.61	0.79	1.07	47.51	73.15
<b>As at 31 March 2020</b>	-	<b>1,026.03</b>	<b>388.25</b>	<b>623.15</b>	<b>890.81</b>	<b>477.23</b>	<b>19.55</b>	<b>3,425.02</b>
<b>Net book value as at:-</b>								
<b>31 March 2019</b>	<b>1,443.72</b>	<b>1,519.79</b>	<b>4,382.12</b>	<b>2,014.66</b>	<b>1,136.54</b>	<b>160.70</b>	<b>92.85</b>	<b>10,750.38</b>
<b>31 March 2020</b>	<b>1,443.72</b>	<b>1,093.84</b>	<b>4,297.19</b>	<b>1,846.03</b>	<b>862.67</b>	<b>77.45</b>	<b>152.29</b>	<b>9,773.18</b>

### Notes:

- Property plant and equipment are pledged as security for working capital loans and vehicles against vehicle loans (refer note 20 and 25).
- As at 31 March 2020, Buildings with carrying amount of ₹ 3,795.77 lacs (31 March 2019 ₹ 3,857.58 lacs) are subject to first pari passu charge to secured borrowings (refer note 24)

## 4 Right to Use Assets and Lease Liability

### Group as a lessee

Effective 1<sup>st</sup> April, 2019, the Group has adopted Ind AS 116 'Leases' and applied the standard to all lease contracts existing on the date of initial application i.e. April 01, 2019. The Group has used the modified retrospective approach for transitioning to Ind AS 116 with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of retained earnings at the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

At the commencement date of a lease, the Group has recognised a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The Group has separately recognised the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

The Group shall remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The Group will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

The operating leases recorded on the balance sheet following implementation of Ind AS 116 are principally in respect of leasehold land and other identified assets representing right to use as per contracts excluding low value assets and short term leases of 12 months or less.

The right of use assets for most leases were recognised based on the carrying amount as if the standard had always been applied since the inception of lease, apart from the use of incremental borrowing rate at the date of initial application. For new lease entered in current year, the right of use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group has also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

The Group has adopted modified retrospective approach as per para C8 (C) (i) of IND-AS 116 - Leases effective from accounting period beginning from 1<sup>st</sup> April, 2019. This has resulted in recognizing a Right-to-Use assets of ₹ 8,098.72 Lacs in consolidated financial results and Lease Liability of ₹ 9,735.91 Lacs in consolidated financial results as on 1<sup>st</sup> April, 2019 and difference between Right-to-Use Assets and Lease Liability of ₹ 1,069.71 Lacs (net of deferred tax assets of ₹ 567.48 Lacs) in consolidated financial results has been adjusted in retained earnings. Further in consolidated financial statements, a provision towards straight-lining of lease rentals amounting to ₹ 137.69 Lacs (net of deferred tax liability amounting to ₹ 73.96 Lacs) has been adjusted against the retained earnings.

In the consolidated financial statement of the current period / year, lease expenses has changed from rent, to depreciation cost for the Right-to-Use assets and finance cost for interest accrued on lease liability.



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	₹ in Lacs
	<b>Building</b>
<b>Cost</b>	
<b>As at 1 April 2019</b>	<b>8,098.72</b>
Reclassified on account of adoption of Ind AS 116	339.23
Additions	1,178.28
Deduction / adjustment during the year	-
<b>As at 31 March 2020</b>	<b>9,616.23</b>
<b>Depreciation</b>	
<b>As at 1 April 2019</b>	-
Reclassified on account of adoption of Ind AS 116	-
Depreciation for the year	2,163.14
Deduction / adjustment during the year	0.17
<b>As at 31 March 2020</b>	<b>2,162.97</b>
<b>Net book value as at:-</b>	
<b>31 March 2020</b>	<b>7,453.26</b>

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	₹ in Lacs
	<b>Amount</b>
As at 1 April 2019	9,735.91
Additions	1,184.11
Accretion of interest	970.85
Lease paid	(3,026.90)
<b>As at 31 March 2020</b>	<b>8,863.97</b>
Non Current	6,061.49
Current	2,802.48

The maturity analysis of lease liabilities are disclosed in Note 41.15.2.B

The following are the amounts recognised in statement profit or loss:

	₹ in Lacs
	<b>Amount</b>
Depreciation expense of right-of-use assets	2,163.14
Interest expense on lease liabilities	970.85
Expense relating to short-term leases (included in other expenses)	29.96
Variable lease payments (included in other expenses)	12.50
<b>Total amount recognised in profit or loss</b>	<b>3,176.45</b>

The Group had total cash outflows for leases of ₹ 3,026.90 lacs in March 31, 2020. The Group also had non-cash additions to right-of-use assets and lease liabilities of ₹ 1,178.28 lacs in March 31, 2020.

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# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 5 Intangible assets

₹ in Lacs

	Computer software	Total
<b>Cost</b>		
<b>As at 1 April 2018</b>	<b>165.41</b>	<b>165.41</b>
Additions	331.68	331.68
Deductions / adjustment during the year	-	-
<b>As at 31 March 2019</b>	<b>497.09</b>	<b>497.09</b>
<b>As at 1 April 2019</b>	<b>497.09</b>	<b>497.09</b>
Additions	8.46	8.46
Deductions / adjustment during the year	153.92	153.92
<b>As at 31 March 2020</b>	<b>351.65</b>	<b>351.65</b>
<b>Amortisation</b>		
<b>As at 1 April 2018</b>	<b>93.85</b>	<b>93.85</b>
Amortisation for the year	73.30	73.30
Deductions / adjustment during the year	-	-
<b>As at 31 March 2019</b>	<b>167.15</b>	<b>167.15</b>
<b>As at 1 April 2019</b>	<b>167.15</b>	<b>167.15</b>
Amortisation for the year	74.28	74.28
Deductions / adjustment during the year	110.18	110.18
<b>As at 31 March 2020</b>	<b>131.25</b>	<b>131.25</b>
<b>Net book value as at:-</b>		
<b>31 March 2019</b>	<b>329.94</b>	<b>329.94</b>
<b>31 March 2020</b>	<b>220.39</b>	<b>220.39</b>

## 6 Other Investments:

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
Investments at fair value through OCI (fully paid - Quoted)		
Bank of Baroda	1.02	2.44
1,903 (31 March 19 : 1,903 of Bank of Baroda share) Equity shares of ₹ 121.60 each (31 March 19 ₹ 128.65 each)		
Investments in equity instruments (Unquoted)		
Saraswat Co-operative Bank Ltd	0.12	0.12
1,150 (31 March 19: 1,150) Equity shares of ₹ 10 (31 March 19 ₹ 10)		
	<b>1.13</b>	<b>2.56</b>
Aggregate book value of quoted investments	1.02	2.44
Aggregate market value of quoted investments	1.02	2.44
Aggregate book value of unquoted investments	0.12	0.12

## 7 Loans

(Unsecured, considered good)

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
<b>To related parties</b>		
- Security deposits (refer note 41.7)	96.88	83.42
<b>To parties other than related parties</b>		
- Security deposits	625.95	994.44
	<b>722.83</b>	<b>1,077.86</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 8 Deferred tax assets (net)

### a The major components of income tax (income)/expense are:

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Deferred tax assets	1,009.24	-
Deferred tax Liability	(337.89)	-
<b>Net deferred tax</b>	<b>671.36</b>	<b>-</b>

### b Deferred tax relates to following

	Balance sheet		Statement of Profit and Loss	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Property, plant and equipment	(327.98)	(538.73)	(210.75)	(0.45)
Employee benefits	333.59	421.22	87.64	86.36
Fair valuation of gold loan derivative	-	(0.01)	-	63.07
Provision for doubtful debts	22.30	1.77	(20.53)	(24.64)
Leases	35.62	74.19	38.61	21.10
Deferred tax on elimination	(9.91)	(24.28)	(14.37)	24.28
Adjustment for leases	73.96	-	(73.96)	-
Deferred tax asset on adoption of Ind AS 116 Leases	493.47	-	-	-
Provision for sales return	50.31	65.74	15.43	65.74
<b>Deferred tax expense/(income)</b>			<b>(177.93)</b>	<b>235.46</b>
<b>Net deferred tax assets/(Liabilities)</b>	<b>671.36</b>	<b>(0.10)</b>	<b>-</b>	<b>-</b>

## 9 Non-current tax assets

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Advance tax (net of provision for tax of ₹ 2,793.55 Lacs (31 March 2019: ₹ 992 Lacs)	401.92	138.89
	<b>401.92</b>	<b>138.89</b>

## 10 Other non current assets

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Advances for capital expenditure	4.68	16.74
Balance with government authorities (other than income tax)	266.85	354.70
Prepayments		
- To related party (refer note 41.7)	-	4.23
- To other than related party	3.58	439.25
	<b>275.11</b>	<b>814.93</b>

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# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 11 Inventories\*

(Valued at the lower of cost or net realisable value)

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
Raw material **	19,973.56	16,130.63
Finished goods **	36,622.10	52,161.74
Stock-in-trade **	61,445.35	49,589.56
Packing material	30.97	41.39
	<b>1,18,071.98</b>	<b>1,17,923.32</b>

During the year ₹ 1,125.00 Lac (Previous year: ₹ Nil) is recognized as an expense for inventories carried at net realizable value.

\*Working Capital Borrowing are secured by hypothecation of inventories of the parent Company (refer note 20).

\*\*Cost of precious stones is determined by management based on technical estimate of the purity and clarity of diamonds used, on which the auditors have placed reliance, as this being a technical matter.

The cost of inventories is recognized as an expenses includes ₹ 75.00 Lac (Previous year: ₹ 35.00 Lac) in respect of provision for making charges for aged inventory

## 12 Trade receivables\*

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good**	300.42	2,586.18
Considered credit impaired	32.81	5.06
	<b>333.23</b>	<b>2,591.24</b>
Less: Impairment allowance (allownace for bad and doubtful debts) Considered credit imparied	(32.81)	(5.06)
<b>Total</b>	<b>300.42</b>	<b>2,586.18</b>

\*Working capital borrowing are secured by hypothecation of trade receivables of the Parent Company (refer note 20).

\*\* Includes receivable from credit card companies amounting to ₹ NIL (31 March 2019: ₹ 153.44 Lacs).

No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a parter, a director or a member.

Trade receivables are generally not interest-bearing.

**The movement in allowance for doubtful receivables is as follows:**

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	5.06	5.06
Provision created/(reversed) during the year	27.75	-
Balance as at the end of the year	<b>32.81</b>	<b>5.06</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 13 Cash and cash equivalents

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- on current accounts	143.82	194.91
Cash on hand	92.58	462.96
	<b>236.40</b>	<b>657.87</b>

As at 31 March 2020, the Group had available ₹ 63,811.36 lacs (31 March 2019: ₹ 4,430.71 lacs) of undrawn committed borrowing facilities.

## 14 Bank balances other than cash and cash equivalents

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Bank deposits (with original maturity for more than 3 months but less than 12 months)*	3,872.90	3,324.14
Earmarked balance with banks		
- Unclaimed dividend#	5.54	1.75
- Unclaimed share application money#	-	0.34
	<b>3,878.44</b>	<b>3,326.23</b>

#Includes restricted amounts towards unclaimed Dividend of ₹ 5.54 Lacs (31 March 2019: ₹ 1.74 Lacs) and unclaimed share application money due for refund of ₹ NIL (31 March 2019: ₹ 0.34 Lacs).

\*Deposit with carrying amount of ₹ 5.54 Lacs (31 March 2019 ₹ 5.54) are under lien to secure working capital facilities availed from banks.

Deposit with carrying value of ₹ 3,310.10 Lacs (31 March 2019 ₹ 2,635.30 Lacs) are under lien to secure working capital facilities availed from banks.

\*Deposit with a carrying value of ₹ 7.50 Lacs (31 March 2019 ₹ 7.50 Lacs) are towards base capital given to Multy Commodity Exchange India Ltd.

## 15 Security deposit (Unsecured, considered good)

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
<b>To parties other than related parties</b>		
- Security deposits	371.20	47.62
	<b>371.20</b>	<b>47.62</b>

## 16 Other financial assets (Unsecured, considered good)

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
<b>To parties other than related parties</b>		
Interest accrued on fixed deposits	129.89	157.31
	<b>129.89</b>	<b>157.31</b>

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# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 17 Other current assets

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
<b>To related parties</b>		
Prepayments (refer note 41.7)	-	6.72
<b>To parties other than related parties</b>		
Advance to suppliers	239.12	109.90
Advances to employees and others	10.32	65.27
Prepayments	265.97	243.24
Balance with government authorities (other than income tax)	678.50	1,277.99
Refund Assets	3,123.67	2,815.66
	<b>4,317.58</b>	<b>4,518.78</b>

## 18 Equity share capital

### Authorised share capital

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
<b>As at the beginning of the year</b>	<b>7,50,00,000</b>	<b>7,500.00</b>	<b>7,50,00,000</b>	<b>7,500.00</b>
Increase during the year	-	-	-	-
<b>As at the end of the year</b>	<b>7,50,00,000</b>	<b>7,500.00</b>	<b>7,50,00,000</b>	<b>7,500.00</b>

### Issued equity share capital

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
<b>At the beginning and at the year end</b>	<b>6,67,30,620</b>	<b>6,673.06</b>	<b>6,67,30,620</b>	<b>6,673.06</b>
Increase during the year	-	-	-	-
<b>At the end of the year</b>	<b>6,67,30,620</b>	<b>6,673.06</b>	<b>6,67,30,620</b>	<b>6,673.06</b>

### a 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. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his share of paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## b Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹ 10 each fully paid up held by:				
Shrikant Zaveri	3,34,02,275	50.06%	3,34,02,275	50.06%
Binaisha Zaveri	52,85,000	7.92%	52,85,000	7.92%
Raashi Zaveri	45,72,500	6.85%	45,72,500	6.85%
Bindu Zaveri	35,00,000	5.24%	35,00,000	5.24%

## 19 Other equity

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
<b>Securities premium</b>		
<b>As at the beginning of the year</b>	<b>16,791.35</b>	<b>16,791.35</b>
Add: Securities premium collected during the year	-	-
<b>As at the end of the year</b>	<b>16,791.35</b>	<b>16,791.35</b>
<b>General reserves</b>		
<b>As at the beginning of the year</b>	<b>1,401.47</b>	<b>1,401.47</b>
Add: Transfer during the year	-	-
<b>As at the end of the year</b>	<b>1,401.47</b>	<b>1,401.47</b>
<b>Surplus in profit and loss</b>		
<b>As at the beginning of the year</b>	<b>23,647.14</b>	<b>22,827.98</b>
Add/(Less): Opening provision for sales return of Ind AS 115: Revenue	-	(68.40)
Add/(Less): Opening impact of Ind AS 116: Leases	(932.02)	-
<b>Adjusted balance as at 01 April 2019</b>	<b>22,715.12</b>	<b>22,759.58</b>
Add / (Less): Profit for the year	2,141.51	1,556.36
Add / (Less): Others	-	(65.46)
Add / (Less): Dividend	(1,167.78)	(500.48)
Add / (Less): Dividend Distribution Tax	(240.05)	(102.88)
<b>As at the end of the year</b>	<b>23,448.80</b>	<b>23,647.14</b>
<b>Other comprehensive income</b>		
<b>As at the beginning of the year</b>	<b>(132.60)</b>	<b>(27.22)</b>
Add: Re-measurement gains/ (losses) on defined benefit plans	(136.92)	(162.56)
Add: Re-measurement (loss)/profit on quoted investment	(1.43)	-
Add: Income tax effect	30.31	57.16
<b>As at the end of the year</b>	<b>(240.64)</b>	<b>(132.62)</b>
	<b>41,400.98</b>	<b>41,707.34</b>

### Notes:

#### Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with provisions of the Companies Act 2013.

#### General reserves

The general reserve is mainly created / built by the Company from time to time by transferring the profits from the retained earnings. The reserve may be utilised mainly to declare dividend as permitted under Companies Act 2013.

#### Surplus in profit and loss

Retained earnings comprise of the Group's undistributed profits after taxes.

#### Other comprehensive income

Items of other comprehensive income consist of re-measurement gain/(losses) on defined benefit plan of the Group.

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# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 20 Non current borrowings

			₹ in Lacs	
Secured	Effective interest rate %	Maturity	As at 31 March 2020	As at 31 March 2019
<b>Term loans</b>				
- from banks	8.75% to 9.65%	Sept'20 & Nov'23	49.32	1.35
			<b>49.32</b>	<b>1.35</b>
Amount disclosed as current maturities of long term borrowings under the head other current liabilities (refer note 28)				
- from banks			17.08	6.08
			<b>17.08</b>	<b>6.08</b>

The term loans from banks are secured by hypothecation of vehicle purchased.

The term loans shall be repayable on monthly installments till 5 September 2020 and 1 November 2023.

The Company has not defaulted for any loans payable, and there has been no breach of any loan covenants.

## 21 Lease liability

			₹ in Lacs	
			As at 31 March 2020	As at 31 March 2019
Lease liability (refer note 4)			6,061.49	-
			<b>6,061.49</b>	-

## 22 Non-current provisions

			₹ in Lacs	
			As at 31 March 2020	As at 31 March 2019
<b>Provision for employee benefits</b>				
- Provision for gratuity (refer note 41.5 (b))			719.18	661.83
			<b>719.18</b>	<b>661.83</b>

## 23 Deferred tax Liability (net)

			₹ in Lacs	
			As at 31 March 2020	As at 31 March 2019
<b>The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet</b>				
Deferred tax assets			-	(562.91)
Deferred tax Liability			-	563.01
<b>Net deferred tax assets/(Liabilities)</b>			-	<b>0.10</b>
(For detail working refer note 8)				

## 24 Other non-current liabilities

			₹ in Lacs	
			As at 31 March 2020	As at 31 March 2019
<b>From other than related parties</b>				
- Deferred rent liability			-	157.73
			-	<b>157.73</b>



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 25 Current borrowings

₹ in Lacs

Secured	Effective interest rate	Maturity	As at 31 March 2020	As at 31 March 2019
<b>Loans repayable on demand from Banks</b>				
- Working capital demand loan*	10.05% to 11.05%	Various date	16,632.67	3,250.00
- Gold Loan	2.05% to 3.74%	Various date	21,873.30	29,989.50
- Cash credit	9.9% to 12.05%	On demand	16,279.67	27,303.23
			<b>54,785.64</b>	<b>60,542.73</b>

\*Working capital demand loan and the Cash credit facilities are part of a consortium arrangement with banks. The above facilities are secured by primary security by way of hypothecation charge on the entire current assets of the Parent Company, present and future, on first pari passu basis among the members of the consortium.

Further, the facility is secured by collateral security on first pari passu charge basis among the members of the consortium

- By way of mortgage over premises at Zaveri Bazar, Mumbai, premises at Surat, premises at Kandivali Industrial Estate, Mumbai, premises at Nariman Point, Mumbai, premises at Punjagutta, Hyderabad.
- By way of hypothecation charge over Property, Plant and Equipment installed/erected at Surat, at Kandivali Industrial Estate, Mumbai, at Pune, and all movable and immovable assets present in all the Parent Company's showrooms.

The facility is also secured by way of extension of mortgage charge on Second pari passu basis over commercial premises at Santacruz, Mumbai belonging to Shri Shrikant Zaveri (Chairman and Managing Director) and the personal guarantee of Shri Shrikant Zaveri the Chairman and Managing Director of the Group.

Deposit with carrying value of 3310.10 Lacs (31 March 2019 ₹ 2635.30 Lacs) are under lien to secure working capital facilities availed from banks. The facilities are also secured by Bank Guarantee of ₹ 13,889 lacs (31 March 2019: ₹ 18,384 lacs).

## 26 Lease liability

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
- Lease liability (refer note 4)	2,802.48	-
	<b>2,802.48</b>	-

## 27 Trade payables

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
Due to		
- Total outstanding dues of micro enterprises and small enterprises; and (refer note 41.4)	1,281.28	85.35
- Total outstanding dues of creditors other than micro enterprises and small enterprises	18,110.68	19,521.12
	<b>19,391.96</b>	<b>19,606.46</b>

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# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 28 Other financial liabilities

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
<b>From parties other than related parties</b>		
Current maturities of long term borrowings (refer note 20)	17.08	6.08
Interest accrued but not due on borrowings	91.90	49.23
Share application money due for refund*	-	0.34
Amount liable to be deposited in Investor Education and Protection Fund but not yet due for deposit		
- Unclaimed dividend	5.54	1.74
Deposit other than related party	0.20	0.20
	<b>114.72</b>	<b>57.59</b>

\*During May 2012, the Parent Company had received application money for allotment of equity shares via Initial Public Offer (IPO). However, due to over subscription the application money became due for refund and was subsequently transferred to Investor Education and Protection Fund on 3 May 2019. There is no interest payable on share application money.

## 29 Current provisions

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
<b>Provision for employee benefits</b>		
- Provision for gratuity (refer note 41.5 (b))	202.14	169.20
- Provision for compensated absences	320.70	307.91
	<b>522.84</b>	<b>477.11</b>

## 30 Other current liabilities

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
Advance from customers	1,944.10	1,435.79
Customers dues under schemes / arrangements	8,147.25	7,027.02
Employee benefits payable	3,323.39	3,006.56
Statutory liabilities#	163.58	184.08
Creditors for capital expenditure	97.15	146.43
Deferred rent liability	-	53.92
Accrual for expenses	627.92	592.76
	<b>14,303.42</b>	<b>12,446.56</b>

#Statutory dues includes Tax deducted at source, Goods and service tax, Employee state insurance, Provident fund and Profession tax.

Other current liabilities are non-interest bearing and have an average of 10-months term.

Undisputed statutory dues are generally settled in the next months.

Parent Company's scheme do not qualify as deposits and Parent Company has obtained legal opinion to that effect.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 31 Revenue from contract with customers

### 31.1 Sale of product

	₹ in Lacs	
	Year ended 31 March 2020	Year ended 31 March 2019
- Sale of goods	1,80,986.62	1,76,358.11
<b>Total</b>	<b>1,80,986.62</b>	<b>1,76,358.11</b>
India	1,80,986.62	1,76,358.11
Outside india	-	-
<b>Contract balances</b>		
Trade receivables*	300.42	2,586.18
*Trade receivables are generally not interest-bearing.		
<b>Reconciliation of revenue as recognised in Statement of Profit and Loss with the contracted price</b>		
Revenue as per contracted price	1,81,795.42	1,79,089.32
Less: Adjustments		
Price adjustments such as discounts, rebates and sales promotion schemes	708.81	1,333.00
Sales return	100.00	1,398.21
<b>Revenue as per Statement of Profit and Loss</b>	<b>1,80,986.62</b>	<b>1,76,358.11</b>
<b>Refund assets and Refund liabilities:</b>		
Refund assets	3,123.67	2,815.66
Refund liabilities	3,323.39	3,006.56
<b>Disaggregated revenue information:</b>		
Revenue from retail operations	1,73,743.98	1,67,967.69
Revenue from non-retail operations	7,242.64	8,390.42
<b>Revenue from contract with customers</b>	<b>1,80,986.62</b>	<b>1,76,358.11</b>

### 31.2 Other operating revenue

	₹ in Lacs	
	Year ended 31 March 2020	Year ended 31 March 2019
- Repairing revenue	18.64	24.54
<b>Total</b>	<b>18.64</b>	<b>24.54</b>

## 32 Other income

	₹ in Lacs	
	Year ended 31 March 2020	Year ended 31 March 2019
Interest Income		
- Interest income on bank deposits	211.04	164.35
- Income tax refund	-	1.51
- Interest Income (Other)	102.96	85.55
- Dividend income -Investments - Mutual Funds	0.02	0.02
Other Non-Operating Income		
- Rental income	0.70	0.65
- Interest income on security deposit	6.03	3.83
- Gain on termination of lease liability	9.54	-
- Miscellaneous Income	33.01	59.70
- Liabilities/Provisions no longer required written back (net)	41.29	106.61
	<b>404.61</b>	<b>422.22</b>

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# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 33 Cost of material consumed

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Inventory at the beginning of the year</b>	16,130.63	16,164.06
Add: Purchases	1,40,555.79	1,43,431.41
	<b>1,56,686.42</b>	<b>1,59,595.47</b>
Less: Inventory at the end of the year	(19,973.56)	(16,130.63)
<b>Cost of material consumed</b>	<b>1,36,712.86</b>	<b>1,43,464.84</b>

## 34 Purchase of stock-in-trade

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
Purchase of stock-in-trade	6,503.57	12,767.35
	<b>6,503.57</b>	<b>12,767.35</b>

## 35 Changes in inventories of finished goods and stock-in-trade

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
Opening inventory		
- Finished goods	52,161.74	45,063.80
- Stock-in-trade	49,589.56	40,872.90
	<b>1,01,751.30</b>	<b>85,936.70</b>
Closing inventory		
- Finished goods	36,622.10	52,161.74
- Stock-in-trade	61,445.35	49,589.56
	<b>98,067.45</b>	<b>1,01,751.30</b>
<b>(Increase)/Decrease in stock</b>	<b>3,683.85</b>	<b>(15,814.60)</b>

## 36 Employee benefits expenses

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	7,301.86	7,066.14
Contribution to provident and other funds (refer note 41.5 (a))		
- Provident fund	310.03	276.86
- Other fund	37.20	48.16
Gratuity expenses (refer note 41.5 (b))	181.37	137.14
Compensated absences (refer 41.5 (c))	40.72	42.30
Staff welfare expenses	210.51	242.16
	<b>8,081.69</b>	<b>7,812.76</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 37 Finance costs

	₹ in Lacs	
	Year ended 31 March 2020	Year ended 31 March 2019
Interest expenses	4,137.50	432.63
Other borrowing costs	502.93	4,204.57
Interest expense on lease liability (refer note 4)	970.85	-
	<b>5,611.28</b>	<b>4,637.20</b>

## 38 Depreciation and amortisation expenses

	₹ in Lacs	
	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on property, plant and equipment (refer note 3)	987.58	946.32
Depreciation on right to use assets (refer note 4)	2,163.14	-
Amortisation on intangible assets (refer note 5)	74.28	73.30
	<b>3,225.01</b>	<b>1,019.62</b>

## 39 Other expenses

	₹ in Lacs	
	Year ended 31 March 2020	Year ended 31 March 2019
Power and fuel	442.26	485.41
Water charges	12.32	10.98
Boxes and packing material	285.97	257.13
Repairs and maintenance		
- Plant & machinery	227.73	193.58
- Others	359.72	300.83
Jobwork charges	600.91	319.53
Rent (refer note 4)	42.46	2,866.44
Advertisement and sales promotion	3,094.45	3,842.88
Freight and forwarding charges	117.65	123.88
Stores and spares consumed	80.05	296.94
Commission and service charges	9.63	64.21
Insurance	44.05	42.64
Travelling and conveyance expenses	130.39	233.13
Rates and taxes	147.86	134.28
Legal and professional fees	341.96	436.95
Postage, telegrams and telephone charges	60.59	48.56
Payment to auditors:		
- Statutory audit	34.50	33.80
- Limited review of quarterly results	27.25	21.00
- Certification fees	0.50	-
- Out of pocket expenses	9.55	1.85
Security charges	241.34	250.41

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# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
Loss on sale of property plant and equipment	182.76	20.46
Printing & Stationery	2.16	-
Bank charges	589.99	692.82
Bad debts written off	83.51	2.19
Contribution towards Corporate Social Responsibility (refer note 41.2)	47.80	22.99
Directors sitting fees	5.70	5.60
Commission to directors (refer note 41.7)	18.00	22.50
Miscellaneous expenses	162.53	211.60
	<b>7,403.59</b>	<b>10,942.57</b>

## 40 Income tax expense

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
<b>The major components of income tax expenses for the year ended 31 March 2020 and 31 March 2019 are:</b>		
<b>(i) Amounts recognised in profit and loss</b>		
Current income tax	<b>857.00</b>	<b>992.00</b>
Tax in respect of earlier years	(14.62)	1.60
<b>Deferred income tax liability / (asset), net</b>		
Origination and reversal of temporary differences	(177.93)	(235.46)
<b>Deferred tax expense</b>	<b>(177.93)</b>	<b>(235.46)</b>
<b>Tax expense for the year</b>	<b>664.45</b>	<b>758.14</b>
<b>(ii) Amounts recognised in other comprehensive income</b>		
<b>Items that will not be reclassified to profit &amp; loss</b>		
Remeasurements of defined benefit plans	30.31	57.17
<b>(iii) Reconciliation of effective tax rate</b>		
Profit before tax	2,805.96	2,314.52
Company's domestic tax rate	25.17%	34.94%
<b>Tax using the company's domestic tax rate</b>	<b>706.20</b>	<b>808.69</b>
<b>Tax effect of:</b>		
Expense not allowed for tax purposes - Donations & CSR	5.70	5.06
Impact of change in tax rate	6.55	-
Others	(54.00)	(55.61)
	<b>664.45</b>	<b>758.14</b>
Current tax	857.00	992.00
Deferred tax	(177.93)	(235.46)
Changes in estimates relating to prior years	(14.62)	1.60
<b>Total tax</b>	<b>664.45</b>	<b>758.14</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 41 Notes to Accounts

### 41.1 Earning Per Share (EPS)

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Profit after taxation	2,141.51	1,556.38
Weighted Average Number of Equity Shares	6,67,30,620	6,67,30,620
Add: effect of potential issues of options	Nil	Nil
Number of shares considered as weighted average shares and potential shares outstanding	6,67,30,620	6,67,30,620
Basic earnings per share (₹)	3.21	2.33
Diluted earnings per share (₹)	3.21	2.33

### 41.2 Corporate social responsibility (CSR)

As per Section 135 of the Companies Act 2013, a CSR Committee has been formed by the Group. The areas of CSR activities are to eradicate hunger, poverty and malnutrition, promoting healthcare, including preventive health care and sanitation. The Group also wants to promote education, including special education and employment, enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. As part of above, the Group has undertaken CSR activities through Cancer Patient Aid Association (CPAA), Ahmedabad Women's Action Company (AWAG), Stree Mukti Sanghatan, Voice Tree Technologies Private Limited, Baroda Citizen Council (BCC), Bharatiya Street Shakti and West Wind Foundation which are specified in Schedule VII of the Companies Act, 2013.

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Gross amount required to be spent during the year	47.76	17.96
Amount spent during the year on :		
1) Construction / acquisition of assets		
a) Paid in cash	-	-
b) Yet to be paid	-	-
2) Other than (1) above		
a) Paid in cash	47.80	22.99
b) Yet to be paid	-	-
<b>Total</b>	<b>47.80</b>	<b>22.99</b>

### 41.3 Contingent liabilities and commitments

#### (i) Contingent Liabilities

Claims against the Company not acknowledged as debts

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
a) Guarantees given	13,850.00	18,384.00
b) Other matters for which the Company is contingently liable		
i) Sales tax matters	303.64	308.54
ii) Local body tax matters	31.83	31.54
iii) Custom duty matters	25.00	18.25

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

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

The Group's pending litigations comprises of claims against the Group primarily for shortfall of Forms F and disallowance of input credit, with Sales/VAT tax and other authorities. The Group has reviewed all its pending litigations and proceedings, and has adequately provided for where provisions are required and disclosed the contingent liabilities, where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statement.

The Group has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long-term contracts has been made in the books of account.

Other matters - Provident fund

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28<sup>th</sup> February, 2019. As a matter of caution, the Group has made a provision on a prospective basis from the date of the SC order. The Group will update its provision, on receiving further clarity on the subject.

## (ii) Commitments

Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances) as at 31 March 2020 is ₹ 0.88 lacs (31 March 2019: ₹ 2.97 Lacs).

The Group has provided a letter of financial support upto 31 March 2020 to its wholly owned subsidiary Company, Tribhovandas Bhimji Zaveri (Bombay) Limited.

## (iii) Leases

### Operating lease commitments as a lessee

The Group has entered into agreements for taking on lease certain residential / store premises. These lease have terms of between five to nine years. All leases include a clause to enable upward revision of the rental charge basis the prevailing market conditions.

The Group has recognized the shoroom rent expenses in the books of accounts. Rental expenses under operating leases (including cancellable and non-cancellable) aggregating ₹ NIL (31 March 2019: ₹ 2,866.44) have been included under "other expenses" in the Statement of Profit and Loss as disclosed under note 39.

The future minimum lease payments in respect of non-cancellable operating leases as at 31 March 2020 are as follows -

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Amount due within one year from the balance sheet date	-	2,915.35
Amount due for the period after one year and before five years	-	7,629.50
Amount due for the period after five years	-	2,432.84

Note: w.e.f 1<sup>st</sup> April, 2019, IND AS 116 "Leases" supersedes IND AS 17 "Leases". Refer note 4 for disclosures.



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 41.4 Dues to Micro, Small and Medium Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprise.

On the basis of the information and records available with management, the following disclosures are made for the amounts due to Micro, Small and Medium enterprises who have registered with the Competent authorities.

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
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	1,281.28	85.35
Interest due on the above	28.31	2.29
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
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, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	28.31	2.29
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 of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

## 41.5 Gratuity and Other Post-employment benefit plans

### a) Defined contribution plans

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employees State Insurance, which are defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund and other funds for the year aggregated to ₹ 347.23 Lacs (31 March 2019: ₹ 325.02 Lacs) which is shown under notes to financial statements 36 – 'Employee benefits'.

### b) Defined benefit plans

The Group operates gratuity plan through a Trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Group's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972. The gratuity plan is funded. The Group contributes to the Fund based on the actuarial valuation report. The Group has contributed to the Insurer Managed Fund. The following tables summarise 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:

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# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

₹ in Lacs

	Gratuity (funded)	
	As at 31 March 2020	As at 31 March 2019
<b>I Change in Benefit Obligation</b>		
<b>Liability at the beginning of the year</b>	<b>987.37</b>	<b>745.79</b>
Interest cost	76.48	63.54
Current service cost	117.02	83.56
Benefit paid	(105.23)	(67.28)
Actuarial (gain) / loss on obligations	136.91	161.76
<b>Liability at the end of the year</b>	<b>1212.55</b>	<b>987.37</b>
<b>Bifurcation of Present value of obligation at the end of the year as per revised Schedule III of the Companies Act, 2013</b>		
Current liabilities (Short term)	202.14	169.20
Non-Current liabilities (Long term)	1,010.41	818.15
<b>Present value of obligation</b>	<b>1,212.55</b>	<b>987.36</b>
<b>II Amount recognised in the Balance Sheet</b>		
Liability at the end of the year	1,212.55	987.37
Fair value of plan assets at the end of the year	(290.24)	(156.32)
<b>Amount recognised in the Balance Sheet</b>	<b>922.32</b>	<b>831.03</b>
Current provisions	202.14	169.20
Non-current provisions	719.18	661.83
	<b>922.32</b>	<b>831.03</b>
<b>III Expenses recognised in the Statement of Profit and Loss</b>		
Current service cost	117.02	83.56
Interest cost	68.77	63.54
Investment Income	(4.43)	(9.96)
Net actuarial (gain) / loss to be recognised	-	-
Gratuity paid	-	-
Adjustment to opening balance of plan assets	-	-
<b>Expense recognised in Statement of Profit and Loss</b>	<b>181.37</b>	<b>137.14</b>
<b>IV Expenses recognised in the Other Comprehensive Income</b>		
Change in demographic assumptions	38.72	-
Change in Financial assumptions	90.28	160.97
Experience variance (i.e Actual experience vs assumptions)	7.92	0.79
Return on plan assets	-	-
<b>Expense recognised in the Other Comprehensive Income</b>	<b>136.92</b>	<b>161.76</b>
<b>V Balance Sheet Reconciliation</b>		
Opening net liability	831.03	583.53
Adjustment to opening balance	-	-
Expense recognized in the Statement of Profit and Loss	181.37	137.14
Expense recognized in the Statement of OCI	136.92	161.76
Gratuity paid	-	-
Contribution Paid	(226.99)	(51.40)
<b>Amount recognised in Balance Sheet</b>	<b>922.32</b>	<b>831.03</b>
<b>VI Composition of plan assets</b>		
Qualifying insurance policies*	290.24	156.32
A split of plan asset between various asset classes is as below:		
<b>Unquoted other debt instruments</b>	<b>290.24</b>	<b>156.32</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

₹ in Lacs

	Gratuity (funded)	
	As at 31 March 2020	As at 31 March 2019
<b>VII Movement in fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	152.97	158.89
Adjustment to opening balance of plan assets	-	-
Contributions paid into the plan	226.99	51.40
Benefits paid by the plan	(105.23)	(67.28)
Investment Income	4.43	9.96
Actuarial (losses) / gains	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>279.16</b>	<b>152.97</b>
<b>VIII Principal actuarial assumptions</b>		
Discount rate per annum	6.60%-7.55%	7.50-7.75%
Expected rate of return on plan Assets	7.75%	7.75%
Salary escalation rate per annum	5.5%-10%	6%-10%
Mortality	Indian Assured lives Mortality (2012-14) Ultimate	Indian Assured lives Mortality (2006-08) Ultimate
Employee Turnover rate	2.00% - 22.00%	0% - 28.00%

**IX The principal actuarial risks to which the Company is exposed are investment risk, interest rate risk, salary risk and longevity risk**

Investment risk	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
Interest risk	The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.
Longevity risk	The Group has used certain mortality and attrition assumptions in the valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.
Salary Risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**IX Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
Defined Benefit Obligation (Base)	1,212.55	987.37

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for the year ended 31 March 2020

	As at 31 March 2020		As at 31 March 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	1,370.19	1,081.82	1,141.81	862.08
(% change compared to base due to sensitivity)	13.30%	(-11.00%)	13.53%	(14.53%)
Salary Growth Rate (- / + 1%)	1,079.77	1,369.95	859.45	1,142.61
(% change compared to base due to sensitivity)	(-11.20%)	13.40%	(14.88%)	13.59%
Attrition Rate (- / + 50% of attrition rates)	1,208.83	1,217.39	995.32	981.64
(% change compared to base due to sensitivity)	(-1.20%)	1.00%	0.80%	(0.58%)
Mortality Rate (- / + 10% of mortality rates)	1,212.12	1,212.98	986.46	988.25
(% change compared to base due to sensitivity)	0.00%	0.00%	(0.09%)	0.09%

## X Maturity Profile of Defined Benefit Obligation

	As at 31 March 2020	As at 31 March 2019
Weighted average duration (based on discounted cashflows)	12 years	15 years

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
Expected cash flows over the next (valued on undiscounted basis):		
1 year	202.15	169.20
2 to 5 years	205.01	102.45
6 to 10 years	324.38	184.67
More than 10 years	2,510.03	3,442.98

The Group expects to pay ₹ 240 lacs (31 March 2019 ₹ 120 lacs) to the fund in the year ending 31 March 2021.

\*The Parent Company has maintained funds with Life Insurance Corporation of India and HDFC Life. The details of major category of plan assets held by the insurance companies is not available and hence the disclosure thereof is not made. The expected long-term rate of return on plan assets is based exclusively on the historical returns, without adjustments.

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.

## c) Other long-term employee benefits

### Compensated absences

The liability towards compensated absences (annual and sick leave) for the year ended 31 March 2020 based on actuarial valuation carried out by using Projected unit credit method resulted in a (reversal)/charged of ₹ 40.72 Lacs (31 March 2019 ₹ 42.30 Lacs).

### Annual and sick leave assumptions

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
Discount rate per annum	6.70%	7.75%
Salary escalation rate per annum	5.50%	6.00%
Mortality	Indian Assured lives Mortality (2012-14) Ultimate	Indian Assured lives Mortality (2006-08) Ultimate
Employee turnover rate	2.00% - 22.00%	0 - 26.00%

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 41.6 Long-term contracts

The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and determined that there are no long term contracts (including derivative contracts) which require provision under any law / accounting standards for material foreseeable losses.

## 41.7 Information on related party transactions as required by the Indian Accounting Standard (IND AS) - 24 for the year ended 31 March 2020

### I. Name of related parties

#### Key Managerial Personnel

- 1 Shrikant Zaveri, Chairman and Managing Director
- 2 Binaisha Zaveri, Whole Time Director
- 3 Raashi Zaveri, Whole Time Director
- 4 Saurav Banerjee, Chief Financial Officer
- 5 Mayur Choksi, Director
- 6 Niraj Oza, Company Secretary
- 7 Ajay Mehta, Independent Director
- 8 Kamlesh Vikamsey, Independent Director
- 9 Sanjay Asher, Independent Director

#### Relative of Key Managerial Personnel

- 1 Kunal S Vaishnav

#### Entities over which Key Managerial personnel and/or their relatives exercise significant influence

- 1 TBZ Limited Employees Gratuity Trust

#### Transactions during the year and balances as at year end with related parties:

₹ in Lacs

Nature of transaction	Key Managerial Personnel	Relative of Key Managerial Personnel	Entities over which Key Managerial personnel and/or their relatives exercise significant influence
<b>Transaction during the period *</b>			
Remuneration paid**	964.77	-	-
	(950.98)	-	-
Sitting fees paid	5.70	-	-
	(5.60)	-	-
Commission paid	18.00	-	-
	(22.50)	-	-
Gratuity trust fund	-	-	220.00
	-	-	(50.00)
Rent paid (net of GST)	226.43	-	-
	(215.65)	-	-
Legal fees paid	-	2.88	-
	-	(2.29)	-
Loan repaid	-	-	-
	(15.00)	-	-
<b>Balance as at 31 March 2020*</b>			
Prepayments receivable- non current	-	-	-
	(4.23)	-	-
Prepayments receivable- current	-	-	-
	(6.72)	-	-

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# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

₹ in Lacs

Nature of transaction	Key Managerial Personnel	Relative of Key Managerial Personnel	Entities over which Key Managerial personnel and/or their relatives exercise significant influence
Security deposits receivable	96.88 (83.42)	-	-
Commission payable	18.00 (22.50)	-	-
Trade payable	-	-	-
	-	(0.32)	-

**Notes:**

- 1) All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.
- 2) No amount in respect of the related parties have been written off / back during the year.
- 3) ESIC is not applicable to KMPs and Provident Fund is opted only by the Company Secretary.
- 4) For the year ended 31 March 2020, the Group has not recorded any impairment of receivables relating to amounts owned by related parties (31 March 2019 ₹ NIL lacs). The assessment is undertaken at each financial year through examining the financial position of the related party and the market in which related party operates.
- 5) The borrowing is secured by personal guarantee of the Chairman and Managing Director of the Group (refer note 25).
- 6) \*Amounts pertaining to year ended 31 March 2019 are in brackets.
- 7) \*\* Remuneration to key managerial personnel does not include charge for gratuity and leave encashment as employee-wise break-up is not available.

## 41.8 Dividend on Equity Shares

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
Dividend on equity shares paid during the year (includes Dividend distribution tax)	1,407.84	603.56
Proposed dividend on equity shares recognised as liability	-	-
Proposed dividend on equity shares not recognised as liability	-	-
Final dividend of ₹ 0.75/- per share	500.48	500.48
Interim dividend of ₹ 1.00/- per share	667.31	-
Dividend distribution tax on dividend paid during the year	-	-
On Final dividend	102.88	102.88
On Interim dividend	137.17	-

## 41.9 Segment reporting

The Group's business activity falls within a single primary business segment of "Jewellery" and one reportable geographical segment which is "within India". Accordingly, the Group is a single segment company in accordance with Indian Accounting Standard 108 "Operating Segment".

## 41.10 Disclosure pursuant to change with SEBI (Listing obligation and disclosure requirement, 2015) and section 186 of the Companies Act, 2013

No loans have been given by the Group to any third party or its subsidiary companies.

## 41.11 Entities consolidated as subsidiaries in accordance with Ind AS 110- Consolidated financial statements

	Country of Incorporation	% of holding as on		Accounting period	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
Tribhovandas Bhimji Zaveri (Bombay) Limited	India	100%	100%	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 41.12 Additional Information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as subsidiaries

Name of Entity	As at 31 March, 2020		Share in profit or loss		For the year ended 31 March 2020		Share in Total	
	Net Assets i.e. total assets minus total liabilities		Comprehensive Income		Comprehensive Income		Comprehensive Income	
	As % of consolidated net assets	Amount (₹ in lacs)	As % of consolidated profit or loss	Amount (₹ in lacs)	As % of consolidated other comprehensive income	Amount (₹ in lacs)	As % of consolidated other comprehensive income	Amount (₹ in lacs)
<b>Parent</b>								
Tribhovandas Bhimji Zaveri Limited	102.31%	49,185.01	102.43%	2,193.65	88.74%	(95.88)	103.16%	2,097.77
<b>Subsidiary</b>								
Tribhovandas Bhimji Zaveri (Bombay) Limited	-1.58%	(778.60)	-0.48%	(10.34)	11.26%	(12.16)	-1.11%	(22.50)
Total Eliminations	-0.70%	(337.20)	-1.95%	(41.78)	-	-	-2.05%	(41.78)
<b>Total</b>	<b>100.03%</b>	<b>48,037.58</b>	<b>100.00%</b>	<b>2,141.51</b>	<b>100.00%</b>	<b>(108.04)</b>	<b>100.00%</b>	<b>2,033.47</b>

Name of Entity	As at 31 March, 2019		Share in profit or loss		For the year ended 31 March 2019		Share in Total	
	Net Assets i.e. total assets minus total liabilities		Comprehensive Income		Comprehensive Income		Comprehensive Income	
	As % of consolidated net assets	Amount (₹ in lacs)	As % of consolidated profit or loss	Amount (₹ in lacs)	As % of consolidated other comprehensive income	Amount (₹ in lacs)	As % of consolidated other comprehensive income	Amount (₹ in lacs)
<b>Parent</b>								
Tribhovandas Bhimji Zaveri Limited	102.14%	49,413.87	98.34%	1,530.38	106.30%	(112.06)	97.76%	1,418.52
<b>Subsidiary</b>								
Tribhovandas Bhimji Zaveri (Bombay) Limited	(1.53%)	(737.86)	1.42%	22.08	(6.30%)	6.66	1.98%	28.74
Total Eliminations	(0.61%)	(295.61)	0.24%	3.72	-	-	0.26%	3.75
<b>Total</b>	<b>100.00%</b>	<b>48,380.40</b>	<b>100.00%</b>	<b>1,556.38</b>	<b>100.00%</b>	<b>(105.40)</b>	<b>100.00%</b>	<b>1,451.00</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 41.13 Fair value hedge of gold price risk in inventory

The Parent Company enters into contracts for purchase of gold wherein the Parent Company has the option to fix the purchase price based on market price of gold during a stipulated time period. The prices are linked to gold prices. Accordingly, these contracts are considered to have an embedded derivative (represented in the said option to fix the price) that is required to be separated from the host contract which is the gold loan liability. Such feature is kept to hedge against exposure in the value of inventory of gold due to volatility in gold prices. The Parent Company designates the embedded derivative in the payable for such purchases as the hedging instrument in fair value hedging of inventory. The Parent Company designates only the spot-to-spot movement of the gold inventory as the hedged risk. The carrying value of inventory which are designated under fair value hedge relationship are measured at fair value at each reporting date. There is no ineffectiveness in the relationships designated by the Parent Company for hedge accounting.

Disclosure of effects of fair value hedge accounting on financial position:

Hedged item - Changes in fair value of inventory attributable to change in gold prices

Hedging instrument - Changes in fair value of the option to fix prices of gold purchases, as described above

### As at 31 March 2020

Commodity price risk	Carrying amount of hedged item		Carrying amount of hedging instrument		Notional value of hedge item	Notional value of hedging instrument	Maturity date	Balance sheet classification	Impact of change in fair value relating to the hedged risk (spot)
	Assets	Liabilities	Assets	Liabilities					
Hedged item - Inventory of gold	21,873.30	-	NA	NA	21,873.30	NA	Range - with in 6 months	Inventory	2,695.00
Hedging instrument - Option to fix gold price	NA	NA	-	2,695.00	NA	2,695.00	Range - with in 6 months	Current borrowing	2,695.00

### As at 31 March 2019

Commodity price risk	Carrying amount of hedged item		Carrying amount of hedging instrument		Notional value of hedge item	Notional value of hedging instrument	Maturity date	Balance sheet classification	Impact of change in fair value relating to the hedged risk (spot)
	Assets	Liabilities	Assets	Liabilities					
Hedged item - Inventory of gold	29,989.50	-	NA	NA	29,989.50	NA	Range - with in 6 months	Inventory	140.28
Hedging instrument - Option to Fix gold price	NA	NA	-	140.28	NA	140.28	Range - with in 6 months	Current borrowing	140.28



# Notes to the Consolidated Financial Statements

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## 41.14 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The primary objective of the Group's Capital Management is to maximise shareholder value. The Group manages its capital structure and makes adjustments in the light of changes in the economic environment and the requirements of the financial covenants, if any.

The Group monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity.

The Group's adjusted net debt to equity ratio was as follows.

	₹ in Lacs	
	As at 31 March 2020	As at 31 March 2019
Total borrowings	54,852.04	60,556.24
Less: Cash and cash equivalent	236.40	657.87
<b>Adjusted net debt</b>	<b>54,615.64</b>	<b>59,898.37</b>
Total equity	48,074.04	48,380.40
<b>Adjusted net debt to equity ratio</b>	<b>1.14</b>	<b>1.24</b>

## 41.15 Financial Instruments - Fair values and risk management

### 41.15.1 Financial Instruments - Fair values

#### Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below.

- a) The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements)

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

31 March 2020	Carrying amount			Fair value			
	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-current financial assets</b>							
Investment		1.13	1.13				
Security deposits	-	722.83	722.83	-	-	-	-
<b>Current financial assets</b>							
Trade receivables	-	300.42	300.42	-	-	-	-
Cash and cash equivalents	-	236.40	236.40	-	-	-	-

₹ in Lacs

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₹ in Lacs

31 March 2020	Carrying amount			Fair value			
	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Bank balances other than above	-	3,878.44	3,878.44	-	-	-	-
Security deposits	-	371.20	371.20	-	-	-	-
Others financial assets	-	129.89	129.89	-	-	-	-
<b>Non-current financial liabilities</b>							
Borrowings	-	49.32	49.32	-	-	-	-
Lease liability	-	6,061.49	6,061.49	-	-	-	-
<b>Current financial liabilities</b>							
Borrowings	21,873.30	32,912.34	54,785.64	21,873.30	-	-	21,873.30
Lease liability	-	2,802.48	2,802.48	-	-	-	-
Current maturities of long term borrowings	-	17.08	17.08	-	-	-	-
Trade payables	-	19,284.64	19,284.64	-	-	-	-
Others financial liabilities	-	163.35	163.35	-	-	-	-

₹ in Lacs

31 March 2019	Carrying amount			Fair value			
	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-current financial assets</b>							
Investment	2.56	-	2.56	-	-	-	-
Security deposits	-	1,077.86	1,077.86	-	-	-	-
<b>Current financial assets</b>							
Trade receivables	-	2,586.18	2,586.18	-	-	-	-
Cash and cash equivalents	-	657.87	657.87	-	-	-	-
Bank balances other than above	-	3,326.23	3,326.23	-	-	-	-
Security deposits	-	47.62	47.62	-	-	-	-
Others financial assets	-	157.31	157.31	-	-	-	-
<b>Non-current financial liabilities</b>							
Borrowings	-	1.35	1.35	-	-	-	-
<b>Current financial liabilities</b>							
Borrowings	29,989.50	30,553.23	60,542.73	29,989.50	-	-	29,989.50
Current maturities of long term borrowings	-	6.08	6.08	-	-	-	-
Trade payables	-	19,606.46	19,606.46	-	-	-	-
Other financial liabilities	-	57.59	57.59	-	-	-	-

## 41.15.2 Financial risk management

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payable. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group's is exposed to market risk, credit risk and liquidity risk. The group's senior management oversees the management of these risks. It is the group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

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## **A Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's exposures to trade receivables (mainly institutional customers and credit sales), deposits with landlords for store properties taken on leases and other receivables including balances with banks.

### **Trade receivables and other deposits**

The Group's retail business is predominantly on 'cash and carry' basis which is largely through cash and credit card collections. The credit risk on such credit card collections is minimal, since they are primarily owned by customers' card issuing banks. The Group has adopted a policy of dealing with only credit worth counterparties in case of institutional customers and credit sales and the credit risk exposure for institutional customers and credit sales are managed by the Group by credit worthiness checks. The Group also carries credit risk on lease deposits with landlords for store properties taken on leases, for which agreements are signed and property possessions timely taken for store operations. The risk relating to refunds of deposits after store shut down is managed through successful negotiations or appropriate legal actions, where necessary.

### **Other financial assets**

The Group maintains exposure in cash and cash equivalents and term deposits with banks. The Cash and cash equivalents and term deposits are held with the banks with good credit ratings.

The Group's maximum exposure to credit risk as at 31st March 2020 and 31st March 2019 is the carrying value of each class of financial assets.

## **B Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31 March, 2020 and 31 March, 2019. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31 March, 2020 and 31 March, 2019. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

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for the year ended 31 March 2020

## Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments:

₹ in Lacs				
31 March 2020	Less than 1 year	More than 1 year but less than 5 years	More than 5 years	Carrying amount
<b>Non current financial liabilities</b>				
Borrowings				
Secured Term loans from banks	-	49.32	-	49.32
Lease Liability	1,676.81	4,004.76	379.92	6,061.49
<b>Current financial liabilities</b>				
Borrowings				
Working capital demand loan from banks	16,632.67	-	-	16,632.67
Gold loan	21,873.30	-	-	21,873.30
Cash credit from banks	16,279.67	-	-	16,279.67
Lease Liability	2,802.48	-	-	2,802.48
Trade payables	19,391.96	-	-	19,391.96
Other current financial liabilities	114.72	-	-	114.72

₹ in Lacs				
31 March 2019	Less than 1 year	More than 1 year but less than 5 years	More than 5 years	Carrying amount
<b>Non current financial liabilities</b>				
Borrowings				
Secured Term loans from banks	-	1.35	-	1.35
<b>Current financial liabilities</b>				
Borrowings				
Working capital demand loan from banks	3,250.00	-	-	3,250.00
Gold loan	29,989.50	-	-	29,989.50
Cash credit from banks	27,303.23	-	-	27,303.23
Trade payables	19,606.46	-	-	19,606.46
Other current financial liabilities	57.59	-	-	57.59

As of 31 March 2020 and 31 March 2019 the Group had unutilized credit limits from banks of ₹ 63,811.36 lacs and ₹ 4,430.71 lacs.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## C Market risk

### i. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### ii. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

#### Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

	₹ in Lacs	
	<b>Nominal amount</b>	
	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>Fixed-rate instruments</b>		
<b>Financial assets</b>		
Deposits with banks	3,872.90	3,324.14
<b>Financial liabilities</b>		
Secured term loans from banks	66.40	7.43
Working capital demand loans from banks	16,632.67	3,250.00
<b>Floating-rate instruments</b>		
<b>Financial liabilities</b>		
Cash credit from banks	16,279.67	27,303.23
Gold loan	21,873.30	29,989.50

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### Sensitivity

The sensitivity to profit and loss in case of a reasonable possible change in interest rate of +/- 80 basis points (previous year +/- 80 basis points), keeping all other variables constant, would have resulted in an impact on profits by ₹ 381.78 Lacs (previous year ₹ 469.62 Lacs)

### iii. Price risk

Exposure from Borrowings:

The Group's exposure to price risk also arises from borrowings of the Group that are at unfixed prices, and therefore, payment is sensitive to changes in gold price. The option to fix gold prices are classified in the balance sheet as fair value through profit or loss. The option to fix gold prices are at unfixed prices to hedge against potential losses in value of inventory of gold held by the Group.

The Group applies fair value hedge for the gold purchased whose price is to be fixed in future. Therefore, there will no impact of the fluctuation in the price of the gold on the Group's profit for the period.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 41.16 Events after the reporting period

The Group has evaluated subsequent events from the balance sheet date through 24 June 2020, the date at which the financial statement were available to be issued, and determine that there are no material items to disclose other than those disclosed above.

## 41.17 Impact assessment of Covid 19

The retail industry as a whole has been adversely impacted by the spread of COVID-19 and consequently the lockdown resulting out of it. The Group has faced significant headwinds due to COVID~19 which have impeded the operations of the Group adversely beginning from the latter half of March 2020 onwards particularly by way of store closures due to complete lockdown. This unprecedented disruption has had a negative impact on the quarterly performance and continues to impact the business and financial statements. In this crisis, our priorities are to protect the employees and their families from COVID-19, besides our customers visiting our stores and the society at large.

The Group has reopened all its stores and has restored store operations from the first week of June as permitted by the Government and Local/Regulatory authorities, with controlled movement, maintaining social distancing, taking appropriate and stringent hygiene measures and following the directions of regulatory authorities.

The Group believes that the pandemic is not likely to impact the carrying value of its assets. The Group continues to closely monitor the developments and possible effects that may result from the current pandemic, on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these consolidated financial statement.

As per our report of even date attached  
For **S R B C & CO LLP**  
ICAI Firm Registration No: 324982E/E300003  
Chartered Accountants

**Vijay Maniar**  
Partner  
Membership No: 36738

**Shrikant Zaveri**  
Chairman and Managing Director  
DIN:00263725

**Saurav Banerjee**  
Chief Financial Officer

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**  
CIN: L27205MH2007PLC172598

**Raashi Zaveri**  
Whole Time Director  
DIN:00713688

**Niraj Oza**  
Head-Legal & Company Secretary  
Membership No.:A20646

Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

Place: Mumbai  
Date: 24<sup>th</sup> June, 2020





TRIBHOVANDAS BHIMJI ZAVERI  
SHRIKANT ZAVERI GROUP

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