



# RENAISSANCE GLOBAL LIMITED

(FORMERLY RENAISSANCE JEWELLERY LIMITED)

CIN.: L36911MH1989PLC054498

REGD. OFFICE / UNIT I : PLOT NO. 36A & 37, SEEPZ, ANDHERI (E), MUMBAI 400 096.  
TEL. : 022-4055 1200 | FAX : 022-2829 2146 | WEB: [www.renaissanceglobal.com](http://www.renaissanceglobal.com)

Ref. No.: RGL/S&L/2020/93

September 8, 2020

<b>Bombay Stock Exchange Limited</b> Listing Department Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai – 400 001	<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
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**Sub.: Submission of Annual Report for FY 2019-20**

Dear Sir

In compliance with Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations 2015), we are submitting herewith the soft copy of Annual Report of the Company for the FY 2019-20.

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

You are requested to take the same on record.

Thanking you,

Yours faithfully,

**Encl.:** As above

For **Renaissance Global Limited**

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

Encl.: As above



RENAISSANCE GLOBAL LIMITED

(FORMERLY RENAISSANCE JEWELLERY LIMITED)

ANNUAL REPORT 2019-20



Value driven  
Quality growth



# Value driven Quality growth

At Renaissance, we continue our path to growth focusing on financial prudence and bottom-line improvement. Our increased focus on branded jewellery gives us an edge to produce higher value-addition, and thus record superior margins. Over the years, our consistent financial performance, and operational efficiencies, backed by a smart brands-lead business model and transformational acquisitions, are testimony to our successful pursuit for quality growth that prizes bottom-line performance. Going forward, we continue to be singularly focused on generating enduring value for our stakeholders.



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For further information,  
log on to <http://www.renaissanceglobal.com>

# Corporate Information

## Executive Chairman

Niranjan A. Shah

## Vice Chairman

Sumit N. Shah

## Managing Director

Hitesh M. Shah

## Executive Director

Neville R. Tata

## Independent Directors

Veer Kumar C. Shah

Vishwas V. Mehendale

Anil K. Chopra

Arun P. Sathe

Madhavi S. Pethe

## Company Secretary

G. M. Walavalkar

## Senior Management

Akshay Sharma - *President- Bridal Division*

Ariez Tata – *President- Gem Division*

Amit Shah – *V.P. Procurement*

Bhupen Shah – *V.P. Procurement*

Dilip Joshi – *V.P. Finance*

Nikesh Shah – *V.P. Production*

Parag Shah – *V.P. Operations*

Sandeep Shah – *V.P. Operations*

G. M. Walavalkar - *V. P. Legal & Company Secretary*

## Bankers

State Bank of India

Bank of India

Punjab National Bank

IndusInd Bank

Central Bank of India

## Statutory Auditors

Chaturvedi & Shah LLP,  
Chartered Accountants

## Internal Auditors

J. K. Shah & Co.

Chartered Accountants

## Secretarial Auditors

V. V. Chakradeo & Co.

Company Secretaries

## Registrar and Transfer Agents

Link Intime India Pvt. Ltd.

C 101, 247 Park, L.B.S. Marg,

Vikhroli (West),

Mumbai- 400083

Tel: 022-49186000 Fax: 022-49186060

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

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

## Registered Office

Plot No. 36A & 37,

SEEPZ- MIDC, Marol,

Andheri (E), Mumbai- 400096

Tel: 022-40551200 Fax: 022-28292146

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

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

CIN: L36911MH1989PLC054498

## Works

- Plot No. 36A & 37, SEEPZ, Andheri (E), Mumbai- 400096
- G-42, G&J Complex – III, SEEPZ, Andheri (E), Mumbai- 400096
- Unit No. -156, SDF-V, SEEPZ, Andheri (E), Mumbai- 400096
- GJ-10, SDF-VII, SEEPZ, Andheri (E), Mumbai- 400096
- Unit No. 41 & 44, SDF II, SEEPZ, Andheri (E), Mumbai- 400096
- G-5, G & J Complex- I, SEEPZ, Andheri (E), Mumbai- 400096
- Unit No. C-3, Plot No. 15, WICEL, MIDC, Andheri (E), Mumbai- 400093
- Plot No 2302, Hill Drive Talaia Road, Bhavnagar Gujarat - 364002
- Office No CC -9081 9 th floor, BDB, BKC, Bandra (E), Mumbai-400051

# About Us

Renaissance Global is known for designing compelling jewellery lines that allow its global retail clients to stand out and thrive in a fragmented and crowded market. We also create highly differentiated and attractive ranges for our licensed brands. Our premium designs, coupled with the global scale of operations, allow us to adapt swiftly to the changing tastes and fashion, giving us the agility to stay competitive. Our mastery in both designing and manufacturing, positions us strongly as a competitive player that can succeed in the marketplace consistently. Our strategy is to build awareness of our various brands, their heritage and their products, as well as to enhance the brands' relevance and association among consumers. We are focused on developing effective omni-channel relationships with our customers.

# 1,000

Innovative designs crafted per month

# +1,00,000

Company owned design bank

# ₹ 2,50,185 Lakh

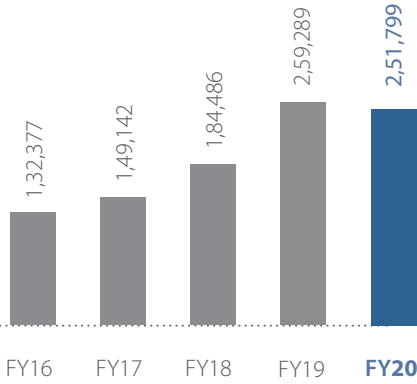
Revenues recorded in FY2020

## Ten Years At a Glance (Consolidated)

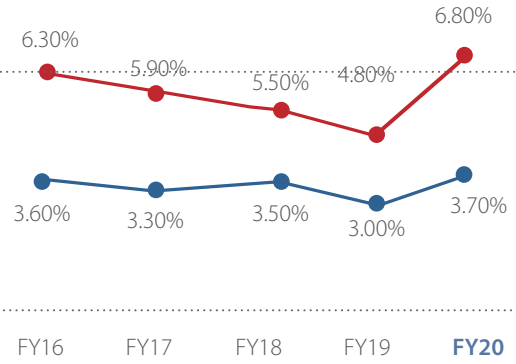
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
	(₹ in Lakh)									
Revenue	2,50,185	2,59,063	1,81,096	1,47,345	1,31,958	1,27,644	1,22,216	95,193	95,162	86,218
Other Income	1,615	227	3,390	1,797	419	1,819	145	315	115	767
EBIDTA	17,082	12,490	10,055	8,126	8,276	6,253	6,209	4,626	7,088	5,143
Finance Cost	2,975	2,496	1,449	1,321	1,053	1,159	1,167	1,277	3,450	1,208
PBT	11,001	8,185	7,499	5,401	5,721	4,557	3,841	2,296	4,383	3,309
PAT	9,223	7,828	6,433	4,252	4,744	4,016	2,948	1,477	3,353	3,062
<b>Tangible Assets</b>										
Gross Block	14,709	14,572	12,875	13,882	14,324	13,747	13,328	12,311	10,409	8,625
Net Block	5,033	5,395	4,321	5,498	5,387	6,098	7,337	7,112	6,084	5,010
<b>Net Working Capital</b>	64,586	62,155	45,039	52,875	35,821	29,550	26,347	21,739	20,145	17,502
Networth/Shareholder funds	69,927	66,485	54,951	51,229	46,139	39,899	37,389	32,487	30,914	26,184
Book Value per share	374.28	355.86	291.06	276.46	249.70	218.21	202.26	170.27	164.00	138.23
ROE	13.50%	12.82%	11.40%	9.70%	10.28%	10.07%	7.88%	4.55%	10.85%	11.69%
Net Debt/Equity ratio	0.52:1	0.76:1	0.51:1	0.51:1	0.41:1	0.54:1	0.75:1	0.61:1	0.77:1	0.83:1

# Our Financial Highlights

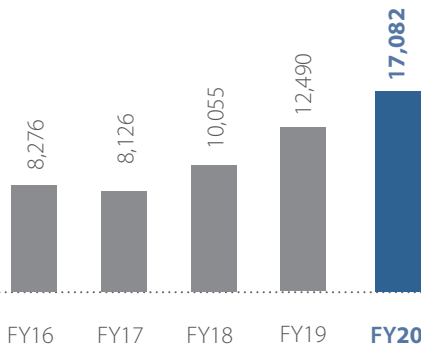
## Operating Income (₹ lakh)



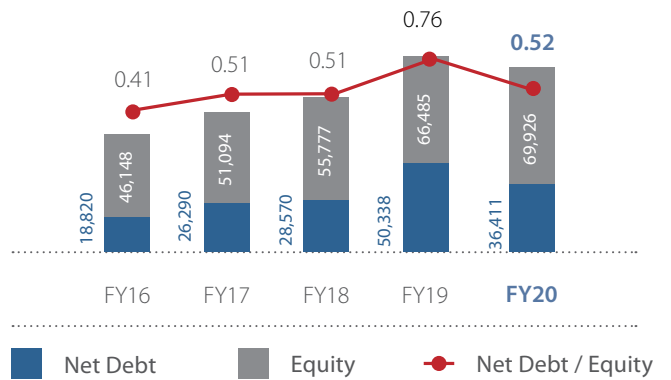
## Margins



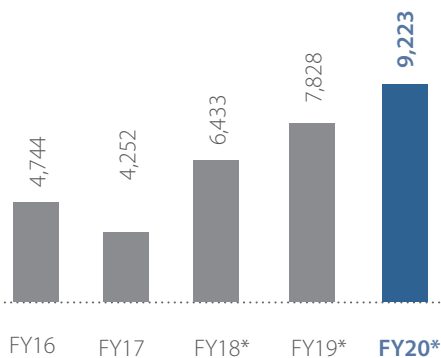
## EBITDA (₹ lakh)



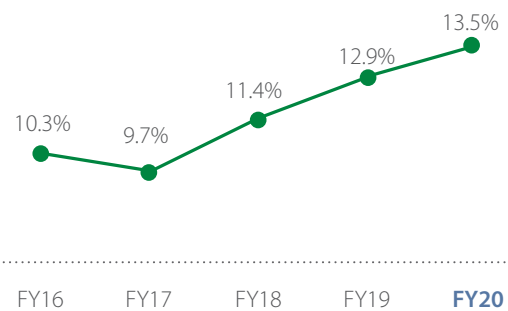
## Leverage Analysis



## PAT (₹ lakh)



## Return on Equity



\* Excluding loss due to discontinued operations



# Our Brands



Enchanted Disney Fine Jewelry is the perfect marriage of romance of Disney and the lasting beauty of fine jewelry. The timelessly elegant designs subtly evoke the love, adventure, happiness and magic of the fairy tales loved by millions.



# Disney TREASURES

Disney Treasures Fine Jewelry invites you on a journey to celebrate the hidden values of your beloved Disney Classic films. From family, friendship, romance, adventure, and triumph, discover what you treasure most in life with Disney Treasures Fine Jewelry!



Disney Jewels Fine Jewelry Collection recreates the magic of Disney at attractive price points.



# Our Brands



Hallmark, founded in 1910, is a well known greeting card company. Its vision is to create a more emotionally connected world. Our Hallmark branded jewellery helps individuals celebrate the special moments in their lives.



# TOKENS



This unique jewelry collection was inspired by the historical practice of giving someone special a "token" that symbolized the deep emotions one has for another



# IRASVA

We have launched our brand 'Irasva' in the Indian market through a joint venture with Bennett, Coleman and Company Limited. Irasva's gold and diamond jewellery is a confluence of two shared ideologies that the modern woman lives by, a love for self and a love for expression. Each creation brings alive fine craftsmanship that elevates simplicity to a style statement.

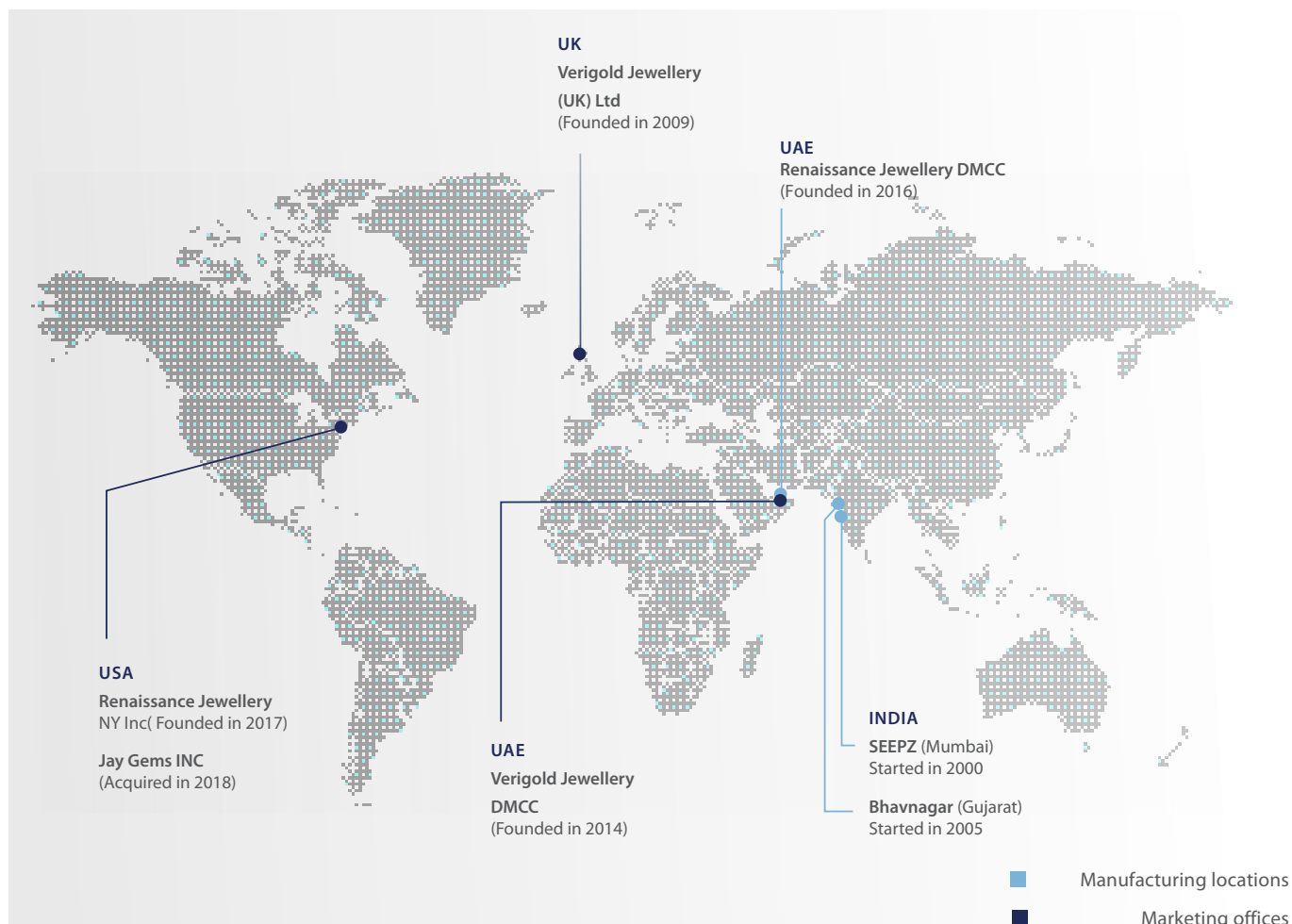


## MADE FOR YOU LAB-GROWN DIAMONDS

'Made For You' is committed to creating luxury products that provide an environmentally conscious alternative to our customers that deeply care for the planet. Adhering to no compromises on the quality, we bring to you the finest contemporary designs made with masterfully cut, high-quality Lab-grown diamonds. Better for you, better for the world!



# Our Presence



## Vogue DMCC

- Renaissance Jewellery DMCC acquired the assets of Vogue DMCC in 2016.
- Vogue DMCC specialises in manufacturing and wholesaling of plain gold jewellery in the Middle East.
- Renaissance leveraged the Vogue DMCC distribution network to expand sales of its products in the GCC markets.



## Jay Gems Inc

- Renaissance acquired Jay Gems Inc in 2018 for US\$ 25.62 million.
- Jay Gems has been in existence for 25 years, focused on diamond jewellery, and generated revenues of US\$ 79.5 million in 2017.
- Jay Gems has the exclusive license for “Enchanted Disney Fine Jewelry”.
- The acquisition expands global product offerings of Renaissance.
- Margins for the licensed Jewellery business are higher.



## IRASVA

- Renaissance has made a strategic investment in a joint venture with Bennett, Coleman and Company Limited to launch a consumer jewellery brand “IRASVA” in India.
- The first IRASVA retail store opened in Mumbai in May 2019.



## Our Key Milestones

- 1995** • Acquires Mayur Gem and Jewellery Export Pvt. Ltd
- 2000** • Purchases a 40,000 sq.ft. facility in SEEPZ, Mumbai.
- 2004** • Receives Wal-Mart's 'International Supplier of the Year' Award.
- 2005** • Sets up a 100% EOU having 64,000 sq.ft. facility at Bhavnagar, Gujarat.
- 2006** • GJEPC Award for being the second largest exporter of studded precious metal Jewellery.
- 2007** • Sets up Renaissance Jewelry New York, Inc.  
• Completes IPO and listing of shares on BSE & NSE.
- 2008** • Top line crosses ₹ 500 crore.  
• GJEPC Award for being the largest exporter of studded precious metal Jewellery.
- 2009** • Sets up Verigold Jewellery (UK) Ltd.  
• Formation of Renaissance Foundation.  
• Top line crosses ₹ 750 crore.  
• Receives 'Emerging India Awards 2009'.
- 2011** • Acquires N. Kumar Diamond Exports Ltd. along with its wholly owned subsidiaries.  
• Sets up Renaissance Jewellery Bangladesh Pvt. Ltd.  
• GJEPC Award for being the largest exporter of studded precious metal Jewellery.
- 2012** • GJEPC Award for being the largest exporter of studded precious metal Jewellery.
- 2014** • Sets up Verigold Jewellery DMCC, Dubai.  
• Top line crosses ₹ 1,000 crore.
- 2015** • GJEPC Award for being the largest exporter of studded precious metal Jewellery.  
• Accorded with membership by Responsible Jewellery Council (RJC).  
• Top line crosses ₹ 1,250 crore.
- 2016** • Sets up Renaissance Jewellery DMCC, subsidiary of Verigold Jewellery DMCC, Dubai.  
• GJEPC Award for being the largest exporter of studded precious metal Jewellery.
- 2017** • GJEPC Award for being the largest exporter of studded precious metal Jewellery.  
• Top line crosses ₹ 1,750 crore.
- 2018** • Acquires Jay Gems Inc USA.  
• GJEPC Award for being the largest exporter of studded precious metal Jewellery.
- 2019** • Top line crosses ₹ 2,500 crore.  
• Sets up Verigold Jewellery (Shanghai) Trading Company Limited, subsidiary of Verigold Jewellery DMCC, Dubai
- 2020** • Inked an agreement with Lao Feng Xiang (LFX), one of the largest Chinese jewellery retailers, to promote and sell our **Enchanted Disney Fine Jewelry** within mainland China.  
• Launched Enchanted Disney Fine Jewelry Direct -to-Consumer website

# Chairman's Message



**Niranjan Shah**  
Executive Chairman

WE HAVE CONSISTENTLY FOCUSED ON ACHIEVING VALUE-DRIVEN AND QUALITY-RICH GROWTH, THROUGH OUR EMPHASIS ON HIGH MARGIN BUSINESS STRATEGIES THAT STRENGTHEN OUR ROCE AND FREE CASH-FLOWS.

# 220 BPS

improvement in gross margins YOY.....

# ₹ 2,50,185 Lakh

Revenue for 2020.....

OUR LONG TERM OBJECTIVE IS TO KEEP IMPROVING OUR GROSS MARGINS, THROUGH CONTROLLING PRODUCT INPUT COSTS, REALISING GREATER EFFICIENCIES IN THE PRODUCT SUPPLY CHAIN, AND ADJUSTING SELLING PRICES WHERE APPROPRIATE.

#### Dear shareowners,

During FY20, the global macro-economic and geopolitical scenario remained volatile, uncertain and quite subdued. As per an International Monetary Fund Report, global growth this year recorded its weakest pace since the global financial crisis a decade ago, reflecting common influences across countries and also country-specific factors. Rising trade barriers and associated uncertainty weighed on business sentiment and activity globally. The USA, our largest market had a real GDP of 2.3% in 2019 against a GDP of 2.9% in 2018. The Middle East, our second-largest market, has also been a highly uncertain market with massive volatility in the oil and gold prices. Middle East GDP grew by 1.2% during the year 2019.

The Covid-19 pandemic has impacted the global economy quite adversely. Countries across the world are estimated to grow at a GDP rate lower than during the Global recession of 2008. The unemployment rates across the globe are unprecedented.

Covid-19 has spread rapidly around the world. Our largest market, the USA, is badly hit by the global pandemic. However, we see encouraging sales of our jewellery on our e-commerce platforms. Given this experience, we believe that consumers are still willing to spend on jewellery during the Covid-19 crisis.

Unfortunately, the long-drawn lockdown in India has heavily hampered our production. Due to supply chain disruptions caused by the lockdown and lower demand, our production and revenues were severely impacted.

However, we are pleased to inform you that the Company has taken stringent measures and is in an excellent position to come out of this pandemic strong. As we progress through into the latter part of 2020, we hope to recoup some of the lost ground based on the continuing demand for our differentiated products. The jewellery sector in the USA, our largest market, is expected to grow at a modest pace. An array of trends, including informal dressing, female empowerment and the rise of social shopping, have transformed consumer's relationship with jewellery in recent years. As a result of the casualisation of dress codes in work and social spaces alike, many consumers no longer feel the need to restrict jewellery wear to formal occasions, increasingly wearing both fine and costume jewellery as everyday accessories. As consumers increasingly demand ethically and sustainably made products, lab-grown diamonds are gaining popularity as a conscious and cost-effective alternative to mined diamonds.



₹ 17,082 Lakh

EBITDA recorded by the Company.....

13.5%

ROE in FY.2020.....

Internet retailing continued to be the fastest growing distribution channel for both fine and costume jewellery, as brands and retailers alike expanded their e-commerce product assortments in accordance with consumers' increasing comfort purchasing valuable items online. Brand creation has played a major role in this changeover.

### Financial Performance Highlights

For the financial year ended 31st March 2020, the Company earned revenues of ₹2,50,185 lakh as against ₹2,59,062 lakh in the last year. The revenues were slightly muted due to the high volatility in the gold prices. Furthermore, the gradual discontinuation of low margin products during the financial year, in line with our long term strategy of pursuing value over volumes, also resulted in the muted revenues. Consequently, we are pleased to see our gross margins showing an improvement of 220 bps for FY2020. Our Profit After Tax stood at ₹9,223 lakh in FY20, as compared to ₹7,828 lakh in FY19. Our PAT posted growth of 17.8% during the same financial period.

Our free cash-flow generation from operations demonstrated a positive trend for the financial year under review at ₹20,301 lakh. Our robust inventory control and improved EBITDA margins have brought about significant improvements in our cashflows. Our inventory declined by ₹19,783 lakh as a result of our conscious decision to optimise and reduce the low margin businesses. Our inventory is at 119 days as at 31st March 2020 as against 144 days as at 31st March 2019. The inventory for the previous year was elevated on account of the acquisition of Jay Gems. Our net debt to equity ratio stands at 0.52 against 0.76 last year. Our ROE and ROCE for FY2020 are at 13.5% and 11.5% respectively, against 12.9% and 10.1% for the previous fiscal year.

### Business Performance Highlights

From a strategic perspective, Renaissance continues to focus on growth in the branded jewellery business. Among the key highlights during the year, your Company launched our own brand 'IRASVA' in May 2019. I am delighted to inform you that in the initial period of operations itself, the store achieved its break-even. As the economy strengthens in the coming months, we expect the business at our IRASVA Store to enhance significantly in the future. We see substantial growth opportunities in this space and have devised further development plans for the brand. However, our expansion approach would be extremely cautious, ensuring optimum capital allocation and utilisation. With the success of its first flagship store, we plan to launch a few more stores across Mumbai in the coming financial year. During the year, we have also inked an agreement with Lao Feng Xiang (LFX), the second largest Chinese jewellery retailers, to promote and

sell our Enchanted Disney Fine Jewelry within Mainland China. LFX operates 3,700 stores worldwide and records annual revenues of US\$ 6.5 billion. With an established retail partner like LFX, we are situated to expand sales in the Chinese market, drawing on our robust design and product development capabilities. The geographic diversification is expected to help us to decrease our concentration on USA and the Middle East. This is a great geographic diversification move and a long-term growth driver for the Company. Due to the pandemic there has been a temporary pause in our plans to start our sales and marketing exercise. As China gradually returns to normalcy, we expect to launch towards the end of 2020.

Furthermore, in pursuit to achieve global expansion of the Enchanted Disney Fine Jewelry brand, we have launched the brand in Malaysia, Philippines and the Middle East. We also plan to launch the brand in different geographies in the coming years. An exclusive collection called 'Disney Jewels' has been created for our long-standing customer during the current financial year.

During FY20, we have signed a license for Disney Treasures, which includes the iconic characters of Disney. Disney Treasures, which is an assortment of characters such as Winnie the Pooh, 101 Dalmatians and Lion King, has received an outstanding response from the customers, and we plan to further expand the line in FY21. The brand 'Hallmark Moments' has been launched with a major retailer in North America and has a presence across 2,000 doors across the USA. During the current financial year, we have also launched an exclusive line called 'Hallmark Tokens' with a major US departmental store.

We have launched a new brand called 'Made For You' in the lab-grown diamonds category. The USA is the largest lab-grown diamonds market, with nearly 80% of global consumption. The market witnessed a growth in demand by almost 20% in the year 2019. The widening price gap between the lab-grown diamonds and the natural ones, along with the campaigns emphasising on the 'green' benefits of manufactured stones, has propelled the demand for this market. Based on research, consumers are attracted by the environmental and socially responsible concept of the lab-grown diamond with an added advantage of the diamond size and quality for the same price when compared to a mined diamond.

OUR SOLID CORPORATE GOVERNANCE AND A DIFFERENTIATED GROWTH STRATEGY THROUGH A BRANDED PLAY IN STRONG GLOBAL MARKETS, MAKES RENAISSANCE A STRONG CONTENDER TO BECOME A SIGNIFICANT INTEGRATED JEWELLERY PLAYER OUT OF INDIA. NOW, WITH A STRONG DIGITAL PLAY TO REACH CONSUMERS DIRECTLY, WE HAVE MULTIPLE GROWTH DRIVERS IN OUR FAVOUR.

#### Digital Footprints

Current trends in the jewellery sector point towards increasing use of digital space for buying jewellery. To align with a technologically evolving world, we envision to expand our digital footprint and enter the direct-to-consumer e-commerce space. We have developed and launched an e-commerce website for 'IRASVA' with an assortment catering to the tastes of online buyers.

A website for 'Enchanted Disney Fine Jewelry' is also in place to target a new set of customers. We have also launched a website for 'Made for You' which caters to our lab grown diamonds jewellery space. We further plan to launch a website for Star Wars, Disney Jewels, Hallmark Diamonds and our in-house Brand Jewelili. We believe that these e-commerce platforms are a lucrative growth engine with the ability to generate meaningful revenues in the future. Additionally, these also act as strategic marketing tools and help the Company to engage with the end-consumer and understand their tastes and preferences. Also, our products are available on the websites of our customers, and it helps us to leverage the massive traffic that their websites generate.



#### Going Forward

Over the years, the brands have been amongst the most critical assets of your company. We plan to expand these brands, both in the existing markets as well as new geographies in the coming year. Our end-goal is to generate a steady revenue mix where branded jewellery contributes significantly to our revenues. We further plan to acquire new brands, which can be marketed in our established geographies.

Our retail venture in India 'IRASVA', the direct to consumer initiatives and the lab-grown diamonds will also be the significant focus areas for our progress in the forthcoming years. We also look forward to exploring new markets to increase our presence across diverse geographies. Our long term objective is to keep improving our gross margins, through controlling product input costs, realising greater efficiencies in the product supply chain, and adjusting selling prices where appropriate. Unfortunately, the near term looks extremely fragile with the COVID-19 pandemic causing distress throughout the world economy. Nevertheless, we are sure that we will all come out of this pandemic safe and healthy, and continue charting our growth story.

In conclusion, we would sincerely thank the board, the management, and most importantly, the dedicated employees, customers, suppliers and bankers for their consistent support and commitment to Renaissance Global Limited.

Thank you!

**Niranjan Shah**  
Executive Chairman



WE HAVE A TANGIBLE TRACK RECORD FOR DELIVERING FRESH AND INNOVATIVE JEWELLERY USING A CUSTOMER CENTRIC APPROACH. OUR MASTERY IN BOTH DESIGNING AND MANUFACTURING, POSITIONS US STRONGLY AS A COMPETITIVE PLAYER THAT CAN SUCCEED IN THE MARKETPLACE CONSISTENTLY.

Leveraging on our expertise

## Unique manufacturing capabilities

Our exceptional manufacturing & design forte has enabled us to attract customers from across the world.

**RENAISSANCE GLOBAL IS KNOWN FOR DESIGNING COMPELLING JEWELLERY LINES THAT ALLOW ITS GLOBAL RETAIL CLIENTS TO STAND OUT AND THRIVE IN A FRAGMENTED AND CROWDED MARKET. WE ALSO CREATE HIGHLY DIFFERENTIATED AND ATTRACTIVE RANGES FOR OUR TWO LICENSED BRANDS – “HALLMARK” AND “ENCHANTED DISNEY FINE JEWELRY”. OUR MODERN AND ORIGINAL DESIGNS ARE BACKED BY QUALITY CRAFTSMANSHIP OUT OF OUR STATE-OF-THE-ART MANUFACTURING OPERATIONS.**

Over the years, our investments in research and development for using the latest technologies and in human talent and skill have given us the ability to craft over 1,000 unique designs per month and helped us build a valuable library of over 100,000 designs for customers to choose from. This innate ability, to repeatedly innovate products that match consumers' taste, differentiates us in the global marketplace.

We employ more than 150 designers across the USA, UK, Hong Kong, Dubai and Mumbai. Their work is responsible for more than 95% of our sales. With this team, we were able to originate more than 12,000 new customer centric designs during FY20. Our premium designs, coupled with global scale of operations, allow us to adapt swiftly to the changing tastes and fashion, giving us the agility to stay competitive. Our ethos for delivering value to our customers is propelling our next phase of growth.

150

designers across the USA, UK,  
Hong Kong, Dubai and Mumbai



1,66,000 SQFT

Total manufacturing area spread over 8 facilities



**WE EXPECT OUR BRANDED GAMEPLAY TO STEADILY ENABLE US TO EXPAND THE EXTENT OF OUR VALUE ADDITION, GENERATE HIGHER MARGINS AND IMPROVE OUR OVERALL PROFITABILITY. THROUGH OUR WIDE BASE OF CHANNELS, WE INTEND TO DELIVER AN EXCITING OMNI-CHANNEL CUSTOMER EXPERIENCE FOR OUR LINES, AND CONTINUE TO EXPAND AND OPTIMISE OUR GLOBAL CUSTOMER BASE BY EVALUATING POTENTIAL MARKETS.**



# Enchanted

Disney FINE JEWELRY



Princess Belle

©Disney

# Building brand affinity

Reinforcing our branded business model

Our brands ensure sustained demand for our differentiated products and consistent margin-strong growth for the Company.

**OUR BUSINESS MODEL DIFFERENTIATION COMES THROUGH THE LICENSING AGREEMENTS WITH MARQUEE AND ESTABLISHED BRANDS. OUR ASSOCIATION WITH SUCH UNIVERSALLY RECOGNISED BRANDS THAT HAVE A GLOBAL APPEAL, HAS BOLSTERED OUR POSITION AS A STRONG PEER IN THE MARKETPLACE.**

The jewellery marketplace is ever-evolving. To stand out and emerge as an outlier within the industry, we have understood the importance of being brands driven in framing our strategies. With this fundamental approach in mind, we entered into the branded jewellery segment through strong partnerships with Hallmark and Enchanted Disney Fine Jewelry. To expand the ratio of our brands driven business, we have also made strategic acquisitions that strengthen and accelerate this gameplan. Going forward, we are exploring new opportunities for taking our brands into new promising markets across the world. Our next important market to penetrate is mainland China, for which we have already made a beginning by tying up with a strong local retail partner to market Enchanted Disney Fine Jewelry.

Our brands are the single most valuable asset of the Company. We believe that a brand's accomplishment relies on the continuous delivery of strong designs and consistent quality. Through our Hallmark, Disney and IRASVA franchises, our brands are building a strong reputation for their alluring designs. This is not surprising, as we repeatedly innovate on our products to match the latest fashion and changing moods of our customers, while keeping the product quality beyond par. In fact, our brands are being celebrated around the world for adhering to the best standards of quality and for the finesse that we bring into every piece of jewellery. This reputation has enabled us to find our unique footing in a fragmented and competitive market. Our young home-grown brand - 'IRASVA', carries its own unique message. Its gold and diamond jewellery is exclusively designed to suit the preferences of a young and modern woman. Each jewellery created under

IRASVA brings alive fine craftsmanship that lifts simplicity to a style statement. Its designs are contemporary and impactfully subtle, in line with our focus on minimalism and global aesthetics. We believe that Irasva's unique combination of style, quality and affordability, will make it a strong value driver for Renaissance in time.

Going forward, we intend to accelerate our commitment to the brands. We plan to develop exciting and strategic marketing initiatives through a variety of media to build awareness of our brands, its heritage and its products, as well as to enhance the brand's association with quality and luxury by consumers.



## Building brand affinity (contd.)

**OVER RECENT YEARS, WE HAVE STEADILY ACQUIRED STRONG BRANDS WITH DISTINCT JEWELLERY LINES AND HAVE USED THEM TO SOLIDIFY OUR PRESENCE IN KEY MARKETS AND ENTER INTO NEW GEOGRAPHIES. AS WE CONTINUE TO GROW, WE AIM TO LOOK FOR NEW POSSIBILITIES TO EXPAND OUR BRANDS PORTFOLIO AND SCALE FURTHER WITHIN OUR CORE AND NEW MARKETS.**

### Enchanted Disney Fine Jewelry

Through the acquisition of US-based Jay Gems, Renaissance now enjoys an exclusive license agreement with Disney for Enchanted Disney Fine Jewelry. As one of the world's best loved brands, Disney's magic has encouraged thousands of brides and grooms to add romance to their engagements and weddings with our fine jewellery line. Designed around Disney princesses, this line contributes to Disney's Princess Consumer product sales which is estimated to be \$5.5 billion annually. With our strong marketing efforts and access to global distribution channels, we are working diligently to grow the Enchanted Disney Fine Jewelry line into a global brand within five years, beyond just USA, UK and Canada. We recently added China, India and the Middle East territories to our licensing agreement. In time, we plan to make the Enchanted Disney Fine Jewelry line a global brand.

### Disney Treasures

Disney Treasures is our jewellery line that recreates characters from the Disney Classic films and caters to the young customers with the popularly celebrated Disney brand. It aims to connect with the consumers by offering them the experience of reliving their favourite moments from the Disney movies.

### Disney Jewels

Disney Jewels Fine Jewelry Collection recreates the magic of Disney at attractive price points. Disney Jewels has been tested in 150 stores with a mass market retailer in the US.

### Hallmark Moments

Founded in 1910 as a greeting card company Hallmark has wide global presence and recognition across more than 100 countries and is a leading consumer brand. Hallmark is founded on its vision of becoming the company that creates a more emotionally connected world. To that end, in the USA,

it reaches out to 99% of women aged 25-54, and advocated by over 500 bloggers that reach out to more than 24 million people. We intend to capitalize on this emotional connect by marketing Hallmark jewellery to celebrate the special moments in one's life.

### Hallmark Tokens

This unique jewelry collection was inspired by the historical practice of giving someone special a "token" that symbolized the deep emotions one has for another. Hallmark Tokens has been tested in 200 stores at a major departmental store in the US

### IRASVA

Our branded retail foray into India.

The gold and diamond jewellery line introduced under this brand is a confluence of two shared ideologies that modern women live by, a love for self and a love for expression. Its designs are contemporary and impactfully subtle, in line with our focus on minimalism and global aesthetics. Irasva has opened its first flagship retail store in Mumbai. We plan to grow to 25 retail stores across key metro cities in India over the next 5 years.

### Made For You(Lab-grown diamonds)

Made For You is committed to creating luxury products that are eco-friendly and ethically sourced. Adhering to no compromises on the quality, we bring to you the finest contemporary designs made with masterfully cut, high-quality Lab-grown diamonds. Better for you, better for the world

**WITH OUR STRONG MARKETING EFFORTS AND ACCESS TO GLOBAL DISTRIBUTION CHANNELS, WE ARE WORKING DILIGENTLY TO GROW THE ENCHANTED DISNEY FINE JEWELRY LINE INTO A GLOBAL BRAND WITHIN FIVE YEARS, BEYOND JUST USA, UK AND CANADA.**



<https://www.enchantedfinejewelry.com/>



Inspired By  
*Ariel*

Craving for a world that existed above the sea, Princess Ariel of Kingdom Atlantica is fearless and believes in daring adventure that awaited her!

EXPLORE



Chat now

Enchanted  
Disney FINE JEWELRY

10% OFF  
ON YOUR  
FIRST ORDER

SIMPLY USE CODE

FIRST10

\*Not applicable on already discounted products

The Official Online Store for Made For You - Lab-Grown Diamond Fine Jewelry

Powered and fulfilled by Renaissance Global

FREE SHIPPING

MASTERFULLY CUT

NO MINING

MADE FOR YOU  
LAB-GROWN DIAMONDS

Jewelry

Gifts

Discover Lab Grown

About Us



<https://diamondsmadeforyou.com/>

MADE FOR YOU

Ethical jewelry made with 100%  
conflict-free lab-grown diamonds.



EXPLORE THE COLLECTION



Forging Forward through Digital Transformation

## e-CONNECTING with the world

Renaissance's multi-channel approach for engaging with its customers via digital initiatives

**AT RENAISSANCE, WE ARE CONSISTENTLY FOCUSED ON IMPROVING OUR BUSINESS OPERATIONS THROUGH NEW SYSTEMS, MORE EFFECTIVE PROCESSES, AND COST RESTRAINING STRATEGIES. OUR E-COMMERCE PLATFORM OFFERS US A MEDIUM TO DRIVE MARGIN GROWTH AND ENHANCE PROFITABILITY. IT ALSO PROVIDES US WITH A NEW GROWTH AVENUE, COMPLETELY DISTINCT TARGET AUDIENCE, AND THE OPPORTUNITY TO REACH OUT TO THE FINAL CONSUMER.**

We are a differentiated, luxury lifestyle products company, serving a large addressable global consumer base. Our brand driven approach allows us to have a high recall value with customers, when they think of buying a piece of jewellery. Our success depends on our ability to respond to changing customer requirements and trends taking shape within a dynamic and evolving marketplace. We are now aligning ourselves even more closely with changing consumer behaviour and more advanced business ecosystems.

Today, the world is rapidly moving towards digital transformation. Technology advancements have allowed us to connect and interact with the broader consumer market that is increasingly comfortable with buying luxury consumer goods through e-commerce. While we operate amidst a pandemic-affected marketplace, business strategies have increasingly shifted towards adopting 'e-connect' interventions to remain accessible to customers and their needs. In response to this accelerated consumer trend, Renaissance has taken important steps towards leveraging the digital channel to connect directly with its end-consumers.

We recently launched our e-commerce web portal that allows customers to buy products online, irrespective of their locations. Our e-marketplace offers unique products exclusively designed for online buyers, without competing with the jewellery range offered through our channel partners. Through this 'direct-to-customer' initiative, we intend to nurture our digital channels to help us bond more closely with end-consumers.

In time, this direct conversation will help us to understand our customer base more precisely, allowing us to respond more accurately to their preferences and buying behaviour.

Recently, we have launched websites catering to Enchanted Disney Fine Jewelry and Made for You brands. During the current financial year, we plan to launch our direct-to-consumer websites for Disney Jewels, Hallmark Diamonds, Jewelili and Star Wars. The direct-to-consumer business is a high margin business and is aligned to our strategy of improving our gross margins to achieve better return ratios. The direct-to-consumer business helps us understand consumer's tastes and preferences which would in turn strengthen our product development capabilities.

Going forward, we are focusing on strategies that strengthen our competitive position in key markets. We will continue to make substantial progress by undertaking multiple efforts that are in sync with our customers' requirements and industry dynamics. Our long-term objective is to re-inforce the Renaissance franchise into a consistent value generating engine that delivers sustained long-term returns to its stakeholders.



# Management Discussion and Analysis



US\$ **100** billion

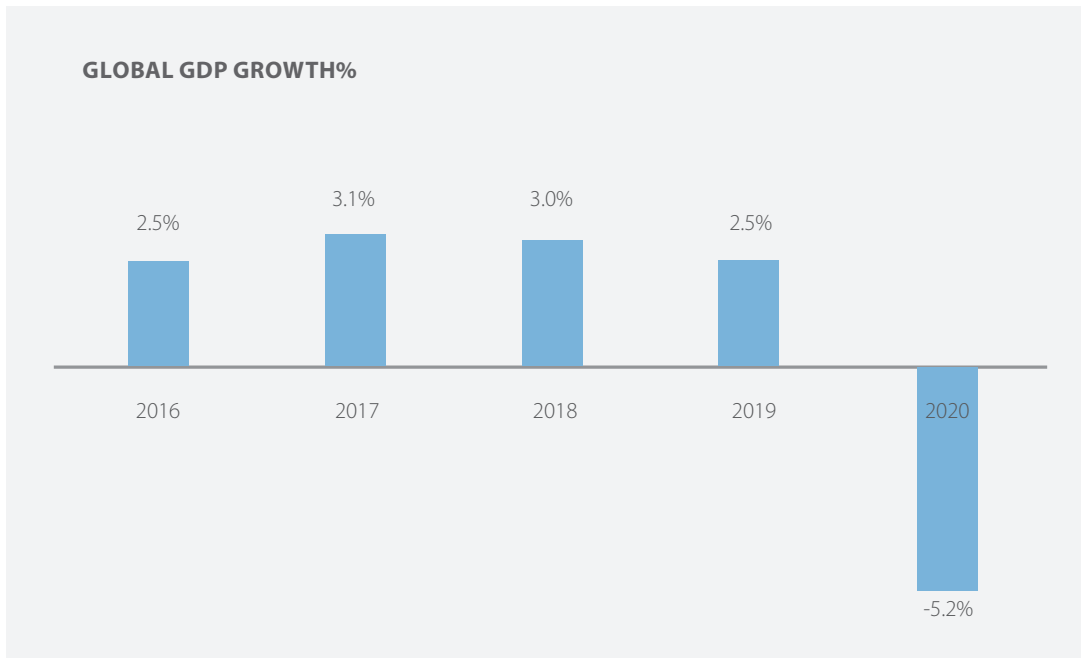
India's Gems And Jewellery Sector Estimated Market Size by 2025

## GLOBAL ECONOMY

Global Economy in 2019 recorded the slowest Gross Domestic Product (GDP) growth since the global financial crisis a decade ago in 2008, attributed to the slowing down of economic activities in a few emerging market economies, geopolitical tension, and international trade disruptions, caused by the US-China trade clash. The global growth moderated to 2.5%<sup>1</sup> in 2019, declining from 3.0%<sup>1</sup> in 2018

and 3.3%<sup>1</sup> in 2017. The decline in the growth was primarily due to slowdown in the advanced economies, such as US, Eurozone and Japan. The US economy growth decelerated from 2.9%<sup>1</sup> in 2018, to 2.3%<sup>1</sup> in 2019. Meanwhile, in the emerging economies, China reported a growth of 6.1% in 2019. Global trade had started suffering a setback due to tensions mounting over the US-China trade relations, coupled with 'BREXIT' related uncertainty. Furthermore, the COVID-19 pandemic outbreak in Q1 2020 pushed the global economy into slowdown. The crisis has forced several nations to opt for isolation, lockdowns and widespread closures

<sup>1</sup> World Bank



hurting the global economic activity. According to Dun and Bradstreet's Country Risk and Global Outlook Report, that covered 132 countries, the wider global context remains sombre and the global economy will not reach pre-pandemic levels of activity again before 2022. The global economy is likely to contract by 5.2% in 2020 with the COVID-19 still spreading and the economic prospects of countries across the world looking muted.

**GLOBAL GEMS AND JEWELLERY INDUSTRY**

Pre-covid, the size of the gems and jewellery industry was estimated to cross US\$ 443 billion globally by 2022<sup>2</sup>. However, with the outbreak of the pandemic it is extremely difficult for the jewellery industry to reach this mark. The buoyant demand for gems and jewellery comes primarily from North America and Asia Pacific, which is currently the fastest-growing market in the world.<sup>3</sup> In Asia-Pacific, the gems and jewellery market is witnessing rapid changes in consumer preferences as western lifestyle is being embraced universally. The gems and jewellery manufacturers are more focused on developing new and innovative designs to meet the changing needs and demands of consumers. Consumers are demanding new jewellery styles and types, and licensed jewellers are well-placed to satisfy their evolving demands as compared to the unorganized local players. The millennial buyers are brand savvy, with a desire to have status and stature, which can be conveyed by prominent brands. The market-share of branded jewellery has the potential to expand sizeably over time.

Gold is a crucial and significant raw material component in the industry. As an asset class, it is also widely popular as a safe-haven investment.

Gold typically performs well during flights from risk assets and has seen upside momentum as a result of concern over global economic growth. Gold prices soared up to an all time high of US\$ 2,070 an ounce as of August, 2020.

**INDIAN GEMS AND JEWELLERY INDUSTRY**

The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 7% of the country's GDP and 15% to India's total merchandise exports. The market size of the sector was about ₹ 5,24,175 crore (US\$ 75 billion)<sup>4</sup> as of 2018 and is estimated to reach ₹ 6,98,900 crore (US\$ 100 billion)<sup>4</sup> by 2025. The industry is export-oriented, labour-intensive, and therefore contributes significantly to the country's foreign exchange reserves. In FY2020, the exports of gems and jewellery out of India stood at US\$ 30.9 billion.<sup>5</sup> As with most industries, the COVID-19 pandemic also brought in some headwinds for the Gems and Jewellery trade. In this industry, over 90% of the raw material is imported. Due to the global lockdown, imports came to an abrupt standstill, while gold prices soared up to an all time high. Higher gold prices, coupled with COVID-19, has hit the sector adversely, and pushed it into an extreme slowdown.



<sup>2</sup> Businesswire  
<sup>3</sup> <https://www.mordorintelligence.com/industry-reports/gems-and-jewelry-market>  
<sup>4</sup> IBEF <sup>5</sup> GJEPC

### IMPACT OF COVID-19

The COVID-19 pandemic has had a detrimental impact on industries all over the world. There is extreme uncertainty surrounding the forecasting of the global growth.

During the lock down, all major jewellery retailers and departmental stores in the USA were shut from mid-March 2020. The stores have gradually started to reopen since May 2020. As a discretionary item, the demand for jewellery is expected to continue to remain sluggish for some time, post the lifting of the lock down. According to forecasts from De Beers, a slight recovery at the end of 2020 is expected, with the release of pent-up demand. The lockdown across India from 25th March 2020 has ensured that the production at the Renaissance facilities was at a complete standstill. However, the Company has been able to partially resume operations from mid-April 2020.

Furthermore, the Company's major customers in the United States had postponed the orders in their pipeline, as their stores remain closed with no clear sight of when they would be able to resume their operations. Most customers did report a significant increase in online sales during the shutdown period. Furthermore, with most retail Stores re-opening, we are seeing a gradual recovery of demand. The Company believes that the first half of the current financial year would be quite challenging with gradual return to normalcy over Q3 and Q4.

Our 'IRASVA' store remained closed throughout the lock down. The Store has commenced operations from mid-June. However, the demand continues to stay tepid owing to gradual resumption to normalcy, dampened by lower disposable income. The launch of the Company's new stores are expected to be delayed on account of the on-going predicament.

### COMPANY'S RESILIENCE AND RESPONSE TO COVID-19

The Covid-19 pandemic challenged the business operations of our company. However, the company's constant endeavour to ensure liquidity through maintaining a prudent debt/equity ratio has ensured your company comes through these testing times. Further, the collections were not hampered as Renaissance deals with established retailers and maintains long standing relationships. The company's focus to grow in high margin businesses and move away from low margin businesses has also been extremely useful to deal with the pandemic situation. Flexible cost structure also helped us to prune our costs during these difficult times.

Your company has used this opportunity to grow in the direct to consumer business with the launch of an e-commerce website during the pandemic. We plan to further our direct to consumer play in the current financial year.

### COMPANY OVERVIEW

Renaissance Global Limited (RGL), led by Mr. Sumit Shah – Vice Chairman is a highly differentiated luxury lifestyle products organisation. The Company is engaged in the designing, manufacturing, and selling of studded and plain gold jewellery. Renaissance has business operations in the US, Middle East, Europe, and the Asia Pacific region.

The Company designs and manufactures superior quality products for its customers, incorporating the latest fashion trends prevailing in the industry. The designs are the intellectual property of the Company.



RENAISSANCE IS IN THE BUSINESS OF DESIGNING, MANUFACTURING, AND DISTRIBUTING LICENSED BRANDED JEWELLERY AND GENERIC JEWELLERY TO RETAILERS GLOBALLY.

#### **OUR MANUFACTURING CAPABILITIES**

Renaissance is in the business of designing, manufacturing, and distributing licensed branded jewellery and generic jewellery to retailers globally. The Company's 150-member design team with proven expertise in global fashion trends launches over 12,000 designs every year. Renaissance has a strong thrust in its Research and Development to drive product innovation. The Company has a 25-member R&D team that has developed a range of multiple patented products. Around 5,000 sq. feet of dedicated Research and Development facility is continuously evolving products for international design houses. At present, your company owns over 100 patents and copyrights globally. Renaissance has state-of-the-art manufacturing facilities and highly-skilled workforce. Its production facilities encompass 166,000 sq. feet divided into eight units employing over 2,900 skilled workers. Its manufacturing facilities based out of Dubai cater to the Middle East markets manufacturing plain gold bangles and pendant sets. Our manufacturing facilities use state-of-the-art technologies, including casting, CNC machining, and 3D printing.

#### **OUR MARQUEE CLIENTS**

Our customers include specialty jewellery retailers such as Fred Meyer, Helzberg Diamonds, Joyalukkas, Malabar, Signet Jewelers and department stores chains such as JC Penney, Kohls, Macy's and Walmart. The Company is a trusted supplier to catalogue, e-commerce, and television retailers such as Amazon, Argos, and Jewelry Television.

Renaissance has a diversified customer base and maintains long-standing relationships with its customers, ensuring smooth business communications. The Company's stable customer base and disciplined credit terms provide minimal exposure to credit risk.

#### **OUR GLOBAL PRESENCE**

Renaissance is based in Mumbai with its subsidiaries in the US, UK, and the Middle East. During the financial year, the Company has incorporated a subsidiary in China and plans to start operations in FY2021. The Company also has dedicated in-house marketing teams in key markets of the US, UK, and the Middle East. The Middle East market is predominantly plain gold jewellery while North America and UK is predominately studded jewellery.

#### **RESPONSIBLE JEWELLERY COUNCIL**

Renaissance is a certified member of the Responsible Jewellery Council (RJC). Being an RJC member, the Company is committed to and is independently audited against the RJC Code of Practices, an international standard on responsible business practices for the Gems and Jewellery industry. The Code of Practices addresses human rights, labour rights, environmental impact, mining practices, and product disclosure, amongst other essential topics in the jewellery supply chain. The Company also works with multi-stakeholder initiatives on responsible sourcing and supply chain due diligence.



**SWOT ANALYSIS****Strengths**

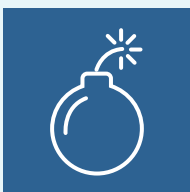
- » Dedicated 150 member design team based in US, UK, Hong Kong, Dubai and Mumbai
- » State-of-the-art manufacturing capabilities
- » Exclusive license for 'Disney' and 'Hallmark Diamonds'
- » Excellent track record of successful acquisitions while maintaining financial prudence

**Weakness**

- » High fixed costs related to RGL's manufacturing infrastructure
- » Revenues are significantly concentrated in the US and the Middle East
- » Labour cost is in Indian Rupees, and continuous cost inflation in India must be offset by efficiencies or currency depreciation

**Opportunities**

- » Enchanted Disney Fine Jewelry provides an excellent opportunity to expand in additional geographical markets including China, India, Middle East and South-East Asia
- » Deal with Lao Feng Xiang (LFX) in China gives RGL excellent opportunity to grow in China
- » With lab-grown diamonds growing in popularity in the US, there is an opportunity to enter a new product category

**Threats**

- » The growing trade war between US and China poses a threat as some of the Company's jewellery manufacturing is outsourced to China
- » If COVID-19 infections keep on increasing in the US and India, it may have a negative impact on the Company's revenues going forward

**BUSINESS STRATEGY****EXPANSION OF LICENSED BRANDS**

Historically, the demand for diamond jewellery was supported by extensive marketing by De Beers. Since, De Beers stopped marketing diamond jewellery, its market share has been continuously declining. This has created a massive vacuum in the marketing space, creating opportunities for new jewellery brands. To take advantage of this opportunity, our focus is to grow in the branded jewellery space through licensed brands as well as in-house brands. Branded jewellery has higher margins than generic jewellery, increases competitiveness through design exclusivity, brings in superior product positioning, and establishes deeper customer relationships.

**ENCHANTED DISNEY FINE JEWELRY**

The excellent product development and manufacturing capabilities combined with the global demand for Disney products has resulted in rapid growth in sales for Enchanted Disney Fine Jewelry. Enchanted Disney Fine Jewelry was first launched in the US, Canada, and the UK

To capitalise on the international appeal of the Disney brand, Renaissance has launched the brand in the Middle East, Malaysia, and the Philippines in the current financial year.

In line with our expansion plan, the Company has signed a deal with Lao Feng Xiang (LFX), second-largest jewellery retailer in China for the distribution of 'Enchanted Disney Fine Jewelry' in China. LFX has 3,700 stores worldwide with revenues of US\$ 6.5 billion.

**DISNEY TREASURES**

Disney Treasures includes Disney iconic characters such as Winnie The Pooh, 101 Dalmatians and Lion King. Disney Treasures was launched through a major specialty jeweller in the US and is extremely successful. Disney Treasures has now been rolled out to more than 1,000 stores in North America.

**DISNEY JEWELS**

Disney Jewels Fine Jewelry Collection recreates the magic of Disney at attractive price points. Disney Jewels has been tested in 150 stores with a mass market retailer in the US.

TO REACH OUT TO THE CUSTOMERS ACROSS THE WORLD, THE COMPANY HAS BEEN FOCUSING ON THE E-COMMERCE PLATFORM TO CONNECT AND INTERACT WITH ITS TARGET AUDIENCE.

#### **HALLMARK MOMENTS**

Founded in 1910 as a greeting card company, Hallmark is now a diversified consumer brand with 13 million daily greeting cards, 92 million homes receiving the Hallmark cable television channel, and 6 billion annual brand interactions. It has a strong emotional connection with consumers, which is highly relevant to jewellery. Your Company's strategy is to capitalise on this emotional connection by marketing its Hallmark branded jewellery as products to celebrate special moments in the life of individuals. In FY2020, the Company tested 'Hallmark Diamonds Moments' with one of the largest retailers in the US. The customer's response was overwhelming, and Hallmark now is sold across more than 2,000 doors in the United States

#### **HALLMARK TOKENS**

This unique jewelry collection was inspired by the historical practice of giving someone special a "token" that symbolized the deep emotions one has for another. Hallmark Tokens has been tested in 200 stores at a major departmental store in the US

#### **IRASVA**

IRASVA is an everyday fine jewellery brand for the self-assured modern woman. IRASVA is a combination of "ira" meaning enjoyment and "sva" meaning self in Hindi. IRASVA's gold and diamond jewellery celebrates the modern woman and inspires every woman to create, feel beautiful and express herself in every moment. With IRASVA, Renaissance offers women fine jewellery collections that are stylish, easy to wear and look luxurious. The IRASVA Essentials start at ₹ 15,000 while the Gifting Collection is priced at ₹ 8,000 upward.

Renaissance launched its first IRASVA store in May 2019. This plush flagship store of IRASVA is located in a 2,000 sq. feet area in South Mumbai. Based on the performance of our first store, the Company plans to open two new stores in Mumbai in the current financial year. However, its expansion plans would be extremely cautious, ensuring optimum capital allocation and utilisation.

#### **MADE FOR YOU**

Renaissance has launched a new brand called 'Made For You' in the lab-grown diamonds category. The brand was launched with a major US retailer during FY20. The millennial customer is increasingly looking for products which are eco-friendly and ethically sourced, which presents a strong case for introduction of Lab-Grown Diamonds. Furthermore, the lab-grown diamonds are highly accepted in the US and present a cost-effective alternate to Mined Diamonds, which creates the right opportunity to expand this product category to a wider customer base going forward.

#### **OUR FORAY INTO DIRECT-TO-CONSUMER SPACE**

Current trends in the jewellery sector point towards an increasing use of digital space for buying jewellery. Keeping in mind these trends, your company has a vision to expand its digital footprints and enter the e-commerce space. Our direct-to-consumer business through our newly launched 'Enchanted Disney Fine Jewelry' website has shown robust growth during the year. During the current financial year, we have also launched a website catering to Lab Grown Diamonds jewellery called 'Made for You'. We further plan to launch websites for Star Wars, Disney Jewels and Hallmark Diamonds amongst our licensed brands and our own in-house brand Jewelili to further our direct-to-consumer play. The online direct-to-consumer format is a high gross margin business with gross margins in the range of 55 to 60%. In line with our strategy, we plan to grow the share of our direct-to-consumer business. The entry into direct-to-consumer business gives us a direct access to our consumer. This helps us understand our consumers better and develop products catering to the changing tastes of the customers. The direct customer interactions help us build brand loyalty amongst our customers and enable repeat purchases from them.



**FINANCIAL PRUDENCE**

Renaissance has steadily grown its business with a highly disciplined approach based on prudent capital allocation and efficient working capital management. The Company believes in ensuring financial prudence in all its business decisions. Our return on equity is at 13.5% for the year against 12.9% in FY19. The debt to equity ratio has improved to 0.52 in FY20 against 0.76 in FY19 and inventory days declined from 144 to 119 by doing away with low margin products and prudent inventory management.

Revenues from operations for the year FY20 are at ₹ 2,50,185 lakh against ₹2,59,062 lakh in FY19, degrowing at 3%. Revenue growth was muted due to discontinuation of sales to independent retailers and other low margin product categories and impact of Covid-19 lockdown at the end of March 2020. The EBITDA has shown remarkable growth in FY20 and has reached ₹ 17,082 lakh, highest ever

since the Company's founding. Depreciation has increased from ₹ 1,809 lakh in FY19 to ₹ 3,105 lakh in FY20 on account of acquisition of Jay Gems and capitalisation of long term leases as per IND AS. Interest expense has increased from ₹ 2,496 lakh in FY19 to ₹ 2,976 lakh in FY20 due to Jay Gems acquisition. Profit after tax for FY20 is ₹ 9,223 lakh as against ₹ 7,828 lakh in FY19, growing at 17.8%. Over the last five years, the RoE has shown an increasing trend from 10.3% in FY16 to 13.5% in FY20. The Company has consciously grown its return on equity by focusing on higher-margin businesses. Net Debt as of Mar 2020 was ₹ 36,411 lakh. v/s Mar 2019 Net Debt of ₹ 50,338 lakh; reduction of ₹ 13,927 lakh. Further, the company also reduced inventory from ₹ 1,01,611 lakh in FY19 to ₹ 81,828 lakh; reduction of ₹ 19,783 lakh.

Key Financial Parameters (₹ lakh)	FY2020	FY2019
Net Revenue	2,50,185	2,59,062
EBITDA	17,082	12,490
% of Net Revenue	6.8%	4.8%
Depreciation	3,105	1,809
Interest Expenses	2,976	2,496
Other Income	1,615	227
PBT	11,001	8,185
% of Net Revenue	4.4%	3.2%
Tax	1,778	357
Profit After Tax	9,223	7,828
% of Net Revenue	3.7%	3.0%



## **RISKS, THREATS AND CONCERNS**

As is the case for any jewellery-based business, the Company's success is dependent upon the general economic conditions, competitive conditions, and consumer attitudes. However, certain factors are specific to the Company and/or the markets in which it operates. The following "risk factors" are specific to the Company and the Industry it operates in.

### **Global economic conditions and consumer confidence**

As a retailer of goods, which are discretionary purchases, the Company's sales results are sensitive to changes in economic conditions and consumer confidence. Consumer spending for discretionary goods generally declines during times of falling consumer confidence, which negatively affects the Company's sales and earnings.

The Company could also be adversely impacted by any changes in US trade policy and tariffs affecting India and China.

### **US dollar fluctuations**

The Company's Sales to its various customers and raw material purchases are denominated in US Dollars. However, its production costs are in Indian Rupee. Any appreciation in the Indian Rupee has an adverse impact on the Cost of production and profitability of the Manufacturing Operations.

### **Price fluctuation and availability of diamonds and other gemstones**

The Raw Materials used in the Company's products are Gold, Silver, Diamond and Color Stones. While orders are received from the Customers based on the market price of Gold/Silver on the date of the order, prices quoted for Diamonds and Color Stones are usually fixed for a period of 6 months to a year. A significant increase in the costs or change in

the supply of these commodities could adversely affect the Company's business. A substantial increase in the price of Diamond or Color Stones could adversely affect gross profit margins.

## **INTERNAL CONTROLS**

The Company's internal control systems are commensurate with the nature, size, and complexity of its business operations. The robustness of this control system facilitates the Company to ensure accuracy in recording financial information, prevent unauthorised use of assets and comply with all statutes and laws. The Company also has hired a well-known audit firm for conducting its internal audit. The firm while adequately monitoring the operations presents its observations and recommendations to the Management and the Audit Committee. It also undertakes the responsibility of reviewing and strengthening the control measures. Besides, for securing and protecting its sensitive data, the Company has also invested in state-of-the-art information technology.

## **CAUTIONARY STATEMENT**

Statements made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

# Board of Directors



**Niranjan Shah**  
*Executive Chairman*

1



**Sumit Shah**  
*Vice Chairman*

2



**Hitesh Shah**  
*Managing Director*

3



**Neville Tata**  
*Executive Director*

4



**Veerkumar Shah**  
*Independent Director*

5



**Vishwas Mehendale**  
*Independent Director*

6



**Anil Chopra**  
*Independent Director*

7



**Arun Sathe**  
*Independent Director*

8



**Madhavi Pethe**  
*Independent Director*

9

1

**Niranjan Shah***Executive Chairman*

Mr. Niranjan Shah has been associated with Renaissance Global since the inception of the Company. He has over four decades of experience in the gems and jewellery industry. Mr Shah is responsible for the overall strategic planning and decision making at Renaissance Global Limited.

2

**Sumit Shah***Vice Chairman*

Mr. Sumit Shah is the Vice Chairman with an industry expertise of 23 years. He is responsible for long-term business plans and new business initiatives.

3

**Hitesh Shah***Managing Director*

Mr. Hitesh Shah is the Managing Director with 23 years of industry experience. He is responsible for Finance, Accounting, and Merchandising operations.

4

**Neville Tata***Executive Director*

Mr. Neville Tata is the Executive Director at Renaissance Global. He has an experience of 22 years in the gems and jewellery industry. Mr Tata manages Production and Human Resources.

5

**Veer Kumar Shah***Independent Director*

Mr. Veer Kumar Shah is a practicing Chartered Accountant with more than four decades of experience. He is an expert in Accounting, Auditing, Taxation, Company law matters, Arbitration matters and management consultancy in diverse sectors.

6

**Vishwas Mehendale***Independent Director*

Mr. Vishwas Mehendale is a practicing Chartered Accountant in Taxation and appellate matters, including drafting and arguing appeals before Commissioners of Income Tax and Appellate Tribunal. He is an expert in Direct and Indirect Tax Laws, Accounts and Audits, Finance and Corporate Laws.

7

**Anil Chopra***Independent Director*

Mr. Anil Chopra is an Independent Director and possesses 31 years of rich experience in marketing of consumer products. He has worked with Tata Sons and their group company, Voltas. Mr Chopra has expertise in Commercial, Human Resource Development and Administration functions.

8

**Arun Sathe***Independent Director*

Mr. Arun Sathe is an Independent Director. He is a practicing lawyer in the High Court and Supreme Court, and a veteran economist. Mr Sathe is a governing Council Member of Maharashtra Chamber of Commerce, Finance and Taxation Committee of the Chamber and FCCI. He is also a former part-time member of SEBI.

9

**Madhavi Pethe***Independent Director*

Mrs. Madhavi Pethe is a former Independent Director of Bombay Commodity Exchange Limited by Forward Markets Commission, Central Government. She is a member of Board of Studies of Banking and Insurance University of Mumbai.

# NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY FIRST ANNUAL GENERAL MEETING OF THE MEMBERS OF RENAISSANCE GLOBAL LIMITED WILL BE HELD ON **WEDNESDAY, SEPTEMBER 30, 2020 AT 3:30 PM** THROUGH VIDEO CONFERENCING (“VC”)/ OTHER AUDIO-VISUAL MEANS (“OAVM”), TO TRANSACT THE FOLLOWING BUSINESS:

## ORDINARY BUSINESS

- To receive, consider and adopt the Audited Financial Statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2020 together with the Reports of the Board of Directors and the Auditors thereon.
- To appoint a Director in place of Mr. Niranjana A. Shah (DIN: 00036439), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

## SPECIAL BUSINESS

- Approval to accept Deposits from Public under Sections 73 and 76 of the Companies Act, 2013 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 the provisions of Sections 73, 76 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and other applicable rules, regulations and statutory provisions for the time being in force and such other approvals, permissions and sanctions, if any, as may be necessary, consent of members of the Company be and is hereby accorded to the Board of Directors (“**Board**”) to invite / accept / renew from time to time unsecured / secured deposits in the form of advances for the Company’s Jewellery Purchase Schemes, from members of the Company and the Public at large, up to permissible limits.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things, including execution of documents, instruments and writings and also delegation of aforesaid authority, as the Board may in its absolute discretion deem fit, necessary and expedient for the purpose of giving effect to this resolution, without any further reference to the Members of the Company.”

- To approve re-classification requests received from certain members of Promoter & Promoter Group and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations’) and subject to the approval of BSE Limited, NSE Limited and/or such other approval, if any, as may be required, the consent of the members of the Company be and is hereby accorded for re-classification of following person(s) from Promoter/Promoter group category to Public category, as these person(s) are neither involved in the management of the Company nor exercise control over the affairs of the Company directly or indirectly and hold not more than 10% of the total voting rights in the Company:

Sr. No.	Name of promoters	No. of Equity shares held	% of outstanding share capital of the Company
1	Mr. Amit C. Shah	667979	3.54
2	Mr. Bhupen C. Shah	667979	3.54
3	Mrs. Pinky D. Shah	1068766	5.66
4	Mrs. Reena K. Ahuja	160444	0.85
<b>TOTAL</b>		<b>2565168</b>	<b>13.59</b>

“**RESOLVED FURTHER THAT** Mr. Amit C. Shah, Mr. Bhupen C. Shah, Mrs. Pinky D. Shah and Mrs. Reena K. Ahuja, the members of Promoter group seeking re-classification from the existing ‘Promoter & Promoter Group Category’ to ‘Public Shareholder Category’, shall continue to comply with the conditions as specified under Regulation 31A of the Listing Regulations for a period of not less than three years from the date of such re-classification.”

“**RESOLVED FURTHER THAT** after such re-classification is approved by the BSE and NSE, Mr. Amit C. Shah, Mr. Bhupen C. Shah, Mrs. Pinky D. Shah and Mrs. Reena K. Ahuja shall cease to be the Promoters/Promoter Group member of the Company.

“**RESOLVED FURTHER THAT** Mr. Hitesh Shah – Managing Director and/or the Company Secretary of the Company be and are hereby severally authorized to make application to BSE & NSE along with all the required documents, papers etc. and to do all such acts, deeds, matters and things as it may, in their absolute discretion, deem necessary to give effect to the above resolution, for and on behalf of the Company.”

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

**G. M. Walavalkar**  
**VP – Legal & Company Secretary**  
 Mumbai, June 29, 2020

## Notice (Contd...)

### NOTES

1. In view of the outbreak of CoVID-19 Pandemic, the Ministry of Corporate Affairs ("MCA"), vide its General Circular No. 20/2020 dated May 5, 2020 read together with General Circular Nos. 14/2020 dated April 8, 2020 and General Circular No. 17/2020 dated April 13, 2020 and the Securities and Exchange Board of India (SEBI) Vide its circular number SEBI/HO/CFD/CMD1/ CIR/ P/2020/79 dated May 12, 2020 (collectively referred to as Circulars), has allowed companies to conduct the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue.
2. In accordance with these circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
3. As a rule, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. But since this AGM is being held through VC / OAVM, the physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed with the Annual Report of the Company.
4. As this AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed with the Annual Report of the Company.
5. Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013.
6. In terms of the provisions of Section 152 of the Act, Mr. Niranjana A. Shah, Director, retire by rotation at this AGM. Nomination and Remuneration Committee and the Board of Directors of the Company recommend his re-appointment.
7. Mr. Niranjana A. Shah and Mr. Sumit N. Shah, Director, being related to Mr. Niranjana A. Shah is interested in the Ordinary Resolution set out at Item No. 2, of the Notice with regard to Mr. Niranjana A. Shah's re-appointment.  
  
Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item No. 2 of the Notice.
8. As required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015], particulars of Directors seeking appointment/re-appointment are annexed with this notice.
9. Members under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM.
10. 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 AGM.
11. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed with this notice.
12. The Register of Members and the Share Transfer Books of the Company will be closed from **Wednesday, September 23, 2020 to Wednesday, September 30, 2020** (both days inclusive) for the purpose of Annual General Meeting.
13. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS) mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP).  
  
Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, M/s. Link Intime India Pvt. Ltd. to provide efficient and better services. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in dematerialized form for any change of bank particulars or bank mandates. Members holding shares in physical form are requested to intimate such changes to M/s. Link Intime India Pvt. Ltd. at C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400083.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialized form are, therefore, requested to submit their PAN to their Depository Participants (DP). Members holding shares in physical form can submit their PAN to the Company/ M/s. Link Intime India Pvt. Ltd.
15. Members who have not encashed their dividend warrants for the year ended March 31, 2013 or any subsequent year(s) are requested to lodge their claims with the RTA at the earliest.
16. Amounts of dividend remaining unclaimed/ unpaid for a period of seven years are required to be transferred to the 'Investor Education and Protection Fund'. Accordingly, unpaid dividend up to the year ended March 31, 2012, has already been transferred to the said Fund.

## Notice (Contd...)

17. Members who would like to ask any questions on the accounts of the Company are requested to send their questions to the Registered Office of the Company at least 10 days before the Annual General Meeting, to enable the Company to answer their queries satisfactorily.
18. The MCA Circulars and SEBI Circular dated May 12, 2020 has dispensed with the printing and dispatch of annual reports to shareholders due to CoVID 19 pandemic. Accordingly 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. The Notice and Annual Report 2019-20 will also be available on the Company's website at [www.renaissanceglobal.com](http://www.renaissanceglobal.com), BSE Limited website at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited website [www.nseindia.com](http://www.nseindia.com).

Members holding shares in (Physical/Demat) who have not registered their e-mail addresses so far can get the same registered with the Registrar and Share Transfer Agent, Link Intime India Private Limited as under for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company, electronically.

19. 1. (i) **For Temporary Registration for Demat shareholders:**

The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Pvt. Ltd. by clicking the link: [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) in their web site [www.linkintime.co.in](http://www.linkintime.co.in) at the Investor Services tab by choosing the E-mail Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail id. In case of any query, a member may send an e-mail to RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

(ii) **For Permanent Registration for Demat shareholders:** It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.

(iii) **Registration of email id for shareholders holding physical shares:** The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime India Pvt. Ltd., by clicking the link: [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) in their web site [www.linkintime.co.in](http://www.linkintime.co.in) at the Investor Services tab by choosing the Email / Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and email id and also upload the image of share certificate in PDF or JPEG format (upto 1 MB). In case of any query, a member may send an e-mail to RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

20. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.

All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [investors@renaissanceglobal.com](mailto:investors@renaissanceglobal.com)

21. **INSTRUCTIONS FOR REMOTE E-VOTING**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide its members, the facility to exercise their right to vote at the 31<sup>st</sup> Annual General Meeting by electronic means.

For this purpose, the Company has entered into an agreement with Link Intime India Private Limited for facilitating e-voting to enable the members to cast their votes electronically.

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

- 1) Date and time of commencement of e-voting: **Saturday, September 26, 2020 at 9.00 a.m.**
- 2) Date and time of end of e-voting, beyond which voting will not be allowed: **Tuesday, September 29, 2020 at 5.00 p.m.**

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

During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Friday, September 18, 2020** may cast their vote electronically,

## Notice (Contd...)

- 3) Details of Website for e-voting: <https://instavote.linkintime.co.in>.
- 4) Details of Scrutinizer: Mr. V. V. Chakradeo, Practicing Company Secretary. (COP No. 1705), E-mail: [vvchakra@gmail.com](mailto:vvchakra@gmail.com). The Company has appointed Mr. V. V. Chakradeo, as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- 5) **Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change/modify the vote subsequently.**
- 6) In case Members have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or call on +91 (022) 4918 2505/4918 6000.
- 7) The facility for e-voting shall also be available at the AGM. Members who have already cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote at the AGM. Only those Members who attend the AGM and have not cast their votes through remote e-voting and are otherwise not barred from doing so will be allowed to vote through the e-voting facility available at the AGM.
- 8) Any person, who acquires shares of the Company and becomes its Member after the sending of Notice of the AGM and holds shares as on the cutoff date for voting i.e. Friday, September 18, 2020, may obtain the login ID and password by sending a request to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in). However, if he/she is already registered with LIPL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- 9) The Scrutinizer shall after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour/against, if any, to the Chairperson or a person authorized in writing, who shall countersign the same and declare the result of the voting forthwith.
- 10) The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company [www.renaissanceglobal.com](http://www.renaissanceglobal.com) and on the LIPL website <https://instavote.linkintime.co.in> and shall also be forwarded to BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE).
- 11) **The instructions for Members for e-voting are as follows:**
  - I. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>.

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under: -

    - Click on 'Sign Up' under 'SHARE HOLDER' tab and register with your following details: -
      - A. User ID: Enter your User ID
        - Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
        - Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.
        - Members holding shares in physical form shall provide Event No + Folio Number registered with the Company.
      - B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).
      - C. DOB/DOI: Enter the Date of Birth (DOB)/Date of Incorporation (DOI) (As recorded with your DP/ Company - in DD/MM/YYYY format).
      - D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.
        - Members holding shares in CDSL demat account shall provide either 'C' or 'D', above.
        - Members holding shares in NSDL demat account shall provide 'D', above.
        - Members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above.
        - Set the password of your choice
        - (The password should contain minimum 8 characters, at least one Special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
        - Click 'confirm' (Your password is now generated).



## Notice (Contd...)

- II. Click on 'Login' under 'SHARE HOLDER' tab.
- III. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.
- IV. After successful login, you will be able to see the notification for e-voting. Select 'View' icon for 'Renaissance Global Limited/ Event number "200226"'.
  - V. E-voting page will appear.
  - VI. Refer the Resolution description and cast your vote by selecting your desired option 'Favour/Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
  - VII. After selecting the desired option i.e. 'Favour/ Against', click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.
  - VIII. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian/Mutual Fund/ Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian/Mutual Fund/Corporate Body' login for the Scrutinizer to verify the same.

### If you have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case member is having valid email address, Password will be sent to his/her registered e-mail address.
- Member can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/ DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

## 22. PROCEDURE FOR ATTENDING THE THIRTY-FIRST AGM THROUGH VC / OAVM:

The Company is pleased to provide its members, the facility to attend the 31<sup>st</sup> Annual General Meeting **THROUGH VC / OAVM**. For this purpose, the Company has availed the INSTAMEET and INSTAVOTE services of M/s Link Intime India Private Limited for facilitating its members to participate at the AGM and cast their votes electronically.

Facility for joining the Annual General Meeting through VC/OAVM shall open 30 (Thirty) minutes before the time scheduled for the Annual General Meeting. The login window for joining AGM shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Members with 2% or more shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to join the meeting without restrictions of first come- first serve basis.

Members will be able to attend the AGM through VC / OAVM by following the procedure given below:

1. Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and register with your following details: -
  - a. Demat Account No. or Folio No.: Enter your 16-digit Demat Account No. or Folio Number registered with the Company.
  - b. PAN: Enter your 10-digit Permanent Account Number.
  - c. Mobile No.:
  - d. Email ID:
2. Click "Go to Meeting"
3. Members can log in and join 30 minutes prior to the schedule time of the AGM and window for joining the meeting shall be kept open till the expiry of 15 minutes after the scheduled time.

The Company shall provide VC/OAVM facility to Members to attend the AGM. The said facility will be available for 1000 Members on first come first served basis. This will not include large Members (i.e. Members with 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

## Notice (Contd...)

### Instructions for Shareholders/Members to Speak during the AGM through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request mentioning their name, demat account number/folio number, email id, mobile number at [investors@renaissanceglobal.com](mailto:investors@renaissanceglobal.com), atleast 48 hours prior to the date of AGM.
2. Speakers will only be allowed to express their views/ask questions on first come first served basis during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
3. Shareholders will receive 'speaking serial number' once they mark attendance for the meeting. Shareholders are requested to speak only when Moderator of the meeting will announce the name and serial number for speaking.
4. Please remember your 'speaking serial number' and start your conversation with panelist by switching on audio of your device.
5. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

### Instructions for Shareholders to Vote during the AGM through InstaMeet:

Once the electronic voting is activated by the Scrutinizer/Moderator during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under: -

1. On the shareholders VC page, click on the link for e-Voting 'Cast your vote'.
  2. Enter Demat Account No./Folio No. and OTP(received on the registered mobile number/registered Email ID) received during registration for InstaMeet and click on 'Submit'.
  3. After successful login, you will see 'Resolution Description' and against the same the option 'Favour/Against' for voting.
  4. Cast your vote by selecting appropriate option i.e. 'Favour/Against' as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
  5. After selecting the appropriate option i.e. 'Favour/ Against' as desired and you have decided to vote, click on 'Save'. A confirmation box will be displayed.  
  
If you wish to confirm your vote, click on 'Confirm', else to change your vote, click on 'Back' and accordingly modify your vote.
  6. Once you confirm your vote on the Resolution, you will not be allowed to modify or change your vote subsequently.
23. Shareholders present at the AGM through InstaMeet facility and who have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting from 3.30 p.m. (IST) till the expiry of 15 minutes after the AGM is over. Shareholders who have voted through remote e-voting prior to the AGM will be eligible to attend/participate in the AGM through InstaMeet. However, they will not be eligible to vote again during the meeting.
  24. Shareholders are encouraged to join the AGM through Tablets/Laptops connected through broadband for better experience.
  25. Shareholders are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the currency of the AGM.
  26. Please note that shareholders connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate such kind of glitches.
  27. In case shareholders have any queries regarding e-voting, they can address them to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or call on +91 (022) 4918 6175.
  28. The shareholders can also access the Annual Report 2019-20 circulated to the Members of the Company and other information about the Company on Company's website i.e. [www.renaissanceglobal.com](http://www.renaissanceglobal.com) or on Stock Exchange websites i.e. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

By order of the Board

**Renaissance Global Limited**

**G. M. Walavalkar**

**VP – Legal & Company Secretary**

Mumbai, June 29, 2020

## Notice (Contd...)

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

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

#### Item No. : 3

Your Company (RGL) has grown its business over a period of more than 30 years since its incorporation and has earned all-round goodwill of its customers, suppliers and other stakeholders. Geographies RGL sells to now include CANADA, UNITED KINGDOM, GERMANY, UNITED STATES OF AMERICA, UAE, AUSTRALIA ETC.

Under the Companies Act, 2013 and Rules made thereunder ('Deposit Rules') the scope of the term "deposit" has been enlarged and therefore a view has been taken that the jewellery purchase schemes offered by the Company to its customers will be treated as deposits. Though acceptance of 'advances' against goods (up to 365 days) and property are excluded from the definition of an 'advance', the explanation to the definition of 'deposit' under the Deposit Rules, provides that any amount (a) received by the company, whether in the form of installments or otherwise, from a person with promise or offer to give returns, in cash or in kind, on completion of the period specified in the promise or offer, or earlier, accounted for in any manner whatsoever, or (b) any additional contribution, over and above the amount under item (a) above, made by the company as part of such promise or offer, shall be treated as a deposit. Due to this explanation under the definition of 'Deposit', the Company's Jewellery purchase schemes are deemed to be deposits and have to comply with Chapter V of the Act and the Deposit Rules.

The Company is willing to launch jewellery purchase schemes for the benefit of its customers, to facilitate them to purchase jewellery by making advance payments through installments with discount benefit on maturity of schemes. However, for this the Company needs to comply with the terms and conditions as prescribed under the Act and the Rules. Section 73 and 76 of the Act read with relevant Rules prescribes that a public company having a net worth of not less than Rupees One Hundred Crores or a turnover of not less than Rupees Five Hundred Crores, subject to the consent of the company in general meeting by means of a special resolution and compliance with other requirements, as prescribed under the Act and the Rules, accept or renew any deposits from its members and the public, subject to the prescribed limits.

The Company being a public company and having requisite net worth/turnover is willing to invite/accept/renew deposits from its Members and the Public, upto permissible limits, under the jewellery purchase schemes, subject to the approval of Members through Special Resolution and compliance with other requirements of the Act and the Rules in this matter. Hence, the Board recommends the resolution for your approval by way of Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution, except to the extent of their respective shareholdings in the Company.

The Board recommends the Special Resolutions set out at Item No. 3 of the Notice for approval by the members.

#### Item No. : 4

Your Company had received applications from below mentioned members of promoter/promoter group of the Company, seeking their reclassification from the "promoter and Promoter Group" category to the "Public" category in the shareholding pattern of the Company:

Sr. No.	Name of promoters	No. of Equity shares held	% of outstanding share capital of the Company
1	Mr. Amit C. Shah	667979	3.54
2	Mr. Bhupen C. Shah	667979	3.54
3	Mrs. Pinky D. Shah	1068766	5.66
4	Mrs. Reena K. Ahuja	160444	0.85
<b>TOTAL</b>		<b>2565168</b>	<b>13.59</b>

All the aforesaid members of promoter group are financially independent and are not engaged in the day to day management of the Company, never had directorship or key managerial position in the Company also do not have any right either to appoint any Director of the Company or to control the management or policy decisions of the Company in any manner whatsoever.

Pursuant to Regulation 31A (3) (b) of SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2018, the aforesaid person(s) seeking re-classification have confirmed that:

- (i) They do not hold more than ten percent of the total voting rights in the Company;
- (ii) They do not exercise control over the affairs of the Company whether directly or indirectly;

## Notice (Contd...)

- (iii) they do not have any special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements;
- (iv) They do not represent on the Board of Directors (including not having a nominee director) of the Company;
- (v) They are not acting as a Key Managerial Person in the Company;
- (vi) They are not 'willful defaulter' as per the Reserve Bank of India Guidelines;
- (vii) They are not a fugitive economic offender.

In accordance with Regulation 31A (4) of the Listing Regulations all four applicants had also confirmed that post such re-classification from "Promoter & Promoter Group Category" to "Public Shareholder Category, at all times they shall continue to comply with conditions mentioned in sub-clauses (i), (ii) and (iii) of Regulation 31A(3)(b) of Listing Regulations and shall also comply with conditions mentioned at Sub- clause (iv) and (v) of Regulation 31A(3)(b) of Listing Regulations for a period of not less than three years from the date of such reclassification, failing which they shall automatically be reclassified as promoter/persons belonging to Promoter Group, as applicable.

Further, as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957, the public shareholding of your Company as on date of the notice fulfills the minimum public shareholding requirement of at least 25% shareholding and the proposed reclassification is not intended to increase the Public Shareholding to achieve compliance with the minimum public shareholding requirement.

The shareholding pattern of the Company before and after the proposed reclassification is furnished below:

Before proposed reclassification			After proposed reclassification		
Category	No. of Shares	% of share capital	Category	No. of Shares	% of share capital
Promoter	13922600	73.74	Promoter	11357432	60.16
Public	4760464	25.22	Public	7325632	38.80
Non Promoter- Non Public	196376	1.04	Non Promoter- Non Public	196376	1.04
<b>Total</b>	<b>18879440</b>	<b>100.00</b>	<b>Total</b>	<b>18879440</b>	<b>100.00</b>

Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') provides a mechanism regarding re-classification from "Promoter & Promoter Group" category to "Public" category which will be subject to approval of Members of the Company at this Annual General Meeting and also subject to the approval of the Stock Exchanges.

Based on the letters received from the above Promoters/Promoter group Person(s) and on satisfaction of the conditions of Regulation 31A (3)(b) (i) to (vii) and compliance of sub-regulation (4) of SEBI (LODR) (Sixth Amendment) Regulations, 2018 the Board of Directors at their meeting held on June 29, 2020 considered and approved the applications for reclassification of Mr. Amit C. Shah, Mr. Bhupen C. Shah, Mrs. Pinky D. Shah and Mrs. Reena K. Ahuja from Promoter/Promoter group category to Public category and recommends the Ordinary Resolution at Item no. 4 of the accompanying Notice of 31<sup>st</sup> Annual General Meeting of the Company, for approval of the members of the Company.

Except Mr. Sumit N. Shah being relative of Mrs. Reena K. Ahuja none of your Directors or key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in this Ordinary resolution.

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

**G. M. Walavalkar**  
**VP – Legal & Company Secretary**  
 Mumbai, June 29, 2020

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT**

(As required to be furnished under Regulations 36(3) of SEBI (LODR) Regulations 2015)

<b>Name of Director</b>	<b>Mr. Niranjan A. Shah</b>
<b>Date of Birth</b>	18/01/1947
<b>Date of Appointment</b>	01/01/2003
<b>Qualifications</b>	SSC
<b>Expertise in specific functional area</b>	He has over 45 years of experience in the Gems and Jewellery industry having an exposure to the entire range of activities.
<b>Directorships held in other Public companies (excluding Section 8 companies)</b>	-
<b>Memberships / Chairmanships of committees of other Public Limited companies</b> <i>(includes only Audit Committee and Shareholders Relationship Committee)</i>	-
<b>Number of Equity shares held in the Company</b>	641409 (3.40%) as of March 31, 2020

# Directors' Report

Dear Members,

The Directors take great pleasure in presenting the 31<sup>st</sup> report on the business and operations of your Company along with the Annual Report and Audited Financial Statements for the Financial Year 2019-20.

## FINANCIAL HIGHLIGHTS

Your Company earned a Profit Before Tax (PBT) of ₹ 397.04 million, as compared to PBT of ₹ 353.45 million in the previous year. Highlights of the financial performance (Standalone) are as follows:

	(₹ In Million)	
	F.Y. 2019-20	F.Y. 2018-19
Sales	12606.54	12591.54
Gross Profit	948.34	1177.31
<b>PBID</b>	<b>652.10</b>	<b>544.88</b>
Less: Interest	104.41	96.23
Less: Depreciation	109.92	88.34
<b>PBT</b>	<b>397.04</b>	<b>353.45</b>
Provision for Tax	79.02	88.10
<b>PAT</b>	<b>318.02</b>	<b>265.35</b>

The consolidated revenue from operations of the Company for the year ended March 31, 2020 was ₹ 25018.46 million (P.Y. ₹ 25717.51 million), an decrease of 2.72 % on a year-on-year basis. An Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 1708.18 million (P.Y. ₹ 1342.10 million) an increase of 27.28% on a year-on-year basis. Profit After Tax (PAT) was ₹ 922.23 million (P.Y. ₹ 852.60 million) an increase of 8.17% on a year-on-year basis. The detailed analysis of the Company's business is given in the Management's Discussion and Analysis Report that forms part of this Annual Report.

## DIVIDEND

Your Board of Directors has not recommended any dividend for the financial year ended March 31, 2020.

## TRANSFER TO RESERVES

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

## BUSINESS RESPONSIBILITY REPORT

As stipulated under Listing Regulations, Business Responsibility Report forms part of the Annual Report.

## MATERIAL CHANGES & COMMITMENTS

No material changes and commitments, affecting the financial position of the Company have occurred after the end of the financial year 2019-20 and till the date of this report.

## OUTBREAK OF COVID-19 – A GLOBAL PANDEMIC

Due to outbreak of CoVID-19 pandemic the Indian economy was under complete lockdown for almost two months. This has caused tremendous production shortages and supply chain issues leading to revenue losses to the business.

Further, our major customers had also postponed their orders in pipeline as their stores remain closed with no clear visibility when they will be able to fully resume their operations.

Exports were completely shut since mid-March to mid-May which led to low sales during Q1 FY21. We believe this will continue in Q2 FY21 as well and things will start picking up in Q3 FY21, eventually normalizing in Q4 FY21.

## Directors' Report (Contd...)

Our domestic venture IRASVA store remained closed throughout the lockdown leading to no revenues during this period. Once we resume operations we believe the demand will remain tepid owing to lower disposable income amongst people. Also, we plan to defer new stores launches to Q3 of FY21 on account of the on-going crisis.

The lockdown across India from 25<sup>th</sup> March 2020 has ensured our production was at a complete standstill. However, we have been able to resume partial production at our Bhavnagar facility since 25<sup>th</sup> April 2020. Our Mumbai factory was also partially operational from 14<sup>th</sup> May 2020.

The Company has taken a variety of safety steps, such as medical facilities for employees inside the plant premises, sanitization and fumigation in the plant. Company also adheres to providing sufficient space for ensuring social distancing and will continuously follows guidelines as prescribed by the government. Also a significant number of our non-factory employees continue to work from home.

We have recently started receiving confirmed orders and exports have commenced to US, UK and HK in a limited way. Even during the lockdown e-commerce was operational in all our major markets. Furthermore, US has also started opening gradually and most of the retailers have close to half their locations open now.

Due to measures taken to contain the spread of CoVID 19 such as travel bans, quarantines, social distancing and closures of non-essential services etc. there are significant disruptions to businesses worldwide, resulting in an economic slowdown. Most of the customers had shut their retail outlets from Mid-March to Mid-May. Even after re-opening things are returning slowly to normalcy and sales are lower than normal.

Your Company has submitted with Stock Exchanges the disclosure of material impact of CoVID 19 pandemic on the business of the Company, in accordance with the SEBI Advisory on disclosure of material impact of CoVID 19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### SUBSIDIARIES

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

#### DIRECT SUBSIDIARY COMPANIES:

1. Renaissance Jewelry New York Inc., USA
2. Verigold Jewellery (UK) Ltd., London
3. Renaissance Jewellery Bangladesh Pvt. Ltd., Bangladesh
4. Verigold Jewellery DMCC, Dubai

#### INDIRECT (STEP-DOWN) SUBSIDIARY COMPANIES:

1. Renaissance Jewellery DMCC, Dubai  
(Subsidiary of Verigold Jewellery DMCC, Dubai)
2. Jay Gems Inc., USA  
(Subsidiary of Renaissance Jewelry New York Inc)
3. Essar Capital LLC, USA  
(Subsidiary of Jay Gems Inc., USA)
4. Verigold Jewellery (Shanghai) Trading Company Limited, China  
(Subsidiary of Verigold Jewellery DMCC, Dubai)

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

During the financial year under review, the Scheme of Amalgamation (Merger) of N. Kumar Diamond Exports Limited (NKDEL) and House Full International Limited (HFIL) and with Renaissance Global Limited (RGL) (formerly Renaissance Jewellery Limited), has been sanctioned by Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") with appointed date April 01, 2017, pursuant to its order dated April 22, 2019.

The said Scheme of Amalgamation has become effective on May 08, 2019 after filing the certified copy of NCLT order with Registrar of Companies, Mumbai. Hence the NKDEL and HFIL stand dissolved without winding up from the effective date.

## Directors' Report (Contd...)

Since NKDEL and HFIL are direct and indirect wholly owned subsidiaries of RGL, there was no issue and allotment of Shares of RGL to the shareholders of the HFIL and NKDEL.

### **Strike off the name of House Full Supply Chain Management Limited**

During the financial year under review, Registrar of Companies, vide Public Notice No. ROC-MLIMISec. 248(2)/STK-6110971 dated 10.04.2019 has strike off the name of House Full Supply Chain Management Limited from the Register of Companies against the strike off application filed by the Company under section 248(2) of the Companies Act, 2013 with Registrar of Companies (ROC), Mumbai, on December 04, 2018 for strike off the name of Company from the records of ROC.

### **FINANCIAL STATEMENTS/REPORTS OF THE SUBSIDIARIES:**

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

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

### **CONSOLIDATED ACCOUNTS**

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

### **SHARE CAPITAL**

#### **Post amalgamation increase in Authorised Share Capital**

Consequent to the Amalgamation by absorption of wholly owned subsidiaries viz. N. Kumar Diamond Exports Limited and House Full International Limited and, with the Company, the Authorised Share Capital of the Company stand increased from ₹ 27,00,00,000 (Rupees Twenty Seven Crore) to ₹ 98,70,00,000 (Rupees Ninety Eight Crore Seventy Lakh Only) divided into 8,87,00,000/- (Eight Crore Eighty Seven Lakhs) Equity shares of ₹ 10/- (Rupees Ten only) each and 1,00,00,000 (One Crore) 0% optionally convertible or redeemable non-cumulative preference share of ₹ 10/- each.

#### **RJL - Employees Stock Option Plan 2018 (RJL ESOP 2018)**

During the financial year 2018-19, the Company had introduced and implemented the "RJL – Employees Stock Option Plan 2018" ('ESOP-2018/the Scheme') through RJL Employee Welfare Trust (the Trust) to create, grant, offer, issue and allot at any time in one or more tranches such number of stock options not exceeding 10,00,000 equity shares of face value of ₹ 10 each, convertible into Equity Shares of the Company ("Options")

#### **Following is the bifurcation of 10,00,000 options**

##### **Type A - 1,96,376 options -**

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

##### **Type B – 8,03,624 options-**

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

(i) Fresh issue –

Fresh options shall be granted by the Board or Compensation Committee as may be authorized by the Board to the eligible employees; and/or

(ii) Secondary acquisition –

In case of surplus money, RJL Employee Welfare Trust shall have authority to acquire shares from the market and depending upon the available pool, options shall be granted to the eligible employees.

The ESOP 2018 is in line with the SEBI SBEB Regulations. A certificate from the Auditors of the Company that the Scheme is implemented in accordance with the SBEB Regulations and the resolutions passed by the members would be placed before the members at the



## Directors' Report (Contd...)

ensuing AGM and a copy of the same shall be available for inspection at the Registered Office of the Company.

During the FY 2019-20 the Company did not make any grant under RJL ESOP- 2018 hence there was no movement of options to be disclosed, as required under Regulation 14 of SEBI SBEB Regulations.

The applicable disclosures as stipulated under SEBI SBEB Regulations read with the circular issued by SEBI on 16th June 2015 and Rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014, as on March 31, 2020, are given below:

### Disclosures with respect to Employees Stock Option Scheme of the Company

	<b>ESOP 2018</b>
<b>Date of shareholders' approval:</b>	<b>August 7, 2018</b>
Lock-in period:	<b>Lock-in period</b>
	Up to 1 year from the date of transfer of shares from RJL Employee Welfare Trust's Demat account to Demat account of employee
The details of the number of shares issued under ESOP	<b>No grant made during FY 2019-20</b>
The price at which such shares are issued	NA
Employee-wise details of the shares issued to;	NA
(i) senior managerial personnel;	NA
(ii) any other employee who is issued shares in any one year amounting to 5% or more shares issued during that year;	NA
(iii) identified employees who were issued shares during any one year equal to or exceeding 1% of the issued capital of the company at the time of issuance;	NA
Consideration received against the issuance of shares, if scheme is implemented directly by the company	NA
Loan repaid by the Trust during the year from exercise price received	-

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

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

- **Issue of sweat equity shares**

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

### LISTING

At present 18,879,440 Equity Shares of the Company are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company has paid the applicable listing fees to these Stock Exchanges for the financial year 2020-21. The Company's shares are compulsorily tradable in electronic form and the Company has established connectivity with both the depositories, i.e. Central Depository Services (India) Ltd. (CDSL) & National Securities Depository Ltd. (NSDL).

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

### AWARDS/RECOGNITION

Your Company has always strived for the best quality and designs adhering necessary Ethical Standards. The Company has been consistently receiving recognition by various Trade Organizations and Councils, for its' performance and achievements. Following are some of the awards/recognition received by the Company in the past:

- GJEPC Award for being the largest exporter of Studded Precious Metal Jewellery in 2018.
- GJEPC Award for outstanding Export Performance under the category "Studded Precious Metal Jewellery Exports", in 2017.
- GJEPC Award for topping Export Performance under the category "Studded Precious Metal Jewellery Exports", in 2016.
- Accorded with membership of Responsible Jewellery Council (RJC), in 2016.

## Directors' Report (Contd...)

- GJEPC Award for outstanding Export Performance under the category "Studded Precious Metal Jewellery Exports", in 2015.
- GJEPC Award for outstanding Export Performance under the category "Studded Precious Metal Jewellery Exports", in 2012.
- GJEPC Award for topping the Export Performance under the category "Studded Precious Metal Jewellery Exports from EPZ/EOU Complexes" in 2011.
- Emerging India Awards 2009.
- GJEPC Award for being the largest exporter of Studded Precious Metal Jewellery in 2008.
- Wal-Mart's 'International Supplier of the Year' Award, in 2004.
- SEEPZ-SEZ Star 2000-2001 Award.

### CORPORATE GOVERNANCE

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

A separate report on Corporate Governance, as stipulated under Regulation 34(3) read with Schedule V of SEBI (LODR) Regulations, 2015, along with certificates of Practicing Company Secretary of the Company, forms an integral part of this Annual Report. A certificate from the Managing Director and CFO of the Company confirming internal controls and checks pertaining to financial statements for the year ended March 31, 2020 was placed before the Board of Directors and the Board has noted the same.

### CASH FLOW STATEMENT

In conformity with the provisions of Regulation 34 (2) (c) of the SEBI (LODR) Regulations, 2015, the cash flow statement for the year ended March 31, 2020 is annexed hereto.

### DIRECTORS & KEY MANAGERIAL PERSONNEL

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

Pursuant to the provisions of Sections 149(10), and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and Regulation 16 of SEBI( Listing Obligations and Disclosures Requirements) Regulations 2015, based on the recommendation of the Nomination and Remuneration Committee and the Board, the members' at their 30<sup>th</sup> Annual General Meeting held on August 07, 2019 ,by passing special resolutions, had re-appoint Mr. Veerkumar C. Shah, Mr. Vishwas V. Mehendale, Mr. Anil K. Chopra, Mr. Arun P. Sathe and Mrs. Madhavi S. Pethe as Independent Directors on the Board of the Company, for a further period of 5 (five) years to hold the office up to conclusion of the 35<sup>th</sup> Annual General Meeting proposed to be held in 2024.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Niranjana Shah (DIN: 00036439), Executive Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

Brief resume of the Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas and names of companies in which they hold Directorships and Membership/ Chairmanship of Board Committees, as stipulated under Regulation 17 of SEBI (LODR) Regulations, 2015 are provided in the Notice forming part of this Annual Report.

As on date of this Report, the Board consists of nine Directors comprising one Executive Chairman, five Independent Directors, two Executive Directors and one Non Executive Director. Out of five independent directors one is lady independent director. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

### KEY MANAGERIAL PERSONNEL (KMP)

Pursuant to the provisions of Section 203 of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the following are whole-time Key Managerial Personnel of the Company as on March 31, 2020:

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

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

## Directors' Report (Contd...)

### DECLARATION BY INDEPENDENT DIRECTOR

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) and Regulation 25 of SEBI (LODR) Regulations, 2015.

Pursuant to provision of Regulation 17A of SEBI (LODR) Regulations, 2015, none of the Non-Executive Directors serve as an Independent Directors on more than seven listed Companies and none of the Executive Directors serve as an Independent Director on any listed Company.

### Independent directors databank registration:

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all Independent directors of the Company have registered themselves with online databank for Independent Directors maintained by Indian Institute of Corporate Affairs (IICA).

The Company has received declarations from all the Independent Directors of the Company confirming that they have registered their names in the Independent Directors' databank maintained by Indian Institute of Corporate Affairs (IICA) as prescribed by MCA.

### ANNUAL EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

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

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

### MEETING OF INDEPENDENT DIRECTORS

Clause VII (1) of the schedule IV of the Companies Act 2013 and Regulation 25(3) of SEBI (LODR) Regulations, 2015 requires the independent directors of the company to hold at least one separate meeting in a financial year without the presence of non-independent Directors and any other member of the Management.

In view of outbreak of CoVID-19 pandemic and the relaxation given by MCA vide Circular 11/2020 dated March 24, 2020, the Independent Directors of the Company were not able to hold a separate meeting to review the performance of Non-Independent Directors including Executive Chairman and Managing Director and the Board as a whole for the financial year 2020-21.

### FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

The Company has formulated Familiarisation Program to familiarise the Independent Directors with the Company and its business. The details of the program and related matters are posted on the website of the Company [www.renaissanceglobal.com](http://www.renaissanceglobal.com).

### NOMINATION AND REMUNERATION POLICY

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

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

### DISCLOSURE OF PECUNIARY RELATIONSHIP

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013, have been followed and there are no material departures from the same;

## Directors' Report (Contd...)

- b) selected accounting policies were applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of the Directors' knowledge and ability;
- d) the annual accounts have been prepared on a 'going concern' basis;
- e) internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and are operating effectively and
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### AUDITORS

As per Section 139 of the Companies Act, 2013 ('the Act'), read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in 29<sup>th</sup> Annual General Meeting held on August 07, 2018 had approved the appointment of M/s Chaturvedi and Shah LLP, Chartered Accountants (Firm Registration No:101720W) as the Statutory Auditors of the Company for an initial term of 5 years i.e. from the conclusion of 29<sup>th</sup> Annual General Meeting until the conclusion of 34<sup>th</sup> Annual General Meeting of the Company to be held in the year 2024, subject to ratification by the shareholders every year, if so required under law.

The requirement of ratification of appointment of Auditors by members at every Annual General Meeting is done away with by the Ministry of Corporate Affairs vide its notification dated May 7, 2018. Hence, the members' resolution seeking ratification for continuance of their appointment at this AGM is not being sought.

M/s Chaturvedi and Shah LLP, has furnished a certificate of their eligibility and consent under Section 139 and 141 of the Act and the Companies (Audit and Auditors) Rules 2014 for their continuance as the Auditors of the Company for the FY 2020-21. In terms of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

### AUDITORS' REPORT

The Statutory Auditors' Report for FY 2019-20 on the financial statement of the Company forms part of this Annual Report. The Statutory Auditors' report on the financial statements for FY 2019-20 does not contain any qualifications, reservations or adverse remarks or disclaimer. The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso to Section 143(12) of the Act. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments by the Board.

### INTERNAL AUDITORS

In accordance with provisions of Sections 138 of the Companies Act, 2013 and pursuant to the recommendation of the Audit Committee, M/s J. K. Shah & Co., Chartered Accountants, Mumbai have been appointed as Internal Auditors of the Company for conducting Internal Audit of the Company for the Financial Year 2019-20.

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

### INTERNAL FINANCIAL CONTROLS

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

### SECRETARIAL AUDITOR

In accordance with provisions of Sections 204 of the Companies Act, 2013, the Board has appointed M/s V. V. Chakradeo & Co., Practising Company Secretaries, Mumbai, as Secretarial Auditors of the Company to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is enclosed herewith as **Annexure - I** forming part of this Director's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the Audit Committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

## Directors' Report (Contd...)

### MAINTENANCE OF COST RECORDS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SECTION 148 OF THE COMPANIES ACT, 2013

The provisions relating to maintenance of Cost Records as specified by the Central Government under Section 148 of the Companies Act, 2013 is not applicable to the Company.

### DEPOSITS

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

Since the Company is exploring the opportunity to enter into the domestic sale of jewellery, the Domestic Division of the Company, in view to attract the customers and to increase the sales volume, is proposing to float Jewellery purchase Schemes. In these jewellery purchase Schemes the customers can purchase expensive Jewellery by depositing a fixed amount every month for the chosen tenure and at the end of the term buy the jewellery at a value that is equivalent to the total money deposited, including a bonus amount added by the Company upon maturity.

As per the explanation to the definition of 'deposit' given under the Acceptance of Deposit Rules of the Companies Act, 2013, the jewellery purchase schemes offered by the Company to its customers are deemed to be deposits and have to comply with Chapter V of the Act and the Deposit Rules before commencing acceptance/renewal of deposits from its Members and from Public.

Therefore, the Board of Directors of your Company at its meeting held on June 29, 2020 has approved the proposal to float Jewellery purchase Schemes and recommended the same for approval of the shareholders by passing the Special Resolution at the ensuing Annual General Meeting of the Company.

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

Following is the information required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2020.

#### a) Conservation of Energy:

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

(i) the steps taken or impact on conservation of energy	Air Curtains have been installed in production areas where doors are required to keep open for operational purposes. These Air Curtains reduces penetration of insects and unconditioned air into a conditioned space resulting into preservation of air conditioning effect and low consumption of power.
(ii) the steps taken by the company for utilising alternate sources of energy	LEDs were installed in the company as alternate source of energy.
(iii) the capital investment on energy conservation equipments	Corpus for installing air curtains and LEDs is ₹ 1,00,000/- approximately.

#### b) Technology Absorption:

(i) the efforts made towards technology absorption	The Company continuously monitors and keep track of technological up gradation in the field of Jewellery manufacturing and the same are reviewed and considered for implementation. Your Company continued its focus on quality up-gradation and product enhancements.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	<ol style="list-style-type: none"> <li>Enhanced productivity &amp; reduction in production time</li> <li>Total traceability of each piece during entire manufacturing process through customized software</li> <li>Reduction in re-work &amp; rejection in manufacturing.</li> <li>Enhancement of product spectrum</li> <li>Improvement in quality of existing products.</li> </ol>

## Directors' Report (Contd...)

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of FY)-	
(a) the details of technology imported;	NA
(b) the year of import;	
(c) whether technology been fully absorbed;	
(d) if not fully absorbed, areas where absorption has not taken place & reasons thereof; and	
(iv) the expenditure incurred on Research and Development	As per the established Accounting Policy expenditure incurred on Research & Development remains merged with the respective heads.

### c) Foreign exchange earnings and outgo:

(₹ in Lakh)

	FY 2019-20	FY 2018-19
Foreign Exchange Earnings	122,221.45	125,694.53
Foreign Exchange Outgo	56,932.57	45,817.96

### CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

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

The Board of Directors of your Company at its meeting held on February 12, 2020 has approved the proposal to enter into franchisee agreement with M/s Verigold Jewellery India Private Limited (VJIPL) for exploring the opportunity to enter into the domestic sale of jewellery by becoming licensed franchisee of Irasva Jewellery brand owned by M/s Verigold Jewellery India Private Limited.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is posted on the Company's website [www.renaissanceglobal.com](http://www.renaissanceglobal.com).

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

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

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

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

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

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

### RISK MANAGEMENT

The Board of Directors has adopted Risk Management Policy for the Company which provides for identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company.

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

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

## Directors' Report (Contd...)

### HUMAN RESOURCES

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

### PREVENTION OF SEXUAL HARASSMENT COMMITTEE

As per the requirement of Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, (POSH) your Company has a robust mechanism in place to redress the complaints reported under this Act. The Company has complied with provisions relating to the constitution of Internal Complaints Committee (ICC) under POSH.

The Internal Complaints Committee (ICC) composed of internal members and an external member who has extensive experience in the relevant field. The said Committee meets regularly and takes up programs to spread awareness and educate employees about prevention of Sexual Harassment at Workplace.

#### Following is the status of sexual harassment complaints during the financial year under review:

Sr. No.	Particulars	No of Complaints
1	Number of complaints filed during the financial year	Nil
2	Number of complaints disposed of during the financial year	Nil
3	Number of complaints pending as on end of the financial year.	Nil

### OTHER DISCLOSURES

#### CSR Committee

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

#### Audit Committee

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

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

#### Meetings of the Board

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

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

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient are provided in the Standalone Financial Statement.

#### Particulars of Employees

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

#### Compliance with Secretarial Standards on Board and General Meetings

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

#### Extract of Annual Return

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

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

In terms of Section 125 of the Companies Act, 2013, any unclaimed or unpaid Dividend relating to the financial year 2012-13 is due on September 28, 2020 for remittance to the Investor Education and Protection Fund (IEPF) established by the Central Government. For the unclaimed dividend relating to other financial years and the respective IEPF Transfer due dates, please refer the statement of IEPF transfer provided in Report on Corporate Governance.

During the financial year under review, the Company has transferred unclaimed dividend for FY 2011-12 amounting to ₹ 62,987/-, to the IEPF.

## Directors' Report (Contd...)

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

During the year, the Company has transferred 1129 Equity Shares of the Company to Demat Account of IEPF Authority (776 and 353 Equity shares of the FY 2010-11 and 2011-12 respectively) . The shares so transferred were on account of unclaimed dividends for seven consecutive years. The details of the shareholders whose equity shares had been transferred to the Demat Account of the IEPF Authority are available on the website of the Company i.e. [www.renaissanceglobal.com](http://www.renaissanceglobal.com).

With the transfer of aforesaid Shares into IEPF as of March 31, 2020, a total of 5285 shares of the Company were lying in the Demat A/c of the IEPF Authority,

Concerned Shareholders may still claim the shares or apply for refund to the IEPF Authority in Web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).

The voting rights on shares transferred to the IEPF Authority shall remain frozen until the rightful owner claims the shares. The shares held in such DEMAT account shall not be transferred or dealt with in any manner whatsoever except for the purposes of transferring the shares back to the claimant as and when he approaches the Authority. All benefits except rights issue accruing on such shares e.g. bonus shares, split, consolidation, fraction shares etc., shall also be credited to such DEMAT account.

Any further dividend received on such shares shall be credited to the IEPF Fund.

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

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

### **ENVIRONMENT, HEALTH AND SAFETY**

The Company considers it is essential to protect the Earth and limited natural resources as well as the health and wellbeing of every person. The Company strives to achieve safety, health and environmental excellence in all aspects of its business activities.

### **CAUTIONARY STATEMENT**

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

### **ACKNOWLEDGEMENTS**

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

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

For and on behalf of the Board,

**Niranjan Shah**  
**Executive Chairman**  
**(DIN – 00036439)**

**Hitesh Shah**  
**Managing Director**  
**(DIN – 00036338)**

Mumbai, June 29, 2020



# Annexure to Directors' Report

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

For the Financial Year Ended March 31, 2020

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

To,  
The Members,  
**Renaissance Global Ltd.**

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

Due to COVID 19 and lockdown it was not possible to check all documents physically so based on our verification of the Company's scanned documents, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit;

We hereby report that in my opinion the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 (Audit Period) complied with the statutory provisions listed hereunder and also that the company has proper board-processes and compliance mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

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

- i) The Companies Act, 2013 (Act) and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following regulations, guidelines prescribed under Securities and Exchange Board of India Act, 1992:
  - a) The Securities and Exchange Board of India, (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Employees Stock Options Scheme and Stock Purchase Scheme) Guidelines 1999/ Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Registrar to Issue and Share Transfer Agents) Regulations 1993, regarding the Companies Act, and dealing with client.
  - f) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- vi) Applicable laws for Jewellery manufacturing industry, public licences permissions/licences from various local authorities, Government and semi Government bodies;
- vii) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- viii) Other applicable Laws like Factory Act, Labour, Income Tax Act, Goods and Service Tax, Pollution Control Act, Electricity Act, Boiler Act, Hazardous Chemical Act etc.
- ix) Special Economic Zones Act, 2005 and the rules made thereunder

## Annexure to Directors' Report (Contd...)

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

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

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

We further report that:

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

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

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

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

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

The Hon'ble National Company Law Tribunal, Mumbai Bench approved the Scheme of Amalgamation of wholly owned subsidiaries of the Company viz. House Full International Limited and N. Kumar Diamond Exports Limited with the Company, pursuant to its order dated April 22, 2019, with appointed date April 01, 2017

The said Scheme of Amalgamation has become effective on May 08, 2019 after filing the certified copy of NCLT order with Registrar of Companies, Mumbai.

**FOR V. V. CHAKRADEO & CO.**  
Company Secretaries

**Place:** Mumbai  
**Date:** July 20, 2020  
UDIN : F003382B000480001

**V. V. CHAKRADEO**  
COP 1705, FCS 3382

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

## Annexure to Directors' Report (Contd...)

**ANNEXURE TO SECRETARIAL AUDITORS' REPORT**

To,  
The Members,  
**Renaissance Global Ltd.**

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

1. Maintenance of secretarial record is responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of the Corporate and other laws, rules, regulations, norms and standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR V. V. CHAKRADEO & CO.**  
Company Secretaries

**Place:** Mumbai  
**Date:** July 20, 2020  
UDIN : F003382B000480001

**V. V. CHAKRADEO**  
COP 1705, FCS 3382

## Annexure to Directors' Report (Contd...)

**ANNEXURE - II****Annual Report on Corporate Social Responsibility (CSR) activities for the FY 2019-20**

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

1.	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs and the composition of CSR Committee	<b>Refer Corporate Social Responsibility and Disclosures: CSR Committee in this Directors' Report</b>
2.	Average net profit of the Company for last three FYs	<b>₹ 3931.21 Lakh</b>
3.	Prescribed CSR expenditure (2% percent of the amount mentioned in item 2 above)	<b>₹ 79 Lakh</b>
4.	Details of CSR spent during the financial year:	
-	Total amount to be spent for the financial year	<b>₹ 79.38 Lakh</b>
-	Amount unspent, if any	<b>NA</b>
-	Manner in which amount spent during the financial year	<b>Details given below</b>

**Details of Amount Spent on CSR Activities during the Financial Year 2019-20:**

Sr. No.	CSR project or Activity Identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013 as amended)	Project of Program (1) Local Area/ Other & district where projects /programs was undertaken	Amount Outlay (Budget) Project/ Program wise (₹ in Lakh)	Amount spent on the Projects/ Programs Sub Heads: (1) Direct Expenditure on Projects/ Programs (2) Overheads (₹ in Lakh)	Cumulative Expenditure upto the reporting period i.e. FY 2019-20 (₹ in Lakh)	Amount Spent (Direct/ through Implementing Agency)
1.	Medical, Health care and Social welfare	Clause No. i	<b>Maharashtra:</b> - Mumbai - Jalana <b>Gujarat:</b> - Bhavnagar, - Patan <b>Tamil Nadu:</b> - Coimbatore	27.65	18.32	145.14	Direct/ through Implementing Agency
2.	Education	Clause No. ii	<b>Maharashtra:</b> - Mumbai - Thana <b>Gujarat:</b> - Bhavnagar, - Patan <b>Tamil Nadu:</b> - Coimbatore	15.80	22.84	131.03	Direct/ through Implementing Agency
3.	Humanitarian	Clause No. iii	<b>Maharashtra:</b> - Mumbai <b>Gujarat:</b> - Bhavnagar, - Patan	19.75	21.00	95.80	Direct/ through Implementing Agency
4.	Environmental/ Animal Welfare / Cultural/Religious	Clause No. iv	<b>Gujarat:</b> - Bhavnagar, - Patan	15.80	17.22	98.18	Direct/ through Implementing Agency
<b>TOTAL</b>				<b>79.00</b>	<b>79.38</b>	<b>470.15</b>	

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

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

**RESPONSIBILITY STATEMENT**

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

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

**Niranjan Shah**  
Chairman, CSR Committee  
(DIN – 00036439)

**Hitesh Shah**  
Managing Director  
(DIN – 00036338)

Mumbai, June 29, 2020

## Annexure to Directors' Report (Contd...)

**ANNEXURE – III****Particulars of Remuneration of Executive Directors, KMPs and Median Remuneration**

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

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

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director /KMP for FY 2019-20 (₹)	% increase in Remuneration in the FY 2019-20	Ratio of remuneration of each Director to median remuneration of employees
<b>A. Directors:</b>				
1	Niranjan A. Shah (Executive Chairman)	36,28,800	NIL	11.53
2	Hitesh M. Shah (Managing Director)	90,57,600	NIL	28.82
3	Neville R. Tata (Executive Director)	97,36,279	NIL	30.74
<b>B. Key Managerial Personnel: (KMP)</b>				
1	G. M. Walavalkar (Company Secretary)	27,85,800	23.87	NA
2	Dilip B. Joshi (Chief Financial Officer)	32,92,800	9.01	NA

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

Sr. No.	Requirements	Disclosure	
1	The median remuneration of employees of the Company during the financial year (for the purpose of calculating median remuneration the remuneration of resigned and newly joined employees has not taken into consideration)	3,12,281/- P.A.	
2	Percentage increase in median remuneration of employees in the financial year	11.99 %	
3	Number of permanent employees on the rolls of company	723	
4	Average percentile increase already made in the salaries other than the Managerial Personnel in the last financial year and its comparison with the percentile in the remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	<b>Non-Managerial</b> 9.72 %	<b>Managerial</b> 2.95 %
5	The key parameters for any variable component of remuneration availed by directors	NA The Company does not have any variable pay structure for its directors.	
6	The ratio of remuneration of the highest paid director to employees who are not directors but receive remuneration in excess of highest paid directors	NA	
7	Remuneration as per Policy	The Remuneration paid to Directors/ senior management personnel was as per the Remuneration policy of the Company.	

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

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

## Annexure to Directors' Report (Contd...)

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

As on the financial year ended on March 31, 2020  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

<b>I. REGISTRATION AND OTHER DETAILS</b>	
i. CIN	L36911MH1989PLC054498
ii. Registration Date	December 4, 1989
iii. Name of the Company	Renaissance Global Limited (Formerly Renaissance Jewellery Limited)
iv. Category / Sub-Category of the Company	Public Company / Limited by shares
v. Address of the Registered office and contact details	Plot No. 36A & 37, SEEPZ, MIDC Marol, Andheri (E), Mumbai – 400 096. Tel. : 022 – 4055 1200 Fax : 022 – 6693 8457, 2829 2146 Email : <a href="mailto:investors@renaissanceglobal.com">investors@renaissanceglobal.com</a> Web : <a href="http://www.renaissanceglobal.com">www.renaissanceglobal.com</a>
vi. Whether listed company	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083. Tel. : 022-49186000 Fax : 022-49186060 Email : <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Web : <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>
<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>	
All the business activities contributing 10% or more of the total turnover of the company	As per Attachment – A
<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>	
	As per Attachment – B
<b>IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)</b>	
i. Category-wise Share Holding	As per Attachment – C
ii. Shareholding of Promoters	As per Attachment – D
iii. Change in Promoters' Shareholding	As per Attachment – E
iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment – F
v. Shareholding of Directors and Key Managerial Personnel	As per Attachment – G
<b>V. INDEBTEDNESS</b>	
Indebtedness of the Company including interest outstanding/ accrued but not due for payment	As per Attachment – H
<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>	
i. Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment – I
ii. Remuneration to other directors	As per Attachment – J
iii. Remuneration of KMPs	As per Attachment – K
<b>VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES</b>	
	As per Attachment – L

## Annexure to Directors' Report (Contd...)

## ATTACHMENT – A

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

# On the basis of Gross Turnover

## ATTACHMENT – B

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of Company	Address of Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held*	Applicable section
1	Renaissance Jewelry NY Inc.	260 Madison Avenue 18 <sup>th</sup> Floor, New York, New York – 10016	-	Wholly owned subsidiary	100%	2(87)(ii)
2	Verigold Jewellery (UK) Ltd.	88-90 Hatton Garden Suite 56, 5 <sup>th</sup> floor, London EC1N8PN	-	Wholly owned subsidiary	100%	2(87)(ii)
3	Renaissance Jewellery Bangladesh Pvt. Ltd	Plot No. 107 & 108, Adamjee Export Processing Zone Extension Area, Adamjee Nagar, Narayanganj, Bangladesh	-	Wholly owned subsidiary	100%	2(87)(ii)
4	Verigold Jewellery DMCC	Unit No: 20-10-21 Jewellery & Gemplex 2 Plot No: DMCC-PH2-J&GPlaxS Jewellery & Gemplex DUBAI United Arab Emirates	-	Wholly owned subsidiary	100%	2(87)(ii)
5	Renaissance Jewellery DMCC	Unit # B03-04-31 & 33, Jewellery & Gemplex DMCC, PO Box – 26884, Dubai, United Arab Emirates	-	In direct Subsidiary	-	2(87)(ii)
6	Jay Gems Inc.	590, Fifth Avenue, New York, NY 10036	-	In direct Subsidiary	-	2(87)(ii)
7	Essar Capital LLC	590, Fifth Avenue, New York, NY 10036	-	In direct Subsidiary	-	2(87)(ii)
8	Verigold Jewellery (Shanghai) Trading Company Limited **	Room 6102, No.210 Century Avenue, China(Shanghai) Pilot Free Trade Zone, Shanghai, China	-	In direct Subsidiary	-	2(87)(ii)
11	N. Kumar Diamond Exports Ltd.***	CC 9081 Bharat Diamond Bourse, BKC, Mumbai-400051	U36910MH1995PLC086106	Wholly owned subsidiary	100.00%	2(87)(ii)
12	House Full International Ltd.***	C-3, plot 15, WICEL, Andheri (E), Mumbai-400093	U45401MH2005PLC158277	In direct Subsidiary	33.33%	2(87)(ii)
13	House Full Supply Chain Management Ltd. @	C-3, plot 15, WICEL, Andheri (E), Mumbai-400093	U51109MH2010PLC207801	In direct Subsidiary	-	2(87)(ii)

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

\*\* "Verigold Jewellery DMCC", wholly owned subsidiary of the Company has incorporated "Verigold Jewellery (Shanghai) Trading Company Ltd., a step down subsidiary in China on April 18, 2019

\*\*\* The House Full International Limited (HFIL) and N. Kumar Diamond Exports Limited (NKDEL) stand dissolved without winding up after May 08, 2019 i.e. effective date of Scheme of Amalgamation (Merger) of (HFIL) and (NKDEL) with Renaissance Global Limited (RGL) (formerly Renaissance Jewellery Limited), sanctioned by Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"

@ During the financial year under review the name of House Full Supply Chain Management Limited (HFSCML), has been struck off from the Register of Companies as per the ROC Notice dated ROC-MLIMISec. 248(2)/STK-6110971 dated 10.04.2019 issued under 248(2) of the Companies Act, 2013

## Annexure to Directors' Report (Contd...)

## ATTACHMENT – C

## IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2019)				No. of Shares held at the end of the year (As on 31-03-2020)				% of 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	3979443	0	3979443	21.08	4542535	0	4542535	24.06	2.98
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	72	0	72	0.00	0	0	0	0	(0.00)
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other - Trust	5252028	0	5252028	27.82	5252028	0	5252028	27.82	0
<b>Sub-total (A) (1)</b>	<b>9231543</b>	<b>0</b>	<b>9231543</b>	<b>48.89</b>	<b>9794563</b>	<b>0</b>	<b>9794563</b>	<b>51.88</b>	<b>2.98</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	4128037	0	4128037	21.87	4128037	0	4128037	21.87	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2)</b>	<b>4128037</b>	<b>0</b>	<b>4128037</b>	<b>21.87</b>	<b>4128037</b>	<b>0</b>	<b>4128037</b>	<b>21.87</b>	<b>0.00</b>
<b>TOTAL SHAREHOLDING OF PROMOTER (A) = (A)(1) + (A)(2)</b>	<b>13359580</b>	<b>0</b>	<b>13359580</b>	<b>70.76</b>	<b>13922600</b>	<b>0</b>	<b>13922600</b>	<b>73.74</b>	<b>2.98</b>
<b>(B) PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks /FI	60173	0	60173	0.32	0	0	0	0	(0.32)
c) Central Govt. *	4156	0	4156	0.02	5285	0	5285	0.03	0.01
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
<b>Sub-total (B) (1)</b>	<b>64329</b>	<b>0</b>	<b>64329</b>	<b>0.34</b>	<b>5285</b>	<b>0</b>	<b>5285</b>	<b>0.03</b>	<b>(0.31)</b>
<b>(2) Non-institutions</b>									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0



## Annexure to Directors' Report (Contd...)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2019)				No. of Shares held at the end of the year (As on 31-03-2020)				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	1438660	50	1438710	7.62	1306388	50	1306438	6.92	(0.70)
ii) Individual shareholders holding nominal share capital in excess ₹ 1 lakh	1950795	0	1950795	10.33	1819538	0	1819538	9.64	(0.69)
c) NBFC Registered with RBI	513	0	513	0.00	0	0	0	0	(0.00)
d) Others									
i) Trusts**	0	0	0	0	0	0	0	0	0.00
ii) Unclaimed Shares Suspense Account*	0	0	0	0	0	0	0	0	0
iii) Hindu Undivided Family	293397	0	293397	1.55	278118	0	278118	1.47	(0.08)
iv) Non Resident Indians (Non Repat)	159388	0	159388	0.84	153491	0	153491	0.81	(0.03)
iv) Non Resident Indians (Repat)	55117	0	55117	0.29	80082	0	80082	0.42	0.13
vi) Clearing Member	23824	0	23824	0.13	6802	0	6802	0.04	(0.09)
vii) Bodies Corporate	1337411	0	1337411	7.08	1110710	0	1110710	5.88	(1.20)
<b>Sub-total (B) (2)</b>	<b>5259105</b>	<b>50</b>	<b>5259155</b>	<b>27.85</b>	<b>4755129</b>	<b>50</b>	<b>4755179</b>	<b>25.19</b>	<b>(2.67)</b>
<b>TOTAL PUBLIC SHAREHOLDING (B) = (B) (1) + (B) (2)</b>	<b>5323434</b>	<b>50</b>	<b>5323484</b>	<b>28.20</b>	<b>4760414</b>	<b>50</b>	<b>4760464</b>	<b>25.22</b>	<b>(2.98)</b>
<b>(C) SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(D) Non Promoter - Non Public</b>									
Employee benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) <i>R/L Employee Welfare Trust</i>	196376	0	196376	1.04	196376	0	196376	1.04	0
<b>Sub-total (D)</b>	<b>196376</b>	<b>0</b>	<b>196376</b>	<b>1.04</b>	<b>196376</b>	<b>0</b>	<b>196376</b>	<b>1.04</b>	<b>0</b>
<b>GRAND TOTAL (A+B+ C+D)</b>	<b>18879390</b>	<b>50</b>	<b>18879440</b>	<b>100</b>	<b>18879390</b>	<b>50</b>	<b>18879440</b>	<b>100</b>	<b>0.00</b>

\*During the year under review Company has transferred 1129 shares (776 and 353 Equity shares of the FY 2010-11 and 2011-12 respectively) to the IEPF Authority in respect of which dividend has not been paid or claimed for seven consecutive years or more.

With the transfer of aforesaid Shares into IEPF as of March 31, 2020, a total of 5285 shares of the Company were lying in the Demat A/c of the IEPF Authority,

## Annexure to Directors' Report (Contd...)

## ATTACHMENT – D

## ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2019)			Shareholding at the end of the year (As on 31-03-2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares *	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares *	
1	Niranjan A. Shah	238761	1.26	0	641409	3.40	0	2.13
2	Niranjan Family Private Trust (shares held in the name of trustee Mr. Sumit N. Shah)	2580112	13.67	0	2580112	13.67	0	0.00
3	Sumit N. Shah	4128037	21.87	0	4128037	21.87	0	0.00
4	Hitesh M. Shah	1335958	7.08	0	1335958	7.08	0	0.00
5	Amit C. Shah	667979	3.54	0	667979	3.54	0	0.00
6	Bhupen C. Shah	667979	3.54	0	667979	3.54	0	0.00
7	Kalpana N. Shah	0	0.00	0	0	0	0	0.00
8	Pinky D. Shah	1068766	5.66	0	1068766	5.66	0	0.00
9	N. Kumar Diamond Exports Limited	72	0.00	0	0	0	0	(0.00)
10	Kothari Descendents Private Trust (shares held in the name of trustee Mr. Niranjan Shah)	2671916	14.15	0	2671916	14.15	0	00
11	Reena Ahuja	0	0.00	0	160444	0.85	0	0.85
12	Hitesh M Shah Family Trust	0	0	0	0	0	0	0
<b>TOTAL</b>		<b>13359580</b>	<b>13359580</b>	<b>70.76</b>	<b>13922600</b>	<b>73.74</b>	<b>0</b>	<b>2.98</b>

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

## Annexure to Directors' Report (Contd...)

## ATTACHMENT – E

## iii) Change in Promoters' Shareholding

Sr. No.	Name	Shareholding at the beginning of the year (01-04-19)		Date of transaction	Increase/Decrease in shareholding	Reason	Cumulative Shareholding at the end of the year (31-03-20)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Niranjan Shah	238761	1.26	24.06.2019	72	Inter se transfer of Shares	641409	3.40
				02.12.2019	4766	Transaction in open market		
				04.12.2019	50000			
				05.12.2019	8109			
				06.12.2019	10000			
				09.12.2019	7186			
				10.12.2019	11993			
				11.12.2019	9837			
				12.12.2019	18483			
				13.12.2019	16290			
				16.12.2019	18650			
				17.12.2019	26000			
				18.12.2019	5112			
				19.12.2019	6500			
				20.12.2019	15000			
				23.12.2019	12450			
				24.12.2019	13700			
26.12.2019	21000							
27.12.2019	32000							
30.12.2019	61500							
31.12.2019	54000							
2	Sumit Shah	4128037	21.87	-	-	-	4128037	21.87
3	Hitesh Shah	1335958	7.08	-	-	-	1335958	7.08
4	Amit Shah	667979	3.54	-	-	-	667979	3.54
5	Bhupen Shah	667979	3.54	-	-	-	667979	3.54
6	Pinky Shah	1068766	5.66	-	-	-	1068766	5.66
7	N. Kumar Diamond Exports Ltd	72	0.00	24.06.2019	(72)	Inter se transfer of Shares	00	0.00
8	Niranjan Family Private Trust (shares held in the name of trustee Mr. Sumit N. Shah)	2580112	13.67	-	-	-	2580112	13.67
9	Kothari Descendents Private Trust (shares held in the name of trustee Mr. Niranjan Shah)	2671916	14.15	-	-	-	2671916	14.15
10	Reena Ahuja	0	0	04.03.2020	90000	Open Market Acquisition	160444	0.85
				06.03.2020	70444			
11	Kalpana Shah	0	0	-	-	-	0	0
12	Hitesh M Shah Family Trust	0	0	-	-	-	0	0
<b>TOTAL</b>		<b>13359580</b>	<b>70.76</b>				<b>13922600</b>	<b>73.74</b>

## Annexure to Directors' Report (Contd...)

## ATTACHMENT – F

## iv) Shareholding Pattern of top ten Shareholders

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

Sr. No.	Name	Shareholding at the beginning of the year (01-04-19)		Date of transaction	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding At the end of the year (31-03-20)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	BG Advisory Services LLP	699898	3.7072	-	-	-	699898	3.7072
2	Parag Sureshchandra Shah	304930	1.6151	-	-	-	304930	1.6151
3	Pooja Arora	256601	1.3592	05 Apr 2019	(3357)	Transaction in open market	250000	1.3242
				10 May 2019	(3244)			
4	Reena Arora	270000	1.4301	10 May 2019	(2099)	Transaction in open market	250000	1.3242
				31 May 2019	(13349)			
				27 Dec 2019	(4552)			
5	Vrsha Arora	250000	1.3242	07 Feb 2020	(2216)	Transaction in open market	245353	1.2996
				14 Feb 2020	(600)			
				21 Feb 2020	(1766)			
				06 Mar 2020	(65)			
6	RJL Employee Welfare Trust	196376	1.0402	-	-	-	196376	1.0402
7	JBCG Advisory Services Private Limited	195118	1.0335	10 May 2019	(5000)	Transaction in open market	178123	0.9435
				31 May 2019	(5000)			
				07 Jun 2019	(1500)			
				14 Jun 2019	(3500)			
				06 Dec 2019	2000			
				27 Mar 2020	(3995)			
8	Nikesh Sureshchandra Shah	165298	0.8755	05 Apr 2019	(67)	Transaction in open market	166948	0.8843
				12 Jul 2019	1500			
				13 Mar 2020	150			
9	Adesh Ventures LLP	163059	0.8637	-	-	-	163059	0.8637
10	Shrenik Manharlal Shah	156562	0.8293	-	-	-	156562	0.8293

## Annexure to Directors' Report (Contd...)

## ATTACHMENT – G

## v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name	Shareholding at the beginning of the year (01-04-19)		Date of transaction	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding at the end of the year (31-03-20)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
<b>A. DIRECTORS:</b>								
1	Niranjan A. Shah	238761	1.26	24.06.2019	72	Inter se transfer of shares	641409	3.40
				02.12.2019	4766	Transaction in open market		
				04.12.2019	50000			
				05.12.2019	8109			
				06.12.2019	10000			
				09.12.2019	7186			
				10.12.2019	11993			
				11.12.2019	9837			
				12.12.2019	18483			
				13.12.2019	16290			
				16.12.2019	18650			
				17.12.2019	26000			
				18.12.2019	5112			
				19.12.2019	6500			
				20.12.2019	15000			
				23.12.2019	12450			
				24.12.2019	13700			
				26.12.2019	21000			
				27.12.2019	32000			
				30.12.2019	61500			
				31.12.2019	54000			
2	Sumit N. Shah	4128037	21.87	-	-	-	4128037	21.87
3	Hitesh M. Shah	1335958	7.08	-	-	-	1335958	7.08
4	Neville R. Tata	0	0	-	0	-	0	0
5	Vishwas V. Mehendale	0	0	-	0	-	0	0
6	Anil K. Chopra	0	0	-	0	-	0	0
7	Veer Kumar C. Shah	64	0	-	0	-	64	0.00
8	Arun P. Sathe	0	0	-	0	-	0	0
9	Madhavi S. Pethe	0	0	-	0	-	0	0
<b>B. Key Managerial Personnel (KMP's)</b>								
1	G. M. Walavalkar	0	0	-	0	-	0	0
2	Dilip B. Joshi	0	0	-	0	-	0	0

## Annexure to Directors' Report (Contd...)

## ATTACHMENT – H

## V. INDEBTEDNESS

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

(₹ In Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2019)</b>				
i) Principal Amount	21,059.61	300.00	-	21,359.61
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	5.99	-	5.99
<b>TOTAL (i+ii+iii)</b>	<b>21,059.61</b>	<b>305.99</b>	<b>-</b>	<b>21,365.60</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	103,485.55	770	-	104,255.55
Reduction	(104,208.85)	700	-	(104,908.85)
Exchange Difference	-	-	-	-
<b>Net Change</b>	<b>(723.30)</b>	<b>70.00</b>	<b>-</b>	<b>(653.30)</b>
<b>Indebtedness at the end of the financial year (31.03.2020)</b>				
i) Principal Amount	20,336.31	375.99	-	20,712.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	7.45	-	7.45
<b>TOTAL (i+ii+iii)</b>	<b>20,336.31</b>	<b>383.44</b>	<b>-</b>	<b>20,719.75</b>

## ATTACHMENT – I

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/			Total Amount
		Mr. Niranjana A. Shah	Mr. Hitesh M. Shah	Mr. Neville R. Tata	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,600,000.00	9,000,000.00	9,600,000.00	22,200,000.00
	(b) Value of perquisites u/s17(2) of the Income-tax Act, 1961	28,800.00	57,600.00	136,279.00	222,679.00
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others	-	-	-	-
5	Others	-	-	-	-
	<b>TOTAL (A)</b>	<b>3,628,800.00</b>	<b>9,057,600.00</b>	<b>9,736,279.00</b>	<b>22,422,679.00</b>

## Annexure to Directors' Report (Contd...)

## ATTACHMENT - J

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## II. Remuneration to other Directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Independent Directors					Non-Executive Director	Total Amount
		Mr. Veerkumar C. Shah	Mr. Vishwas V. Mehendale	Mr. Anil K. Chopra	Mr. Arun P. Sathe	Mrs. Madhavi S. Pethe		
1.	Fee for attending board / committee meetings/ commissions/ others	270,000	285,000	225,000	225,000	225,000	-	12,30,000
2.	Fees for attending board/ committee meetings/ commissions/ others	-	-	-	-	-	0	0
<b>TOTAL (B)</b>								<b>12,30,000</b>
<b>TOTAL MANAGERIAL REMUNERATION (A+B)</b>								<b>2,37,17,479</b>

The total Managerial Remuneration Paid to Directors during FY 2019-20 is within the limit specified under section 197 of Companies Act, 2013

## ATTACHMENT - K

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## III. Remuneration to Key Managerial Personnel other than MD/WTD

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		CFO	Company Secretary	
		(Mr. Dilip B. Joshi)	(Mr. G. M. Walavalkar)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,264,000.00	2,757,000.00	6,021,000.00
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	28,800.00	28,800.00	57,600.00
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others	-	-	-
5	Others	-	-	-
<b>TOTAL</b>		<b>3,292,800.00</b>	<b>2,785,800.00</b>	<b>6,078,600.00</b>

## Annexure to Directors' Report (Contd...)

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / punishment / compounding fees imposed	Authority (RD/NCLT / COURT)	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					



# Business Responsibility Report

RGL Business Responsibility Report 2019-20 conforms to the Business Responsibility Reporting (BRR) requirement of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') and the National Voluntary guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs.

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L36911MH1989PLC054498
2	Name of the Company	Renaissance Global Limited (Formerly Renaissance Jewellery Limited)
3	Registered address	Plot No. 36A & 37, SEEPZ, MIDC Marol, Andheri (E), Mumbai – 400 096. Tel. : 022 – 4055 1200 Fax : 022 – 6693 8457, 2829 2146
4	Website	Web: <a href="http://www.renaissanceglobal.com">www.renaissanceglobal.com</a>
5	E-mail id	Email: <a href="mailto:investors@renaissanceglobal.com">investors@renaissanceglobal.com</a>
6	Financial Year reported	April 1, 2019 to March 31, 2020
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	99889020
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Manufacturing of Gold and Diamond studded Jewellery and Jewellery Making services (Refer Page No.111 Of Annual Report)
9	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	1. International locations: NIL  2. National locations: 9 manufacturing unit.
10	Markets served by the Company – Local/State/National/International	International Market

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	₹188,794,400
2	Total Turnover (INR) – as of 31.03.2020	₹12,795,426,734.69
3	Total profit after taxes (INR) – as of 31.03.2020	₹ 265,359,116.80
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.99% of PAT as of 31.03.2020 (₹ 79.38 Lakh)
5	List of activities in which expenditure in 4 above has been incurred:-	Refer CSR Report annexed to Directors Report

## SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

## SECTION D: BR INFORMATION

### 1. Details of Director responsible for BR:

a. Details of the Director responsible for implementation of the BR policy/policies

- 1) **DIN** : 00036338
- 2) **Name** : Mr. Hitesh Shah
- 3) **Designation** : Managing Director

### b. Details of the BR head

No.	Particulars	Details
1	<b>DIN Number (if applicable)</b>	00036338
2	<b>Name</b>	Mr. Hitesh Shah
3	<b>Designation</b>	Managing Director
4	<b>Telephone Number</b>	022-40551200
5	<b>Email ID</b>	<a href="mailto:Hitesh.shah@renaissanceglobal.com">Hitesh.shah@renaissanceglobal.com</a>

### 2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

- P1 – Business should be conducted with Ethics, Transparency and Accountability
- P2 – Goods and services of the Company should be safe and contribute to sustainability
- P3 – Businesses should promote the well-being of all employees
- P4 – Businesses should respect the interests of and be responsive towards all its' stakeholders
- P5 – Businesses should respect and promote human rights
- P6 – Business should respect, protect and make efforts to restore the environment
- P7 – Business should be done with Responsibility towards Public and Regulatory Policy
- P8 – Businesses should support inclusive growth and equitable development
- P9 – Businesses should be engaged to enrich the value of their customers

#### (a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3	Does the policy conform to any national / international standards? If yes,specifiy? (50 words)	The policies have been implemented and followed over a period of time as per the industry norms. These policies are in compliance with the applicable laws and have been approved by the Board or the management of the Company depending on the efficacy of the policies.								
4	Has the policy been approved by the board? If yes, has it been signed by MD/ Owner/CEO/ appiropriate Board Director?									
5	Dose the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Generally, the Management of the Company oversee the implementation of these policies								
6	Indicate the link for the policy to be viewed online?	The policies adopted by the Company are uploaded on the website / intranet of the Company for information of relevant stakeholders and employees.								

7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes
8	Does the company have in-house structure to implement the policy/ policies.	Yes, the Management of the Company ensure the implementation of these policies
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The management and Board of Directors of the Company internally keep on reviewing the implementation of these policies.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

Some of these principles have not been specifically codified in the form of formal policies but the Company endeavours to incorporate these principles in its day to day operations and the same are largely followed.

### 3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The management of the Company monitors the BR initiatives from time to time
(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company has started publishing BR Report from financial year 2019-20 as a part of its Annual Report. The BR Report can be accessed at the Company's website <a href="http://www.renaissanceglobal.com">www.renaissanceglobal.com</a> in the 'Investor' section.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1

#### P1 – Business should be conducted with Ethics, Transparency and Accountability:

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	No. The Company's ethics policy as embodied in the RGL Code of Conduct extends to group/JV/Suppliers/ Contractors/NGO's etc.
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	We have not received any complaints with regard to violation of Code of Conduct, Vigil Mechanism / Whistle Blower Policy during the financial year 2019-20

Principle 2

**P2 – Goods and services of the Company should be safe and contribute to sustainability:**

<p><b>1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.</b></p>	<p>The Company is engaged in only one product category i.e. Jewellery.</p> <p>The Company manufactures gold and diamond jewellery, which are safe for use.</p>
<p><b>2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?</b></p>	<p>The Company takes efforts in energy conservation by closely monitoring power consumption. The office and production areas are fitted with energy saving devices like Air Curtains, Solar panels etc. to conserve energy in the long run.</p> <p>The Company takes efforts in conservation, recycling and reuse of water resources. Rainwater harvesting has been one of the biggest initiatives taken to conserve water.</p>
<p><b>3. Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.</b></p>	<p>The Company believes in investing time and effort in building mutually beneficial relationships with the vendors. Vendors are a part of the Company's ecosystem and their relationship with the Company is a reflection of the same.</p> <p>Renaissance Global Limited is a certified member of the Responsible Jewellery Council (RJC). Being an RJC member, the Company is committed to and is independently audited against the RJC Code of Practices, an international standard on responsible business practices for the Gems and Jewellery industry. The Code of Practices addresses human rights, labour rights, environmental impact, mining practices, product disclosure and many more important topics in the jewellery supply chain.</p> <p>Suppliers are guided in process and system improvement and enhanced technical know-how.</p>
<p><b>4. Has the company taken any steps to procure goods and services from local &amp; small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</b></p>	<p>Yes, The Company intend to help local small and medium size suppliers to scale up and improve their operations, besides ensuring sustainable livelihood in the neighborhood of its operations and expects to build stronger and long-term ties with them.</p> <p>The vendors are also apprised on the requirements of the RGL Code of Conduct.</p>
<p><b>5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as &lt;5%, 5-10%, &gt;10%). Also, provide details thereof, in about 50 words or so.</b></p>	<p>- Yes, - 100%</p> <p>All our products and waste is recycled by collecting the metal dust, particles and melting it for new products</p>

## Principle 3

**P3 – Businesses should promote the well-being of all employees:**

1. Total number of employees as on March 31, 2020	868 on RGL Pay roll																	
2. Total number of employees hired on temporary/contractual/casual basis as on March 31, 2020	2090																	
3. Number of permanent women employees as on March 31, 2020	275																	
4. Number of permanent employees with disabilities as on March 31, 2020	Nil																	
5. Do you have an employee association that is recognized by management?	No																	
6. What percentage of your permanent employees is members of this recognized employee association?	NA																	
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	<table border="1"> <thead> <tr> <th>No.</th> <th>Category</th> <th>No of complaints filed during the financial year</th> <th>No of complaints pending as on end of the financial year</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>child labour</td> <td>0</td> <td>0</td> </tr> <tr> <td>2</td> <td>forced labour, involuntary labour</td> <td>0</td> <td>0</td> </tr> <tr> <td>3</td> <td>sexual harassment</td> <td>0</td> <td>0</td> </tr> </tbody> </table>		No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year	1	child labour	0	0	2	forced labour, involuntary labour	0	0	3	sexual harassment	0	0
No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year															
1	child labour	0	0															
2	forced labour, involuntary labour	0	0															
3	sexual harassment	0	0															
8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/Temporary/Contractual Employees (d) Employees with Disabilities.	100%																	

## Principle 4

**P4 – Businesses should respect the interests of and be responsive towards all its' stakeholders:**

1. Has the company mapped its internal and external stakeholders? Yes/No	Yes. The Company's stakeholders include its employees, suppliers, customers, investors, bankers and regulatory authorities.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes.

<p><b>3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.</b></p>	<p>The Company provides equal opportunity to women and differently abled employees. The Company also believes in women empowerment by providing them more and more employment opportunities. The policies adopted by the Company, specifically – CSR Policy and Code of Conduct, describes the initiatives of Company taken for the contributions to be made to the society.</p>
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**Principle 5**

**P5 – Businesses should respect and promote human rights:**

<p><b>1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?</b></p>	<p>The principles stated in our code and policies which include respect for human rights and dignity of all stakeholders, extend to the group, joint venture, suppliers and all those who work with us.</p>
<p><b>2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?</b></p>	<p>No material complaint related to violation of fundamental human rights of individuals was received during the financial year.</p>

**Principle 6**

**P6 – Business should respect, protect and make efforts to restore the environment:**

<p><b>1. Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/others.</b></p>	<p>No, the policy extends to Group/JV/Suppliers / Contractors/NGO's / others, etc.</p>
<p><b>2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.</b></p>	<p>No.</p>
<p><b>3. Does the company identify and assess potential environmental risks? Y/N</b></p>	<p>Yes</p>
<p><b>4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?</b></p>	<p>NA</p>
<p><b>5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.</b></p>	<p>NA</p>

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

## Principle 7

### P7 – Business should be done with Responsibility Towards Public and Regulatory Policy

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: a) Jewellery manufacturing	The Company is a member of the following associations/chambers: I. GJEPC (The Gems & Jewellery Export Promotion Council) II. Responsible Jewellery Council (RJC)
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).	The Company generally participates in programs organised by these associations and supports various issues for better customer experience.

## Principle 8

### P8 – Businesses should support inclusive growth and equitable development:

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. Please refer to CSR Report in Annexure II to the Board's Report for the initiatives taken by the company for inclusive growth.
2. Are the programmes/projects undertaken through in-house team/ own foundation/ external NGO / government structures/any other organization?	The CSR programs/projects are undertaken through employee's participation, own foundation and external NGO.
3. Have you done any impact assessment of your initiative?	Currently no impact assessment of initiatives has been undertaken. The Company may assess the impact of its various initiatives, as and when required.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	Please refer to CSR Report in Annexure II to the Board's Report

<p><b>5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.</b></p>	<p>Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. Telephonic and email communications, follow-ups and field visits are regularly carried out by the trained employees of the Company to monitor the CSR activities.</p>
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**Principle 9**

**P9 – Businesses should be engaged to enrich the value of their customers:**

<p><b>1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.</b></p>	<p>NIL</p>
<p><b>2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/ N.A. /Remarks(additional information)</b></p>	<p>Yes.</p>
<p><b>3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.</b></p>	<p>Nil.</p>
<p><b>4. Did your company carry out any consumer survey/ consumer satisfaction trends?</b></p>	<p>Being a Jewellery Manufacturing Company, we are tracking the customer's choices and keep their demands and likings in mind. New designs and collections are created at regular intervals as per the trend in the Markets. Company also takes feedback from its customers and addresses their issues, if any.</p>



# REPORT ON CORPORATE GOVERNANCE

In compliance with the Corporate Governance requirements as prescribed in Regulation 34(3) read with PART C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015), the Company's philosophy on Corporate Governance and compliance thereof in respect of specific areas, as applicable, for the year ended March 31, 2020 are set out below for information of shareholders and investors of the Company.

## THE COMPANY'S GOVERNANCE PHILOSOPHY

The Company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealings with the shareholders, employees, the Government and other parties. In so far as compliance of Regulation 17 to 27 of the SEBI (LODR) Regulations, 2015 is concerned, the Company has complied in all material respects with the requirements of Corporate Governance specified in the SEBI (LODR) Regulations, 2015.

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

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

## BOARD OF DIRECTORS

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

## BOARD'S FUNCTION AND PROCEDURE

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

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

## Composition

The Board of Directors of the Company (hereinafter referred as Board) comprises a combination of Executive and Non-Executive Directors. The Board is headed by an Executive Chairman. The composition of Board is in line with requirement of Regulation 17 of the SEBI (LODR) Regulations, 2015, which says at least half of the Board should comprise of Independent Directors, where the Chairman of the Board is an Executive Chairman. The Independent Directors do not have any pecuniary relationship or transactions with the Company, the promoters or the management, which may affect their judgment in any manner. The Directors are eminently qualified and experienced professionals in business, finance, Law and corporate management.

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

**The following is the composition of the Board as on March 31, 2020**

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

<b>Composition of the Board</b>	<b>Independent 56%</b>	<b>Non-Executive 67%</b>	<b>Executive 33%</b>
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Except Mr. Niranjan A. Shah and Mr. Sumit N. Shah who are related to each other as father and son, no Director on the Board is related to the other, as per definition of 'relative' given in Companies Act, 2013.

The members' at their 30<sup>th</sup> Annual General Meeting held on August 07, 2019, have re-appoint Mr. Veer Kumar C. Shah, Mr. Vishwas V. Mehendale, Mr. Anil K. Chopra, Mr. Arun P. Sathe and Mrs. Madhavi S. Pethe as Independent Directors on the Board of the Company, for a further period of 5 (five) years to hold the office up to conclusion of the 35<sup>th</sup> Annual General Meeting proposed to be held in 2024.

Mr. Niranjan Shah, Executive Chairman of the Company who retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible offer himself for re-appointment. The Board recommends his re-appointment and the same forms part of the AGM Notice.

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

**Remuneration of Directors**

Remuneration of Executive Directors is determined by the Nomination and Remuneration Committee comprising only Independent & Non-Executive Directors. The recommendations of the Nomination and Remuneration Committee are considered and approved by the Board subject to the approval of the Shareholders. Independent Directors do not receive any salary or commission except Sitting Fees. Sitting Fees constitute the fees paid to Independent Directors for attending Board and Committee Meetings.

**Details of Remuneration Paid to Directors during the F.Y. ended March 31, 2020**

(₹ In Lakh)

Name of Directors	Category	Sitting Fees	Salary	PF & Super Annuation Fund	Perquisites	Total
Niranjan A. Shah	Executive Chairman	-	36.00	0.22	0.28	36.50
Hitesh M. Shah	Executive Director	-	90.00	0.22	0.57	90.79
Neville R. Tata	Executive Director	-	96.00	0.22	1.36	97.57
Veer Kumar C. Shah	Independent Director	2.70	-	-	-	2.70
Vishwas V. Mehendale	Independent Director	2.85	-	-	-	2.85
Anil K. Chopra	Independent Director	2.25	-	-	-	2.25
Arun P. Sathe	Independent Director	2.25	-	-	-	2.25
Madhavi S. Pethe	Independent Director	2.25	-	-	-	2.25

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

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

During the financial year under review, no Equity Shares have been offered to any of the Directors, under the RJL- Employees Stock Option Plan 2018, approved by the members by passing of special resolution at the 29<sup>th</sup> Annual General Meeting of the Company held on August 07, 2018.

The services of Managing Director and Executive Director(s) may be terminated by either party, giving the other party three months' notice. There is no separate provision for payment of severance fees.

**Following are details of Equity Shares held by the Directors as on March 31, 2020**

Name of the Directors	No. of Equity Shares held	% Holding
Niranjan A. Shah	641409	3.3974
Sumit N. Shah	4128037	21.8653
Hitesh M. Shah	1335958	7.0763
Neville R. Tata	0	0
Veer Kumar C. Shah	64	0.003
Vishwas V. Mehendale	0	0
Anil K. Chopra	0	0
Arun P. Sathe	0	0
Madhavi S. Pethe	0	0

**Board Meetings and Attendance**

During the F.Y. 2019-20 five Board Meetings were held, at the Registered Office of the Company. The maximum time gap between any two board meetings was not more than 120 days.

**Following are details of Board Meetings held in FY 2019-20**

Sr. No.	Date of Board Meeting	Board Strength	No. of Directors Present
1	28/05/2019	9	9
2	06/08/2019	9	9
3	13/08/2019	9	8
4	12/11/2019	9	9
5	12/02/2020	9	8

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

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

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

The presentations covering Finance, Sales, major business segments and their operations, overview of operations of major subsidiary companies, are given to the Board before taking on record the Company's quarterly/annual financial results.

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

#### Recording minutes of proceedings at Board and Committee meetings

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

#### Following is the attendance of directors at the board meetings held in FY 2019-20 and at the Thirtieth Annual General Meeting

Name of the Directors	Number of Board Meetings attended	Attendance at last AGM
Niranjan A. Shah	5	Yes
Sumit N. Shah	4	Yes
Hitesh M. Shah	5	Yes
Neville R. Tata	5	Yes
Veer Kumar C. Shah	4	Yes
Vishwas V. Mehendale	5	Yes
Anil K. Chopra	5	Yes
Arun P. Sathe	5	Yes
Madhavi S. Pethe	5	Yes

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

#### Following are the details of Directorships/Committee Memberships of Directors in other companies as on March 31, 2020

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

None of Directors of the Company are director on the Board of other listed company.

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

The above information includes Chairmanship/Membership in Audit Committee and the Stakeholders Relationship Committee of public limited companies, whether listed or not.

Necessary disclosures regarding Directorships and the Committee Positions in other public companies as on March 31, 2020 has been received from all Directors and the Disclosure regarding independency, in terms of Section 149(6) of Companies Act, 2013 and Regulation 16 and 25 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, has been received from all Independent Directors.

#### **Skills/expertise/competence of the Board of Directors:**

The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

- i) Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates
- ii) Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- iii) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making, Financial and Management skills
- iv) Technical / Professional skills and specialized knowledge in relation to Company's business

#### **Compliance**

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

#### **Review of Compliance Report by the Board of Directors**

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

#### **The Company Secretary's role in Corporate Governance**

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

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

#### **Code of Conduct**

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

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

#### **DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT**

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

**Hitesh Shah**  
**Managing Director**  
**(DIN – 00036338)**

**Mumbai, June 29, 2020**

#### **Insider trading Code**

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

The Company has obtained required disclosures from Directors, Promoters, Key Managerial Personnel's and Designated Persons of a Company.

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

A Structured Digital Database has been maintained containing names, PAN of insiders with whom information will be shared pursuant to legitimate purpose.

#### **Familiarisation programmes for Board Members**

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

A formal letter of appointment is given to directors at the time of appointment, inter alia explaining the role, function, duties and responsibilities expected from them as a Director of the Company. The details of Compliance required from directors under the Companies Act, 2013, Regulation 25 of the SEBI (LODR) Regulations, 2015 and other relevant regulations have been explained to them.

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

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

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

#### **Confirmation from the board**

The Board of Directors be and hereby confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

The Board of Directors also confirms that during the year under review, it has accepted all recommendations received from its mandatory committees.

#### **COMMITTEES OF THE BOARD**

Currently, there are five Board Committees - Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Compensation Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman and the signed minutes are placed for the information of the Board.

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

#### **AUDIT COMMITTEE**

The Company has set up an independent Audit Committee comprising of appropriately qualified members. The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment and ensures:

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

#### **The Role of the Audit Committee**

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

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

- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of section 134(3)(c) of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by Management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions, if any;
  - Modified opinion(s) in the draft audit report;
- Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the Management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the internal audit.
- Discussion with the internal auditors on any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.
- Approval of all transactions with related parties and any subsequent modification of such transactions.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- To review the functioning of the whistle blower mechanism;
- 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.
- Reviewing mandatorily the following information:
  - Management discussion and analysis of financial condition and results of operations.
  - Statement of significant related party transactions, submitted by Management.
  - Management letters / letters of internal control weaknesses issued by the statutory auditors.
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the internal auditor.

### Internal Control Systems

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

### Internal Financial Controls

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

### Constitution & Composition

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

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

The Committee's composition meets with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015. Members of the Audit Committee possess financial / accounting expertise and exposure.

### Meetings and Attendance

During the year ended March 31, 2020, Four Audit Committee meetings were held on 28/05/2019, 13/08/2019, 12/11/2019 and 12/02/2020. The attendance of each Audit Committee member is given hereunder:-

Name of the Directors	Number of Meetings attended during the year	Number of Meetings held during the year
Veer Kumar C. Shah	3	4
Vishwas V. Mehendale	4	4
Arun P. Sathe	4	4

The Chairman of the Audit Committee was present at the last Annual General Meeting held on August 07, 2019.

### Attendees

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

### NOMINATION AND REMUNERATION COMMITTEE

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

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

### Constitution & Composition

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

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

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

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



### Meetings and Attendance

During the year ended on March 31, 2020, One Nomination and Remuneration Committee meetings was held on 28/05/2019. The attendance of each Committee member is given hereunder:

Name of the Directors	Number of Meetings attended during the year	Number of Meetings held during the year
Arun P. Sathe	1	1
Vishwas V. Mehendale	1	1
Madhavi S. Pethe	1	1

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

### STAKEHOLDERS RELATIONSHIP COMMITTEE

In accordance with Section 178 (5) of the Companies Act, 2013 and Regulation 20 and Part D of Schedule II to the SEBI (LODR) Regulations, 2015, the scope and broad function of this committee include inter alia, the following:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

### Constitution & Composition

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

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

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

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

### Meetings and Attendance

During the year ended on March 31, 2020, Four Stakeholders Relationship Committee meetings were held on 28/05/2019, 13/08/2019, 12/11/2019 and 12/02/2020. The attendance of each Committee member is given hereunder:

Name of the Directors	Number of Meetings attended during the year	Number of Meetings held during the year
Anil K. Chopra	4	4
Veerkumar C. Shah	3	4
Madhavi S. Pethe	4	4

### Status of shareholders' complaints

During the financial year ended on March 31, 2020, the Company has not received any new complaint from the shareholders. Apart from the complaints the Company received certain requests/ general intimations regarding change of address, request for revalidation of refund orders/Dividend warrants, requests for annual reports etc, which were responded promptly.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

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

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

### Constitution & Composition

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

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

### Meetings and Attendance

During the year ended on March 31, 2020, One CSR Committee meeting was held on 28/05/2019. The attendance of each Committee member is given hereunder:

Name of the Directors	Number of Meetings attended during the year	Number of Meetings held during the year
Niranjana A. Shah	1	1
Hitesh M. Shah	1	1
Anil K. Chopra	1	1

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

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

### COMPENSATION COMMITTEE

Pursuant to the provision of Regulation 5(1) of SEBI (Share Based Employee Benefits) Regulations, 2014, the Board of Directors has constituted 'Compensation Committee' for considering offer, issue and allotment of equity share pursuant to exercise of option granted under ESOP Scheme of the Company.

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

### Constitution & Composition

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

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

### Meetings and Attendance

During the year ended on March 31, 2020, no meeting of the Compensation Committee was held.

### MEETINGS OF INDEPENDENT DIRECTORS

In accordance with the provisions of Clause VII of Schedule IV of the Companies Act, 2013 and Regulation 25(3) of SEBI (LODR) Regulations, 2015, separate meeting of Independent Directors conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the Lead Independent Director and also to discuss:

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

In view of outbreak of CoVID-19 pandemic and the relaxation given by MCA vide Circular 11/2020 dated March 24, 2020, the Independent Directors of the Company were not able to hold a separate meeting to review the performance of Non-Independent Directors including Executive Chairman and Managing Director and the Board as a whole for the financial year 2020-21.

### SUBSIDIARY COMPANIES

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

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

The other requirement of Regulation 24 of the SEBI (LODR) Regulation, 2015 with regards to Corporate Governance requirements for subsidiary companies have been complied with.

### COMPLIANCE OFFICER

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

### GENERAL BODY MEETINGS

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

Day	Date	Time	Venue
Wednesday	August 07, 2019	3.30 PM	Senate Hall, Goldfinch Hotel, Plot No.34/21, Central Road, MIDC, Near Akruti Center Point, Chakala Industrial Area, Andheri East, Mumbai - 400093
Tuesday	August 07, 2018	3.30 PM	Yuvraj Hall, Supremo Activity Centre, Matoshree Arts & Sports Trust, Jogeshwari Vikroli Link Road, Andheri (E), Mumbai - 400093
Thursday	August 31, 2017	3.30 PM	

### Special Resolutions

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

Day	Date of AGM	Matter of Special Resolution
Wednesday	August 07, 2019	<ol style="list-style-type: none"> <li>1. Re-appointment and Continuation of Directorship of Mr. Veerkumar Chhotalal Shah (DIN:00129379) as a Non-Executive - Independent Director of the Company</li> <li>2. Re-appointment of Mr. Vishwas Vasudev Mehendale (DIN:00094468) as a Non-Executive - Independent Director of the Company</li> <li>3. Re-appointment of Mr. Anil Kumar Chopra (DIN:01417814) as a Non-Executive - Independent Director of the Company</li> <li>4. Re-appointment of Mr. Arun Purshottam Sathe (DIN: 03092215) as a Non-Executive - Independent Director of the Company</li> <li>5. Re-appointment of Mrs. Madhavi Sanjeev Pethe (DIN:05210916) as a Non-Executive - Independent Director of the Company</li> </ol>
Tuesday	August 07, 2018	<ol style="list-style-type: none"> <li>1. Approve RJL - Employees Stock Option Plan 2018 (RJL ESOP 2018).</li> <li>2. Approval to extend RJL- Employee Stock Option Plan 2018 to the employees of Subsidiary Company(ies).</li> <li>3. Approval for Grant of Options to issue securities equal to or exceeding One per cent but not exceeding Five per cent of the issued Capital of the Company during any one financial year to identified employees under RJL- Employees Stock Option Plan 2018.</li> <li>4. Authorize RJL Employee Welfare Trust for secondary acquisition for implementation of RJL - Employees Stock Option Plan 2018</li> <li>5. Approve giving loan/provision of money by the Company to the RJL Employee Welfare Trust for purchase of the shares of the Company for the implementation of RJL – Employees Stock Option Plan 2018.</li> </ol>
Thursday	August 31, 2017	-

No special resolution was passed through Postal Ballot during the FY 2019-20. None of the Businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

### **MEANS OF COMMUNICATION**

The Audit Committee, in its meeting, considers the financial results of the Company and recommends it to the Board of Directors for its approval. The financial results, as taken on record by the Board of Directors, are communicated to the Stock Exchanges, where the shares of the Company are listed, in accordance with the directives of regulatory authorities in this regard.

These quarterly, half yearly and annual results are also published in widely circulated newspapers (Business Standard in English language and Navshakti/Lakshdeep in Marathi, a vernacular language) and the same are displayed on the website of the Company [www.renaissanceglobal.com](http://www.renaissanceglobal.com). In accordance with the Regulation 10 of SEBI (LODR) Regulations, 2015, the same are submitted/filed on LISTING CENTRE and NEAPS, the electronic platform specified by the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd, respectively. The Performance Update is also being uploaded quarterly on Company's as well as Stock Exchanges' website.

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

### **Website of the Company**

A separate dedicated section of 'Investors' on the Company's website [www.renaissanceglobal.com](http://www.renaissanceglobal.com) has been provided where the information on unclaimed dividends, quarterly / half yearly / yearly compliance of SEBI (LODR), Regulations, 2015, official news releases, presentations made to investors and analysts and other shareholders' / public related information are available. The Company's Annual Reports are also available in downloadable form on this website.

### **Designated email-id of the Company**

The Company has designated the email-id "[investors@renaissanceglobal.com](mailto:investors@renaissanceglobal.com)", exclusively for the service of investors.

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

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

### **NSE Electronic Application Processing System (NEAPS)**

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

### **SEBI Complaints Redress System (SCORES)**

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

### **Communication/notices etc. through electronic mode**

The Company appreciates the response and support extended by the shareholders of the Company to the "Green Initiative in Corporate Governance" initiated by the Ministry of Corporate Affairs' (MCA). Pursuant to Section 101 and Section 136 of the Companies Act, 2013, read with relevant rules made there under, the Company has served annual reports and other communications through electronic mode to those members who have registered their e-mail address with the Company or with the Depository.

In compliance with the MCA Circulars and SEBI Circular dated May 12, 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 note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.renaissanceglobal.com](http://www.renaissanceglobal.com), 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 Transfer [www.linkintime.co.in](http://www.linkintime.co.in)

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

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

## MANAGEMENT DISCUSSION & ANALYSIS

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

### CERTIFICATION BY THE MANAGING DIRECTOR AND THE CFO

Mr. Hitesh Shah, Managing Director and Mr. Dilip Joshi, V. P. – Finance (CFO), have issued a Certificate to the Board, as prescribed under Regulation 17(8) read with Schedule II Part B of SEBI (LODR), Regulations, 2015, which is enclosed to this report. The said Certificate was placed before the Board Meeting held on June 29, 2020, in which the Audited Accounts for the Financial Year ended March 31, 2020 were considered and approved by the Board of Directors.

### CORPORATE GOVERNANCE COMPLIANCE CERTIFICATION

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

### DIRECTORS' QUALIFICATION CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

As required under Para C(10)(i) of Schedule V of SEBI (LODR) Regulations, 2015, a certificate from the Practicing Company Secretary, M/s. V. V. Chakradeo & Co., Company Secretaries, Mumbai, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI or Ministry of Corporate Affairs or any such statutory authority is enclosed to this report.

## SHAREHOLDER INFORMATION

### Company Registration Details

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

### Thirty First Annual General Meeting Details

Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 ("MCA Circulars") permitted convening the Annual General Meeting through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue.

In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 31<sup>st</sup> Annual General Meeting of the Company is being held through VC / OAVM.

Since this Annual General Meeting is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed with this Annual Report.

As the 31<sup>st</sup> Annual General Meeting will be held through VC/OAVM, the route map of the venue of the Meeting is not given in the Annual Report.

<b>Day</b>	Wednesday
<b>Date</b>	September 30, 2020
<b>Time</b>	3.00 P.M.
<b>Mode</b>	through Video Conferencing / Other Audio-Visual Means
<b>Deemed Venue</b>	The Registered Office of the Company

### Financial Year

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

### Dates of Book Closure

From: Wednesday, September 23, 2020

To : Wednesday, September 30, 2020

(Both days inclusive)

### Listing on Stock Exchanges

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

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

### Payment of Listing Fees

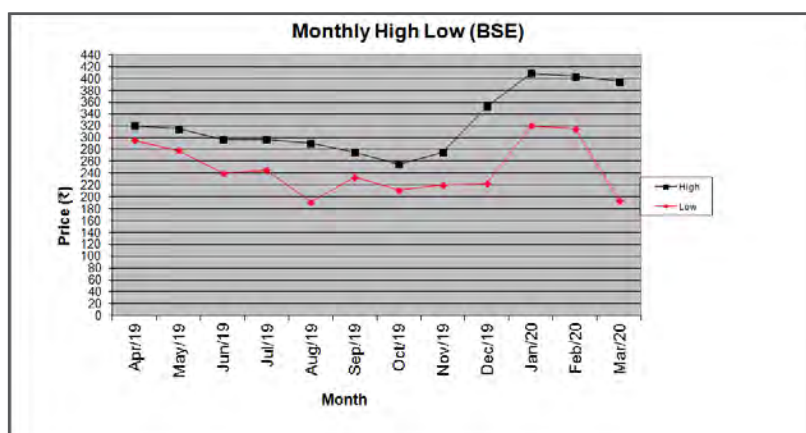
Annual listing fee for the year 2020-21 has been paid by the Company to BSE and NSE.

### Market Price Data

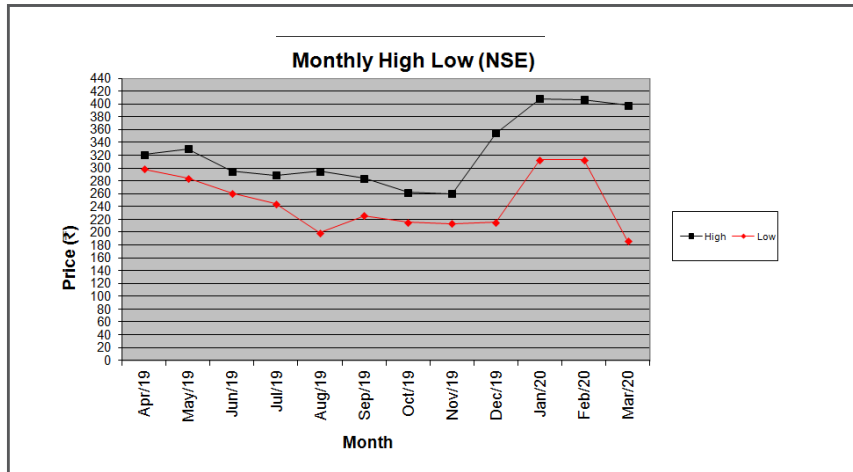
Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-19	320.00	295.00	321.00	298.00
May-19	315.00	278.00	329.80	284.00
Jun-19	296.90	240.00	294.75	260.35
Jul-19	296.45	245.00	288.95	244.00
Aug-19	290.00	191.45	295.00	199.00
Sep-19	275.00	233.00	283.90	225.60
Oct-19	255.00	211.45	261.90	215.20
Nov-19	274.95	220.00	260.00	213.10
Dec-19	353.00	222.10	354.50	215.60
Jan-20	408.60	320.00	408.00	312.50
Feb-20	404.00	314.50	406.95	312.95
Mar-20	395.00	193.90	397.75	186.00

Particulars	BSE	NSE
Closing share price as on March 31, 2020 (₹)	305.40	305.95
Market Capitalisation as on March 31, 2020 (₹ in Crore)	576.58	577.62

### BSE Price Data



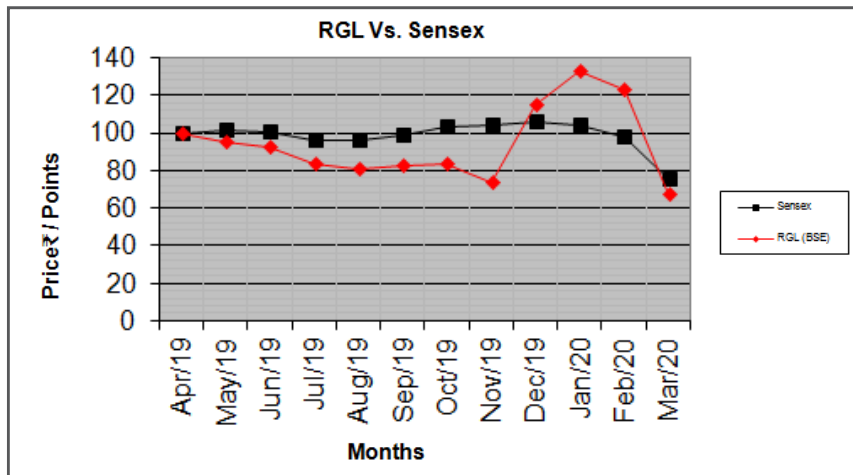
**NSE Price Data**



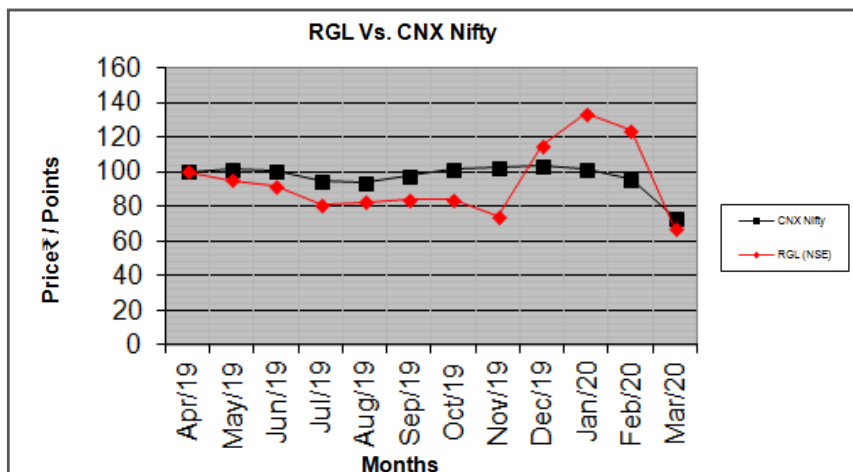
**Performance in comparison with SENSEX / S&P CNX NIFTY**

The performance of the Company's shares related to SENSEX and S&P CNX NIFTY at a common base of 100 is as follows. The period covered is April 2019 to March 2020.

**Chart showing RGL price at BSE vs SENSEX**



**Chart showing RGL price at NSE vs CNX NIFTY**



**Distribution of shareholding as on March 31, 2020**

Shareholding of Nominal Value of ₹	No. of Shareholders	%	No of Shares	Amount In ₹	%
Up to 5000	6892	92.45	544134	5441340	2.88
5001 to 10000	239	3.21	181754	1817540	0.96
10001 to 20000	141	1.89	204202	2042020	1.08
20001 to 30000	50	0.67	128347	1283470	0.68
30001 to 40000	29	0.39	101344	1013440	0.54
40001 to 50000	20	0.27	93314	933140	0.49
50001 to 100000	35	0.47	259931	2599310	1.38
100001 onwards	49	0.66	17366414	173664140	91.99
<b>Total</b>	<b>7455</b>	<b>100.00</b>	<b>18879440</b>	<b>188794400</b>	<b>100.00</b>

**Shareholding pattern as on March 31, 2020**

Category	No. of Shares	Percentage
<b>A. Promoters' Holding</b>		
Promoters	7441362	39.42
Promoter Trust	5252028	27.82
Relatives of Promoters	1229210	6.51
<b>Sub Total A</b>	<b>13922600</b>	<b>73.74</b>
<b>B. Non Promoters' Holding</b>		
<b><u>Institutional Investors:</u></b>		
Mutual Fund	0	0.00
Insurance Companies	0	0.00
Non Nationalized Banks	0	0.00
Foreign Inst. Investors	0	0.00
Financial institutions / Banks	0	0.00
<b>Sub Total</b>	<b>0</b>	<b>0.00</b>
<b><u>Central Government/ State Government(s)/ President of India</u></b>		
Central / State Government(s)	5285	0.03
<b>Sub Total</b>	<b>5285</b>	<b>0.03</b>
<b><u>Non Institutional Investors:</u></b>		
NBFCs registered with RBI	0	0.00
Other Bodies Corporate	1110710	5.88
Clearing Member	6802	0.04
Non Resident Indians	80082	0.42
Non Resident (Non Repatriable)	153491	0.81
Public	3125976	16.56
HUF	278118	1.47
<b>Sub Total</b>	<b>4755179</b>	<b>25.19</b>
<b>Sub Total B</b>	<b>4760464</b>	<b>25.22</b>
<b>C. Non Promoter Non Public Shareholding</b>		
Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	196376	1.04
<b>Sub Total C</b>	<b>196376</b>	<b>1.04</b>
<b>Grand Total</b>	<b>18879440</b>	<b>100.00</b>



**Inter se transfer of shares by the promoters**

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

Sr. No.	Name of Transferor	Name of Transferee	Number of shares Transferred
1	N. Kumar diamond Exports Private Limited	Mr. Niranjana Shah	72

**List of top ten shareholders other than Promoter/promoter group as on March 31, 2020**

Sr. No.	Name of Shareholder	No. of shares held	% of holding
1	BG Advisory Services LLP	699898	3.71
2	Parag Sureshchandra Shah	304930	1.62
3	Reena Arora	250000	1.32
4	Pooja Arora	250000	1.32
5	Vrsha Arora	245353	1.30
6	RJL Employee Welfare Trust	196376	1.04
7	JBCG Advisory Services Pvt. Ltd.	178123	0.94
8	Nikesh Sureshchandra Shah	166881	0.88
9	Adesh Ventures LLP	163059	0.86
10	Shrenik Manharlal Shah	156562	0.83

**Share Transfer System**

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

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

**Restriction on transfer of shares in physical form**

With effect from April 01, 2019 the shares held in physical form could not be transferred unless the said shares are converted to dematerialized form, as per the amended Regulation 40 of SEBI (LODR) Regulation, 2015, vide SEBI Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018.

In accordance with the above mentioned SEBI circular/notification, the Company has sent letters to those shareholders holding shares in physical form advising them to dematerialize their holding.

All shareholders holding shares in physical form are requested to note the following:

- Request for effecting transfer of shares shall not be processed by the Company and/or Registrar and Share Transfer Agent, unless the securities are held in dematerialized form.
- The said restriction shall not be applicable to the request received for Transmission or transposition of shares held in physical mode.

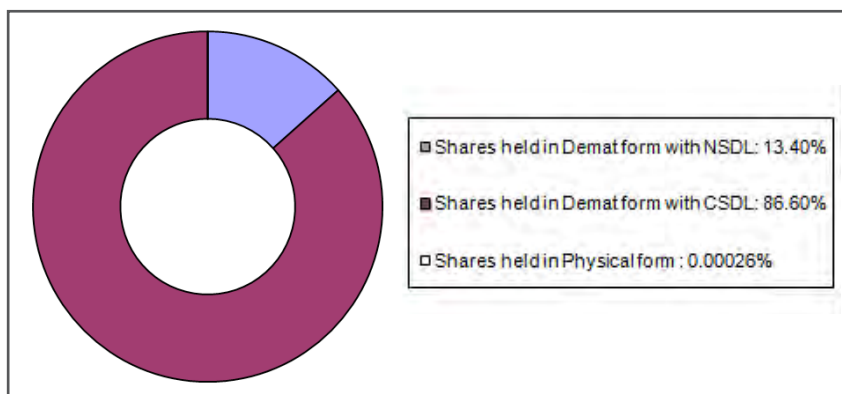
The Company hereby requests the shareholders still holding shares in physical form to dematerialize their holdings at the earliest as the shares held in physical form are no more valid for transfer.

**Dematerialization of shares and liquidity**

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

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

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



### Reconciliation of Share Capital Audit Report

Pursuant to Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 (erstwhile Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996), the audit for reconciliation of the total issued capital, listed capital and capital held by depositories in dematerialized form and changes therein, has been carried out by a qualified Practicing Company Secretary. The said Audit Report has been submitted with the Stock Exchanges on quarterly basis. This report confirms that the total listed and paid up capital of the company is tallying with the number of shares in dematerialized form and in physical form.

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

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

### Commodity Price Risk / Foreign Exchange Risk and hedging activities

The Company does not deal in commodity and accordingly no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018

### Plant Locations and Address for correspondence

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

### Following is the address for correspondence with the Company:

Name: Renaissance Global Limited (Formerly Renaissance Jewellery Limited)  
Address: Plot No. 36A & 37, SEEPZ, MIDC, Marol, Andheri (E), Mumbai – 400 096  
Tel: +91-022 – 4055 1200  
Fax: +91-022 – 2829 2146  
e-mail: [investors@renaissanceglobal.com](mailto:investors@renaissanceglobal.com)  
Website: [www.renaissanceglobal.com](http://www.renaissanceglobal.com)

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

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

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

Pursuant to Section 125 of the Companies Act, 2013, IPO Refund / dividends that are unclaimed for a period of seven years from the date they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

Following is the statement of IEPF transfer containing dates of declaration of dividend, dates when the unclaimed amounts will be due for transfer to IEPF and actual date and amount transferred to IEPF:

#### Statement of unclaimed dividend transferred to IEPF

Financial Year	Due for payment	Due Date for transfer to IEPF	Actual date and amount transferred to IEPF
<b>IPO Refund</b>			
2006-2007	December 5, 2007	January 4, 2015	December 18, 2014 (₹ 54,000/-)
<b>Dividend</b>			
2007-2008	September 5, 2008	October 5, 2015	October 1, 2015 (₹ 64,956/-)
2008-2009	August 28, 2009	September 27, 2016	September 23, 2016 (₹ 82,532/-)
2009-2010	August 25, 2010	September 24, 2017	September 21, 2017 (₹ 80,374/-)
2010-2011	September 7, 2011	October 7, 2018	September 26, 2018 (₹ 73,770/-)
2011-2012	September 7, 2012	October 7, 2019*	November 1, 2019 (₹ 62,987/-)
2012-2013	August 30, 2013	September 28, 2020	
2013-2014	September 12, 2014	October 12, 2021	
2014-2015	September 23, 2015	October 23, 2022	
2015-2016 <b>(Interim Dividend)</b>	March 11, 2016	April 11, 2023	
2016-2017	-	-	
2017-2018	-	-	
2018-2019	-	-	

\*During the financial year under review, the Company has transferred unclaimed dividend of the year 2011-2012, amounting to ₹ 62,987/-, to the Investor Education and Protection Fund (IEPF).

Members who so far have not encashed their dividend warrants for FY 2012-13 to 2015-16 are requested to write to the Company/Registrar and Transfer Agent to claim the same before the above mentioned due dates for transfer to IEPF.

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

Pursuant to the provisions of section 124 (2) of the Companies Act, 2013, read with Rule 5(8) of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 7, 2019 (date of last Annual General Meeting) on the website of the Company [www.renaissanceglobal.com](http://www.renaissanceglobal.com) and also on the website of the Ministry of Corporate Affairs.

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

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

The Company has sent individual notices to all the shareholders whose dividends are lying unpaid/unclaimed against their name for seven consecutive years or more and also published an advertisement in the Newspapers seeking action from the shareholders. Shareholders are requested to claim the same as per procedure laid down in the Rules.

In case the dividends are not claimed by the due date(s), necessary steps will be initiated by the Company to transfer shares held by the members to IEPF Demat account without further notice.

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

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

During the year, the Company has transferred 1129 Equity Shares of the Company to Demat Account of IEPF Authority. The shares so transferred were on account of dividends unclaimed for seven consecutive years. The details of the shareholders whose equity shares had been transferred to the Demat Account of the IEPF Authority are available on the website of the Company [www.renaissanceglobal.com](http://www.renaissanceglobal.com).

The Nodal Officer of the Company for IEPF Refunds Process is Mr. G.M. Walavalkar, whose e-mail id is [investors@renaissanceglobal.com](mailto:investors@renaissanceglobal.com)

**Disclosures with respect to Unclaimed Securities Suspense Account**

During the financial year 2018-19, the Company has transferred 1022 Equity Shares of the Company from Renaissance Jewellery Ltd – Unclaimed Securities Suspense Account to Demat Account of IEPF Authority. Hence, there are no shares in Unclaimed Securities Suspense Account in respect of which the disclosure under Regulation 34(3) and Schedule V (F) of the SEBI (LODR) Regulations, 2015, is required to be made.

The voting rights on the shares transferred to Demat Account of IEPF Authority shall remain frozen till the rightful owner of such shares claims the same from IEPF Authority.

**Nomination**

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

Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

**Payment of dividends etc. through Electronic mode**

The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories and shareholders for crediting all payments to investors including dividend to shareholders, by using any RBI approved electronic mode of payment viz. ECS, LECS (Local ECS), RECS (Regional ECS), NECS (National ECS), direct credit, RTGS, NEFT, National Automated Clearing House (NACH) etc.

In the absence of any of the RBI approved electronic mode of payment, the Company is required to print the bank account details on the dividend warrants. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

**AFFIRMATIONS AND DISCLOSURES****Compliances with SEBI (LODR) Regulations, 2015**

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

**Related Party Transactions**

During the Financial Year under review, the Company does not have any materially significant commercial and financial transactions with any of the related parties i.e. Promoters, Directors, Relatives, Associated Company or management. None of the transactions with related parties were in conflict, actual or potential, with the interest of the Company.

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

The Related party transactions as per "IND AS - 24" have been disclosed in Standalone Financial Statements, forming part of the Annual Report. A summary statement of transactions with related parties is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

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

**Training of Board Members**

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

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

The Company has complied with all requirements of the SEBI (LODR) Regulations, 2015 as well as the regulations and guidelines of SEBI. There were no strictures or penalties imposed by SEBI or the Stock Exchanges or any statutory authority for non compliance of any matter related to the capital markets during the last three years.

**Details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:**

Details relating to fees paid to the Statutory Auditors are given in Note 33 to the Standalone Financial Statements and Note 33 to the Consolidated Financial Statements.

**Disclosure of Accounting Treatment**

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

**Audit Qualifications**

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

**Whistle Blower Policy/ Vigil Mechanism**

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

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

As required under part C of Schedule V of SEBI (LODR) Regulations, 2015, the Whistle Blower Policy is available on the website of the Company [www.renaissanceglobal.com](http://www.renaissanceglobal.com).

**Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2020 is given in the Directors' Report forming part of this Annual Report.

**Shareholder Rights**

The Company is publishing unqualified financial statements in the news papers and the same are also available on Companies website [www.renaissanceglobal.com](http://www.renaissanceglobal.com).

**For & on behalf of the Board**

**Niranjan Shah**  
**Executive Chairman**  
**(DIN – 00036439)**

Mumbai, June 29, 2020

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

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

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

1. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief:
  - These statements do not contain any materially untrue statement or omit any material fact nor contain statements that might be misleading, and
  - These statements present true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's code of conduct;
3. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies; and
4. That we have informed the auditors and the Audit Committee of:
  - i. Significant changes in internal control during the year;
  - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Mumbai, June 29, 2020**

**Hitesh Shah**  
**Managing Director**  
(DIN – 00036338)

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

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

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

To  
The Members of  
**Renaissance Global Ltd.**

We have examined the compliance of conditions of Corporate Governance by Renaissance Global Ltd. ('the Company'), for the year ended on March 31 2020, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI (LODR) Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015.

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

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

**V. V. Chakradeo**  
**Membership No.3382**  
**COP 1705**  
**UDIN F003382B000479979**

**Mumbai, July 20, 2020**

**CERTIFICATE OF PRACTICING  
COMPANY SECRETARY**

*(Pursuant to Schedule V(C)(10)(i) of the SEBI (LODR)  
Regulations, 2015)*

To  
The Members of  
**Renaissance Global Ltd.**

We, V. V. Chakradeo & Co., Practicing Company Secretaries, have examined the Company and Registrar of Companies records, books and papers of Renaissance Global Ltd. (CIN: L36911MH1989PLC054498) having its Registered Office at Plot No. 36A & 37 SEEPZ, Andheri (East), Mumbai 400096, India (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the financial year ended on March 31, 2020.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations and representation furnished to us by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2020:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>DIN No</b>
1	Niranjan Amratlal Shah	Chairman	00036439
2	Sumit Niranjan Shah	Vice Chairman - Non - Executive Director	00036387
3	Hitesh Mahendra Shah	Managing Director	00036338
4	Neville Rustom Tata	Executive Director	00036648
5	Vishwas Vasudev Mehendale	Non Executive -Independent Director	00094468
6	Veer Kumar Shah	Non Executive -Independent Director	00129379
7	Anil Kumar Chopra	Non Executive -Independent Director	01417814
8	Arun Purshottam Sathe	Non Executive -Independent Director	03092215
9	Madhavi Sanjeev Pethe	Non Executive -Independent Director	05210916

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

**V. V. Chakradeo**  
**Membership No.3382**  
**COP 1705**  
**UDIN F003382B000479990**

**Mumbai, July 20, 2020**

# Independent Auditor's Report

## To the Members of Renaissance Global Limited

(Formerly known as Renaissance Jewellery Limited)

### Report on the Audit of the Standalone Financial Statements

#### OPINION

We have audited the Standalone financial statements of Renaissance Global Limited (Formerly known as Renaissance Jewellery Limited) ("the Company"), which comprise the standalone balance sheet as at March 31, 2020, the standalone statement of Profit and Loss including other comprehensive income, the standalone cash flow statement, the standalone Statement of Changes in Equity for the year then ended, and notes to the standalone 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 financial statements give the information required by the Companies Act, 2013 ("the act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies ( Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### BASIS FOR OPINION

We conducted our audit in accordance with Standards on Auditing (SAs) prescribed under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the standalone financial statements as per the ICAI's Code of Ethics and the provisions of the Companies Act, 2013 and Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### EMPHASIS OF MATTER

We draw attention to note no. 54 of the standalone financial statement regarding the uncertainties arising out of the outbreak of COVID 19 pandemic and the assessment made by the management on its operations and the financial reporting for the year ended March 31, 2020. Such an assessment and the outcome of the pandemic, as made by the management, is dependent on the circumstances as they evolve in the subsequent periods. Further, we were not able to participate in the physical verification of inventory that was carried out by the management. Consequently we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence –Specific consideration for selected items" and have obtained sufficient appropriate evidence.

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 financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each 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 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 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 financial statements.



## Independent Auditor's Report (Contd...)

The Key Audit Matters	How the matter was addressed in our audit
<p><b>Existence and valuation of Inventories</b> (as described in note no. 2.12 of the significant accounting policies, and note no. 9 for details in standalone financial statements)</p>	
<p>The carrying value of Inventories of the Company is ₹ 25,790 lakhs as at March 31, 2020. The Company's Inventories mainly comprised of gold, diamond &amp; colour stone and silver at its plant location and offices, which are subject to risk of changes in the market value.</p>	<p>Our audit procedures over existence and valuation of Inventories included the following:</p>
<p>Due to various restrictions imposed under COVID-19 outbreak, physical verification could not be carried out at the year-end, but the same was carried out subsequent to the year-end.</p>	<ul style="list-style-type: none"> <li>• We evaluated the design, implementation and tested the operating effectiveness of key controls that the Company has in relation to safeguarding and physical verification of inventories including the appropriateness of the Company's standard operating procedures for conducting, recording and reconciling physical verification of inventories and tested the implementation thereof.</li> </ul>
<p>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 diamonds used to make jewellery products.</p>	<ul style="list-style-type: none"> <li>• We evaluated the design, implementation and operating effectiveness of general IT controls and key application controls over the Company's IT systems including those relating to recording of inventory quantities on occurrence of each sale transaction, including access controls, controls over program changes, interfaces between different systems.</li> </ul>
<p>we concluded that existence and valuation of inventories as a key audit matter for our audit.</p>	<ul style="list-style-type: none"> <li>• Participated in the physical verification of inventory conducted by the management subsequent to the year end, through video calls &amp; physical verification and performed roll back procedures which included the movement of inventory considering production and sales subsequent to March 31, 2020 till the date of verification.</li> <li>• Evaluated the differences identified at the time of physical verification of inventories and it was noted that there were no major deviations found.</li> <li>• The company has taken gemological appraisal report (valuation report) from gemologist and we compared the results of 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>

### INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Corporate Governance, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors/ Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of

## Independent Auditor's Report (Contd...)

the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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 Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 financial statements of the current period 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.

## Independent Auditor's Report (Contd...)

### Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, the Statement of Profit and Loss, and the Statement of Cash Flows 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015.
- e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

- 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, 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 financial statements: Refer Note No. XX to the standalone financial statements.
  - ii. The Company has no long-term contracts including derivative contracts as at March 31, 2020; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

For **Chaturvedi and Shah LLP**  
Chartered Accountants  
Firm's Registration No.101720W/W100355

**Lalit R. Mhalsekar**  
Partner  
Membership No. 103418  
UDIN: 20103418AAAADP9436

Place : Mumbai  
Date : June 29, 2020

## ANNEXURE “A” to the Independent Auditor’s Report

Referred to in paragraph 11 under the heading Report on other legal and regulatory requirements of our report of even date

- i. In respect of its Fixed Assets :
- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b. According to the information and explanations given to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such physical verification.
  - c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties are freehold, are held in the name of the company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreement are in the name of the company.
- ii. In respect of its inventories:
- As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the discrepancies noticed on physical verification were not material and have been adequately dealt with in the books of accounts. Further, our attendance at the physical inventory verification done by the management was impracticable under the current restrictions imposed by the government and we have relied on the related alternate audit procedures.
- iii. On the basis of the audit procedures applied by us, and according to the information and explanations given to us on our enquiries on this behalf and records produced to us for our verification, the Company has not given loans and advances to Companies covered in the register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act 2013 for the business activities carried out by the company. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vii. In respect of Statutory dues :
- a. According to the records of the Company, undisputed statutory dues including Goods and Service Tax, Provident Fund, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2020 for a period of more than six months from the date of becoming payable.
  - b. On the basis of our examination of accounts and documents on records of the Company and information and explanations given to us upon enquires in this regard, the disputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, Custom Duty and Excise Duty/Cess not deposited with the appropriated authorities are as under:

Name of statute	Nature of Dues	Amount (₹ in Lakhs)	Amount Paid Under Protest/ Deposit (₹ in Lakhs)	Period	Forum where dispute is Pending
MVAT Act, 2002	VAT, Interest and Penalty	41.2	Nil	F.Y. 2006-07	Dy. Commissioner Appeals
CST Act, 1958	CST	14.06	Nil	F.Y. 2006-07	Dy. Commissioner Appeals
The KVAT Act 2001	VAT	78.93	78.93(#)	F.Y. 2012-13	Commissioner Appeals

## ANNEXURE "A" to the Independent Auditor's Report (Contd...)

Name of statute	Nature of Dues	Amount (₹ in Lakhs)	Amount Paid Under Protest/ Deposit (₹ in Lakhs)	Period	Forum where dispute is Pending
Customs Act, 1962	Customs Duty	2	NIL	F.Y. 1988-99 F.Y. 2002-03	CESTAT
Customs Act, 1962	Duty & Penalty for Non Compliance with SEEPZ Rules	16754.90	NIL	April 2005 to March 2009	Hon. Bombay High Court
The Central Excise Act, 1944	Wrongful Utilisation of CENVAT Credit, Interest & Penalty	20.26	10.13	March 2013 to July 2016	CESTAT
Income Tax Act, 1961	Income Tax, Interest & Penalty	176.19	Nil	F.Y 2000-01	Hon. Bombay High Court

# including bank guarantee ₹ 55.25 Lakhs.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks and government during the year.
- ix. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term Loan during the year and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- x. Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and as per information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to information and explanations given to us, the Company is not a nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- xiii. In respect of transactions with related parties:  
In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the standalone financial statements etc., as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- xvi. To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Chaturvedi and Shah LLP**  
Chartered Accountants  
Firm's Registration No.101720W/W100355

**Lalit R. Mhalsekar**  
Partner  
Membership No. 103418  
UDIN: 20103418AAAADP9436

Place : Mumbai  
Date : June 29, 2020

## ANNEXURE “B” to the Independent Auditor’s Report

(Referred to in paragraph 11(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Renaissance Global Limited (Formerly known as Renaissance Jewellery Limited) of even date)

### Report on the Internal Financial Controls Over Financial Reporting 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 Renaissance Global Limited (Formerly known as Renaissance Jewellery Limited) (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Company 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 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 Companies Act, 2013.

#### AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 was established and maintained and if such controls operated effectively in all material respects.

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

#### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that; (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

#### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

#### OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 **Chaturvedi and Shah LLP**  
Chartered Accountants  
Firm’s Registration No.101720W/W100355

**Lalit R. Mhalsekar**  
Partner

Place : Mumbai  
Date : June 29, 2020

Membership No. 103418  
UDIN: 20103418AAAADP9436

# Standalone Balance Sheet

As at March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	4	3,675.05	3,901.31
Capital work-in-progress	4a	8.36	11.28
Intangible assets	4	44.20	21.43
Right of use assets	4b	177.13	0.00
<b>Financial assets</b>			
Investments	5	5,968.41	6,229.04
Other financial assets	6	499.37	222.45
Deferred Tax assets (net)	7	2,718.60	1,156.67
Other non-current assets	8	96.76	130.22
<b>Total Non-current assets</b>		<b>13,187.87</b>	<b>11,672.40</b>
<b>Current assets</b>			
Inventories	9	25,790.24	32,849.14
<b>Financial assets</b>			
Investments	10	1,499.62	1,790.58
Trade receivables	11	35,809.23	35,951.34
Cash and cash equivalents	12	7,064.95	1,170.84
Bank balances other than above	13	551.56	725.30
Loans	14	41.13	23.11
Other financial assets	15	324.23	1,335.63
Current tax assets (net)		90.39	349.53
Other current assets	16	1,275.87	1,782.26
<b>Total Current assets</b>		<b>72,447.22</b>	<b>75,977.74</b>
<b>Total Assets</b>		<b>85,635.09</b>	<b>87,650.14</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	1,868.30	1,868.30
Other equity	18	44,445.76	44,505.57
<b>Total Equity</b>		<b>46,314.06</b>	<b>46,373.88</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19	18.34	113.46
Others financial liabilities	20	142.46	0.00
Provisions	21	238.07	139.69
<b>Total Non-current liabilities</b>		<b>398.87</b>	<b>253.15</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	22	20,592.85	21,147.92
Trade payables	23		
Total outstanding dues of small enterprises and micro enterprises		0.24	1.60
Total outstanding dues of creditors other than small enterprises and micro enterprises		15,321.14	18,943.28
Other financial liabilities	24	2,738.15	386.57
Other current liabilities	25	109.85	396.83
Provisions	26	159.95	146.88
<b>Total Current liabilities</b>		<b>38,922.18</b>	<b>41,023.08</b>
<b>Total Equity and Liabilities</b>		<b>85,635.09</b>	<b>87,650.14</b>
Statement of Significant Accounting Policies	1 to 3		

The accompanying notes form an integral part of the Ind AS Financial Statements (Refer Note No. 4 to 57)

As per our report of even date  
For **Chaturvedi & Shah LLP**  
Chartered Accountants  
Firm Registration No. 1017220W/W100355

**Lalit R. Mhalsekar**  
Partner  
Membership No. 103418

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

**Niranjan A. Shah**  
Executive Chairman  
DIN No. 00036439

**Ghanashyam M. Walavalkar**  
Company Secretary

**Hitesh M. Shah**  
Managing Director  
DIN No. 00036338

**Dilip B. Joshi**  
Chief Financial Officer

Place: Mumbai  
Date : June 29, 2020

Place: Mumbai  
Date : June 29, 2020

# Standalone Statement of Profit and Loss

For the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2020
<b>REVENUE FROM OPERATIONS</b>			
Revenue	27	126,065.35	127,820.74
Other income	28	917.93	133.52
<b>Total Revenue from operations</b>		<b>126,983.28</b>	<b>127,954.26</b>
<b>EXPENSES</b>			
Cost of materials consumed	29	83,122.25	86,286.64
Purchase of Traded Goods	30	12,199.22	22,137.08
Changes in inventories of finished goods, Stock-in-Trade and work-in progress	31	6,546.59	(5,168.91)
Employee benefit expenses	32	3,863.37	3,576.79
Other expenses	33	14,731.00	15,673.91
<b>Total expenses</b>		<b>120,462.43</b>	<b>122,505.51</b>
<b>Earning Before Exceptional Items, Interest, Tax, Depreciation and Amortization (EBITDA)</b>		<b>6,520.85</b>	<b>5,448.75</b>
Finance costs	34	1,044.13	962.30
Depreciation, amortisation and Impairment expense	35	1,099.19	883.43
<b>Profit/(loss) before exceptional item and tax</b>		<b>4,377.53</b>	<b>3,603.02</b>
Exceptional item			
Less : Provision for diminution in value of investment		407.13	68.50
<b>Profit/(Loss) Before Tax</b>		<b>3,970.40</b>	<b>3,534.52</b>
<b>Tax expenses</b>	36		
Current tax		1,268.75	783.43
Deferred tax		(455.31)	97.53
Short/(Excess) Provision of tax relating to earlier years (net)		(23.26)	-
<b>Total Tax Expense</b>		<b>790.17</b>	<b>880.96</b>
<b>Profit/(Loss) After Tax for the year</b>		<b>3,180.23</b>	<b>2,653.55</b>
<b>OTHER COMPREHENSIVE INCOME (OCI)</b>			
<b>Items that will not be reclassified to profit and loss</b>			
Re-measurement gains (losses) on defined benefit plans		-	(4.55)
Equity instruments through OCI		(805.87)	97.99
Mutual fund instruments through OCI		(198.18)	9.96
Income tax effect on above		129.68	(13.73)
<b>Items that will be reclassified to profit and loss</b>			
Fair value changes on derivatives designated as cash flow hedges		(3,538.61)	844.16
Income tax effect on above		1,236.53	(294.98)
<b>Total Other comprehensive income</b>		<b>(3,176.45)</b>	<b>638.85</b>
<b>Total Comprehensive Income for the year</b>		<b>3.78</b>	<b>3,292.41</b>
<b>Earnings per equity share [nominal value of share ₹ 10]</b>			
<b>(Before Exceptional Item)</b>			
Basic and Diluted (₹)		19.20	14.57
<b>(After Exceptional Item)</b>			
Basic and Diluted (₹)		17.00	14.20
Statement of Significant Accounting Policies	1 to 3		

The accompanying notes form an integral part of the Ind AS Financial Statements (Refer Note No. 4 to 57)

As per our report of even date  
For **Chaturvedi & Shah LLP**  
Chartered Accountants  
Firm Registration No. 1017220W/W100355

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

**Lalit R. Mhalsekar**  
Partner  
Membership No. 103418

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Executive Chairman  
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**Ghanashyam M. Walavalkar**  
Company Secretary

**Dilip B. Joshi**  
Chief Financial Officer

Place: Mumbai  
Date : June 29, 2020

Place: Mumbai  
Date : June 29, 2020



# Standalone Cash Flow Statement

For the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2020
<b>Cash Flow from operating activities</b>		
Profit Before Tax	3,970.40	3,534.52
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization	977.78	883.43
Sundry balance written off	135.84	55.78
Unrealized foreign exchange loss/(gain)	(134.43)	278.03
Provision for Diminution in value of investment	407.13	68.50
Impairment of Property, Plants and Equipments	121.41	-
Expected Credit Loss / Bad Debts	163.42	(4.23)
Loss/(profit) on sale of Property, Plants and Equipments	(14.52)	160.01
Interest expense	1,044.13	962.30
Interest income	(101.92)	(92.59)
Rent Income	(10.08)	(17.34)
Dividend Income	(18.38)	(5.34)
<b>Operating profit before working capital changes</b>	<b>6,540.78</b>	<b>5,823.07</b>
Working capital adjustments		
Increase / (decrease) in trade payable	(6,517.05)	1,417.95
Increase / (decrease) in short-term provisions	(106.80)	(107.84)
Decrease / (increase) in trade receivables	4,465.47	(5,257.32)
Decrease / (increase) in inventories	7,058.90	(4,981.64)
Decrease / (increase) in short-term loans and advances	(175.41)	224.59
Cash generated from/(used in) operations	<b>11,265.89</b>	<b>(2,881.19)</b>
Direct taxes paid (Net of refunds)	(692.57)	(1,005.55)
<b>Net cash flow from/(used in) operating activity (A)</b>	<b>10,573.32</b>	<b>(3,886.73)</b>
<b>Cash flows from investing activities</b>		
Purchase of Property, Plants and Equipments, including intangible assets, CWIP and capital advances	(832.02)	(1,218.75)
Proceeds from sale of Property, Plants and Equipments	50.22	38.10
Purchase of Equity Shares and Mutual Fund	(3,533.70)	(2,022.18)
Sale of Equity Shares and Mutual Fund	2,674.11	3,989.84
Capital Withdrawn from LLP	-	8.33
Rent Received	10.08	17.34
Movement in Other Bank Balances	177.10	(320.24)
Interest received	95.45	73.33
Dividend received	18.38	5.34
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(1,340.38)</b>	<b>571.10</b>
<b>Cash flows from financing activities</b>		
Proceeds/ (Repayment) from/of short-term borrowing (net)	(1,880.68)	2,590.42
Interest paid	(1,019.78)	(994.20)
Payment of Lease Liability	(132.91)	-
Dividend paid	(0.44)	(0.66)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(3,033.81)</b>	<b>1,595.56</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>6,199.14</b>	<b>(1,720.07)</b>

# Standalone Cash Flow Statement

For the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2020
Cash and cash equivalents at the beginning of the year	865.81	2,585.88
<b>Cash and cash equivalents at the end of the year</b>	<b>7,064.95</b>	<b>865.81</b>
<b>Components of Cash and Cash Equivalents (Refer Note No. 12 &amp; 25)</b>		
Cash on hand	22.22	9.72
With banks		
- on current account	5,335.82	572.23
Cheque on hand	35.91	-
- on deposit account	1,671.00	588.89
<b>Cash and Cash Equivalents (Refer Note No. 12 &amp; 25)</b>	<b>7,064.95</b>	<b>1,170.84</b>
Less: Bank overdrawn as per Books	-	305.03
	<b>7,064.95</b>	<b>865.81</b>

## Changes in liabilities arising from financing activities

(₹ in Lakhs)

Particulars	Opening Balance	Non-Cash / Accruals / Fair value Changes	Cash Flow / Repayments	Closing Balance
<b>For the year ended March 31, 2020</b>				
Proceeds/ (Repayment) from/of short-term borrowing (net)	21,359.61	1,227.37	(1,880.68)	20,706.30
Interest paid	5.99	1,021.24	(1,019.78)	7.45
Payment of Lease Liability		355.43	(132.91)	222.52
Dividend paid	3.35	-	(0.44)	2.91
<b>For the year ended March 31, 2019</b>				
Proceeds/ (Repayment) from/of short-term borrowing (net)	19,138.14	(368.94)	2,590.42	21,359.61
Interest paid	37.89	962.30	(994.20)	5.99
Payment of Lease Liability	-	-	-	-
Dividend paid	4.01	-	(0.66)	3.35

Statement of Significant Accounting Policies

1 to 3

The accompanying notes form an integral part of the Ind AS Financial Statements (Refer Note No. 4 to 57)

As per our report of even date  
For **Chaturvedi & Shah LLP**  
Chartered Accountants  
Firm Registration No. 1017220W/W100355

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

**Lalit R. Mhalsekar**  
Partner  
Membership No. 103418

**Niranjan A. Shah**  
Executive Chairman  
DIN No. 00036439

**Hitesh M. Shah**  
Managing Director  
DIN No. 00036338

**Ghanashyam M. Walavalkar**  
Company Secretary

**Dilip B. Joshi**  
Chief Financial Officer

Place: Mumbai  
Date: June 29, 2020

Place: Mumbai  
Date: June 29, 2020

# Standalone Statement of Changes in Equity

For the year ended March 31, 2020

<b>A EQUITY SHARE CAPITAL</b>		(₹ in Lakhs)
Particulars	Note	(₹ in Lakhs)
<b>As at April 01, 2018</b>		<b>1,868.30</b>
Changes in equity share capital	17	-
<b>As at March 31, 2019</b>		<b>1,868.30</b>
Changes in equity shares capital	17	-
<b>As at March 31, 2020</b>		<b>1,868.30</b>
<b>B OTHER EQUITY (Refer Note No. 18)</b>		(₹ in Lakhs)
Particulars	Reserve and Surplus	Total Other equity attributable to Equity holders of the company
	<b>Capital Reserve</b> <b>Securities Premium Reserve</b> <b>General Reserve</b> <b>Cash Flow Hedge Reserve</b> <b>Remeasurement of defined benefit</b> <b>Equity Instruments through OCI</b> <b>Mutual Fund Equity Instruments through OCI</b> <b>Mutual Fund Debts Instruments through OCI</b>	<b>Component of Equity on shares issued under ESPS</b> <b>Own Shares held by ESPS Trusts</b> <b>Total Other equity attributable to Equity holders of the company</b>
Balance as at April 01, 2018	380.00 7,129.54 254.00 295.13 4.76 570.28 3.48 -	(78.56) 41,213.16
Surplus/(Deficit) of Statement of Profit and Loss	- - - - - - - -	- 2,653.56
Other Comprehensive Income	- - - 549.19 (2.57) (330.26) (3.07) -	- 638.86
<b>Balance as at March 31, 2019</b>	<b>380.00 7,129.54 254.00 844.32 2.19 240.02 0.41 -</b>	<b>(78.56) 44,505.58</b>
<b>Balance as at March 31, 2020</b>	<b>380.00 7,129.54 254.00 844.32 2.19 240.02 0.41 -</b>	<b>(78.56) 44,505.58</b>

# Standalone Statement of Changes in Equity

For the year ended March 31, 2020

Particulars	Reserve and Surplus			Items of Other Comprehensive Income (OCI)					Other Component of Equity on shares issued under ESPS	Own Shares held by ESPS Trusts of the company	Total Other equity attributable to Equity holders of the company	
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve (CRR)	Cash Flow Hedge Reserve	Remeasurement of defined benefit	Equity Instruments through OCI				Mutual Fund Equity Instruments through OCI
Surplus/(Deficit) of Statement of Profit and Loss	-	-	-	3,180.23	-	-	-	-	-	-	-	3,180.23
Transition effect on Implementation of IND-AS 116	-	-	-	(63.62)	-	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	(261.83)	-	(2,302.08)	-	(527.12)	(85.40)	-	-	(3,176.44)
<b>Balance as at March 31, 2020</b>	380.00	7,129.54	254.00	38,009.45	20.00	(1,457.76)	2.19	(287.10)	(84.99)	-	559.01	44,509.37

Statement of Significant Accounting Policies

The accompanying notes form an integral part of the Ind AS Financial Statements (Refer Note No. 4 to 57)

1 to 3

As per our report of even date  
For **Chaturvedi & Shah LLP**  
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Company Secretary

**Dilip B. Joshi**  
Chief Financial Officer

Place: Mumbai  
Date : June 29, 2020

Place: Mumbai  
Date : June 29, 2020

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

# Notes to Standalone Financial Statements

For the year ended March 31, 2020

## 1. CORPORATE INFORMATION

### 1.1 Nature of Operations

Renaissance Global Limited (Formerly known as "Renaissance Jewellery Limited") (the company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the manufacture of diamond studded Jewellery, trading of cut and polished diamonds and Retail trade of furniture. The company's shares are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE).

### 1.2 General information and statement of compliance with Ind AS

The standalone financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') read with Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules 2016 and the other relevant provisions of the Act and Rules there under to the extent notified and applicable, as well as applicable guidance notes and pronouncements of the Institute of Chartered Accountants of India (ICAI).

The standalone Ind AS financial statements for the year ended March 31, 2020 were authorised and approved for issue by the Board of Directors on June 29, 2020.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation

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

### 2.2 Functional and presentation currency and Rounding off of the amounts

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

### 2.3 Current/non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

2.3.2 All other assets are classified as non-current.

2.3.3 A liability is current when:

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

2.3.4 All other liabilities are classified as non-current.

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

### 2.4 Property, Plant and Equipment (PPE)

2.4.1 Freehold land is stated at historical cost.

# Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

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

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

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

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

## 2.5 Depreciation/Amortization

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

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

## 2.6 Intangible assets

2.6.1 Intangible assets acquired separately are measured on initial recognition at cost. Cost comprises the acquisition price, development cost and any attributable / allocable incidental cost of bringing the asset to its working condition for its intended use. The useful life of intangible assets is assessed as either finite or indefinite. All finite-lived intangible assets, are accounted for using the cost model whereby intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised over the estimated useful economic life. Residual values and useful lives are reviewed at each reporting date. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

## 2.7 Impairment of non-financial Assets

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

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

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

## 2.8 Leases

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

2.8.2 The determination of whether an arrangement is a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is considered as a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

2.8.3 The Company has adopted Ind AS 116-Leases effective April 01, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial

## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

application (April 01, 2019). Accordingly, previous period information has not been restated. The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been presented in the Balance Sheet as a part of Property, plant and equipment and lease payments have been classified as financing cash flows.

### Practical expedient opted by Company:

- For contracts in place at the date of transition, the Company has elected to apply the definition of a lease from Ind AS 17 and Appendix C to Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17 and appendix C to Ind AS 17.
- The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of transition of Ind AS 116, being 1 April 2019.
- On transition Company has elected, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months, not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.
- For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application.

### Exemptions availed by Company:

- The Company has elected not to recognise right-of-use assets in below mentioned cases but to account for the lease expense on a straight-line basis over the remaining lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit:
- A lease that, at the commencement date, has a lease term of 12 months or less i.e. short-term leases and
- leases for which the underlying asset is of low value

The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

### Measurement and recognition of leases

The Company considers whether contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that convey the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

# Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

## Company as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company and any lease payments made in advance of the lease commencement date.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss account as the case may be.

The Company has elected to account for short-term leases and leases of low-value assets using the exemption given under Ind AS 116. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit.

## Company as a lessor

Lease income from operating leases where the company is lessor is recognised in income on straight line basis over the lease term.

## Critical accounting estimates and judgements

Ind AS 116 requires Company to make certain judgements and estimations, and those that are significant are disclosed below.

Critical judgements are required when an entity is,

- determining whether or not a contract contains a lease
- establishing whether or not it is reasonably certain that an extension option will be exercised
- considering whether or not it is reasonably certain that a termination option will not be exercised
- determining whether or not variable leased payments are truly variable, or in-substance fixed
- for lessors, determining whether the lease should be classified as an operating or finance lease.

## Key sources of estimation and uncertainty include:

- calculating the appropriate discount rate.
- estimating the lease term.

## 2.9 Financial instruments

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

### 2.9.1 Financial assets

#### a. Initial recognition and measurement

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



## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

### b. Subsequent measurement

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

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

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

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

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

### d. Financial asset carried at FVTOCI

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

### e. Financial asset carried at FVTPL

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

### f. Financial Guarantee

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

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

### g. Derecognition of Financial Assets

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

### h. Impairment of financial assets

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

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

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

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on

# Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

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

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

## 2.9.2 Financial liabilities

### a. Initial recognition and measurement

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

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

### b. Subsequent measurement

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

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

### c. Derecognition of financial liabilities

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

## 2.9.3 Offsetting of financial instruments

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

## 2.9.4 Derivative financial instrument

- a. Company uses derivative financial instruments such as forward contracts to mitigate its foreign currency fluctuation risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.
- b. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.
- c. For the purpose of hedge accounting, hedges are classified as:
  - Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
  - Cash flow hedges when hedging the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment;
  - Hedges of a net investment in a foreign operation.

## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

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

- e. Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

✓ **Fair value hedges**

The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the Statement of Profit and Loss as finance costs.

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

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss. When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in the Statement of profit and loss.

✓ **Cash flow hedges**

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

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

The Company does not use hedges of net investment.

- f. Derecognition

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

### 2.10 Fair value measurement

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

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

# Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

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

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

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

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

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

## 2.11 Investment in subsidiaries

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

## 2.12 Inventories

Inventories are valued as under:

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

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

Identification of a specific item and determination of estimated net realizable value involve technical judgements of the management supported by valuation from an independent valuer.

**2.13** The Company enters into future contracts for purchase of gold to fix the purchase price of gold on the future date, such transactions are entered to protect the risk of gold price movement for expected purchase of gold at future date. The gain/ (loss) on change in the fair value of contract are included in cost of material consumed.

## 2.14 Revenue recognition

According to IND AS 115, entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The control of the products and services were transfer at a time, where in performance obligation and Control of goods or services transferred over a time.

## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

### 2.14.1 Sale of goods

- a. In case of domestic customer, generally performance obligation satisfied and transferred the control when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally performance obligation satisfied and transferred the control, when goods are shipped on board based on bill of lading.
- b. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

### 2.14.2 Sale of services

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

### 2.14.3 Other operating revenue

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

## 2.15 Other Income

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

## 2.16 Borrowing Cost

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

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

## 2.17 Foreign Currency Transactions and Translations

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

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

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

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

# Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

## 2.18 Employee benefits

### 2.18.1 Short Term Employee Benefits

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

### 2.18.2 Long Term Employee Benefits

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

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

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

#### b. Leave Encashment

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

#### c. Gratuity

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

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

## 2.19 Tax

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

### 2.19.1 Current tax

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

### 2.19.2 Deferred tax

- Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.
- Deferred tax liabilities are generally recognized for all taxable temporary timing difference. Deferred tax assets are recognized for deductible temporary differences to the extent that they are probable that taxable profit will be available against which the deductible temporary difference can be utilized.
- The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

- d. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted on the reporting date.
- e. Current and deferred tax for the year are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.
- f. In the situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

### 2.19.3 Minimum Alternate Tax (MAT) Credit

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

### 2.20 Segment reporting

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

### 2.21 Earnings per share

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

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

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

### 2.22 Provisions, Contingent Liabilities and Contingent Assets

#### 2.22.1 Provisions

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

#### 2.22.2 Contingent liability

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

# Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

b. Commitments

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

### 2.22.3 Contingent assets

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

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

### 2.23 Cash and cash equivalents

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

### 2.24 Cash flow statements

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

### 2.25 Measurement of EBITDA

As permitted by the Guidance Note on Division II – Ind AS Schedule III to the Companies Act, 2013, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

## 3. KEY ACCOUNTING JUDGEMENTS, CRITICAL ESTIMATES AND ASSUMPTIONS

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

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

- a. Assessment of functional currency (Refer Note No. 2.2)
- b. Financial instruments (Refer Note No. 2.9)
- c. Estimates of useful lives and residual value of PPE and intangible assets (Refer Note No. 2.4)
- d. Impairment of financial and non-financial assets (Refer Note No. 2.7 & 2.9)
- e. Valuation of inventories (Refer Note No. 2.12)
- f. Measurement of Defined Benefit Obligations and actuarial assumptions (Refer Note No. 2.17)
- g. Allowances for uncollected trade receivable and advances
- h. Provisions (Refer Note No. 2.21)
- i. Provisions for Current and Deferred Tax (Refer Note No. 2.18)
- j. Evaluation of recoverability of deferred tax assets (Refer Note No. 2.18)
- k. Contingencies (Refer Note No. 2.21) and
- l. Determination of effective portion of Cash flow hedge (Refer Note No. 2.9.4)
- m. Estimation / uncertainties relating to global held pandemic on COVID-19 (Refer Note No. 55)

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



# Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

## 4 NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at April 1, 2019	Opening Gross Block of Amalgamated Companies as on Apr 01, 2018 (#)	Disposal/ Impairment during the year	As at Mar 31, 2020	As at April 1, 2019	Depreciation charge for the year	Deductions/ Impairment on Disposal	As at Mar 31, 2020	As at April 1, 2019
Land	95.17	-	-	95.17	-	-	-	95.17	95.17
Factory Building	1,542.94	-	69.20	1,473.74	1,073.88	43.06	55.57	1,061.37	469.06
Office Building	407.18	-	-	407.18	181.88	14.09	-	195.97	225.31
Plant and Machinery	4,339.66	353.99	350.14	4,343.51	2,776.42	319.34	252.60	2,843.16	1,563.24
Electrical Installations	571.29	33.07	46.68	557.68	450.88	26.05	34.51	442.42	120.41
Office Equipments	879.62	70.25	139.20	810.67	768.52	45.16	130.61	683.07	111.10
Computers	623.43	52.80	82.83	593.40	581.22	30.07	79.49	531.80	42.20
Furniture and Fixtures	1,241.01	154.99	149.31	1,246.69	949.92	69.00	130.95	887.97	291.09
Vehicles	1,787.58	97.14	8.31	1,876.41	1,058.89	244.52	7.90	1,295.51	728.69
Leasehold Improvements	930.34	25.08	-	955.42	675.32	68.22	-	743.54	255.02
<b>Total</b>	<b>12,418.22</b>	<b>-</b>	<b>845.67</b>	<b>12,359.87</b>	<b>8,516.93</b>	<b>859.51</b>	<b>691.62</b>	<b>8,684.82</b>	<b>3,901.30</b>
<b>Previous Year</b>	<b>10,963.06</b>	<b>492.27</b>	<b>603.95</b>	<b>12,418.23</b>	<b>7,829.43</b>	<b>845.98</b>	<b>518.39</b>	<b>8,516.93</b>	<b>3,901.30</b>

## 4 INTANGIBLE ASSETS

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at April 1, 2018	Opening Gross Block of Amalgamated Companies as on Apr 01, 2018	Disposal during the year	As at Mar 31, 2020	As at April 1, 2018	Amortisation for the year	Deductions on Disposal	As at Mar 31, 2020	As at April 1, 2018
Software	532.07	40.66	343.37	229.36	510.64	14.83	340.31	185.16	21.44
<b>Total</b>	<b>532.07</b>	<b>40.66</b>	<b>343.37</b>	<b>229.36</b>	<b>510.64</b>	<b>14.83</b>	<b>340.31</b>	<b>185.16</b>	<b>21.44</b>
<b>Previous Year</b>	<b>186.76</b>	<b>550.27</b>	<b>206.90</b>	<b>532.07</b>	<b>157.94</b>	<b>33.82</b>	<b>94.35</b>	<b>510.64</b>	<b>21.44</b>

1. Working capital borrowing are secured by hypothecation of fixed assets of the company (Refer Note No. 22)

2. (#) Following assets were acquired on accounts of amalgamation of subsidiary companies (Refer Note No. 42)

3. Balance useful life as at March 31, 2020 ranges from 1 to 3 years.

4. Assets impaired during the year at ended March 31, 2020 ₹ 121.42 Lakhs

Particulars	Amount
Plant & Machinery	62.37
Computers	3.34
Office Equipments	4.57
Air conditioner	3.97
Electrical Installation	12.10
Furniture & Fixtures	18.37
Software	3.06
Building	13.64
<b>Total</b>	<b>121.42</b>

## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

## 4A CAPTAIL WORK IN PROGRESS

## Reconciliation of carrying amount

(₹ in Lakhs)

Particulars	Capital work in Progress (2019-20)	Capital work in Progress (2018-19)
<b>Balance as at April 01</b>	<b>11.28</b>	<b>294.52</b>
Additions	81.58	224.67
Capitalisation	84.50	507.91
<b>Balance as at March 31</b>	<b>8.36</b>	<b>11.28</b>

## 4B RIGHT-OF-USE ASSETS\*

## Gross carrying amount

(₹ in Lakhs)

Particulars	Right of Use assets
<b>Balance as at April 01, 2019</b>	<b>142.68</b>
Additions	137.89
Disposals	-
<b>Balance as at March 31, 2020</b>	<b>280.57</b>
Accumulated Depreciation	-
<b>Balance as at April 01, 2019</b>	<b>142.68</b>
Depreciation Charge for the year	103.44
<b>Balance as at March 31, 2020</b>	<b>177.13</b>
Net Carrying Amount	
<b>Balance as at April 01, 2019</b>	<b>142.68</b>
<b>Balance as at March 31, 2020</b>	<b>177.13</b>

\* Refer Note No. 45 on Leases.

## 5 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Investment in Equity Instruments Unquoted (At Fair Value through OCI)</b>		
The Saraswat Co-op Bank Limited		
No. of shares Mar 31, 2020 : 10 (Value ₹ 100)	-	-
No. of shares Mar 31, 2019 : 10 (Value ₹ 100)		
<b>In Equity Shares Unquoted</b>		
<b>Direct Subsidiary Companies (At Cost) : (Refer Note No. 44)</b>		
Renaissance Jewelry N.Y Inc without par value	5,082.74	5,082.74
No. of shares Mar 31, 2020 : 100		
No. of shares Mar 31, 2019 : 100		
Verigold Jewellery (UK) Ltd of GBP 1/- each	309.72	309.72
No. of shares Mar 31, 2020 : 450,000		
No. of shares Mar 31, 2019 : 450,000		
Renaissance Jewellery Bangladesh Pvt. Ltd of Tk 100/- each	1,371.87	1,371.87
No. of shares Mar 31, 2020 : 2,122,063		
No. of shares Mar 31, 2019 : 2,122,063		
Verigold Jewellery DMCC of AED 1000/- each	51.04	51.04
No. of shares Mar 31, 2020 : 300		
No. of shares Mar 31, 2019 : 300		
	<b>6,815.37</b>	<b>6,815.37</b>
Less: Provision for diminution in the value of investment (Refer Note No. 52)	1,003.97	596.83
<b>Total</b>	<b>5,811.40</b>	<b>6,218.54</b>

# Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>In Mutual Funds Unquoted (At Fair value through OCI)</b>		
SBI PSU Fund (Growth Plan) of ₹ 10/- each	7.61	10.50
No. of units Mar 31, 2020 : 100,000		
No. of units Mar 31, 2019 : 100,000		
HDFC Small Cap Fund (Direct Growth Plan)	149.40	-
No. of units Mar 31, 2020 : 10,62,992.96		
No. of units Mar 31, 2019 : Nil		
<b>Total</b>	<b>157.01</b>	<b>10.50</b>
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>5,968.41</b>	<b>6,229.04</b>
Aggregate amount of unquoted investments	<b>5,968.41</b>	<b>6,229.04</b>
<b>Category-wise Non current investment</b>		
Financial assets carried at cost (net of provision for diminution)	5,811.40	6,218.54
Financial assets measured at Fair Value through profit and loss account	-	-
Financial assets carried at Fair Value through OCI	157.01	10.50

## 6 NON-CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(Unsecured considered good)</b>		
Security Deposits	223.26	181.40
Deposits with original maturity for more than 12 months	22.85	26.21
Interest accrued on fixed deposits	17.56	14.84
Maring money for Gold Contracts*	<b>235.70</b>	<b>0.00</b>
<b>Total</b>	<b>499.37</b>	<b>222.45</b>

\*Net of Fair Value Change of Outstanding Options ( Refer Note No. 38)

## 7 DEFERRED TAX ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Deferred tax liability:</b>		
Fair valuation of financial instruments	-	50.90
Fair Valuation of Forward Contracts	-	453.50
	-	<b>504.40</b>
<b>Deferred tax assets:</b>		
Property plant and equipment	396.57	98.45
Employee benefits	139.08	75.65
Provision for Expected Credit Loss	3.06	0.59
Provision for diminution in value of investment	233.90	139.04
Fair valuation of financial instruments	78.78	-
Fair Valuation of Forward Contracts	783.03	-
Lease Liability (IND-AS 116)	30.60	-
MAT credit entitlement	1053.58	1347.35
	<b>2718.60</b>	<b>1661.07</b>
<b>Deferred tax assets (net)</b> (Refer Note No. 39)	<b>Total</b>	<b>1156.67</b>

# Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

## 8 OTHERS NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances	74.65	67.69
Security Deposits	13.17	13.13
Prepaid expenses and deferrment	8.94	9.44
Leasehold Land Premium - Operating Lease	0.00	39.96
<b>Total</b>	<b>96.76</b>	<b>130.22</b>

## 9 CURRENT ASSETS INVENTORIES\*

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials		
Gems and diamonds	8466.14	7276.67
Gold, Silver and others	1022.04	539.40
Work-In-progress	15297.21	19437.36
Manufactured Jewellery (Finished Goods)	583.26	2434.43
Traded goods	90.94	2713.39
Promotional items	0.00	27.99
Consumable,tools and spares	330.65	419.90
<b>Total</b>	<b>25790.24</b>	<b>32849.14</b>

\* Working capital borrowing are secured by hypothication of inventories of the company (Refer Note No. 22)

## 10 CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>In Equity Shares Quoted (At fair value through OCI)</b>		
Bajaj Finance Limited of ₹ 2 each	304.81	33.28
No. of shares Mar 31, 2020 : 13,756		
No. of shares Mar 31, 2019 : 1,100		
Central Depository Services India Limited of ₹ 10 each	0.00	26.50
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 10,926		
Dollar Industries Limited of ₹ 2 each	0.00	118.30
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 41,300		
Dr. Lal Path Labs Limited of ₹ 10 each	0.00	48.64
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 4,658		
Housing Development Finance Corpn. Ltd. of ₹ 2 each	380.51	0.00
No. of shares Mar 31, 2020 : 23,300		
No. of shares Mar 31, 2019 : Nil		
Kotak Mahindra Bank Ltd of ₹ 5 each	681.55	254.18
No. of shares Mar 31, 2020 : 52,587		
No. of shares Mar 31, 2019 : 19,047		
La Opala RG Ltd of ₹ 2 each	0.00	88.71
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 40,900		

## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
RepcO Home Finance Limited of ₹ 10 each	0.00	114.21
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 24,603		
Shemaroo Entertainment Limited of ₹ 10 each	0.00	100.46
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 24,690		
SRG Housing Finance Limited of ₹ 10 each	0.00	141.23
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 55,822		
Safari Industries India Ltd of ₹ 2 each	73.82	103.25
No. of shares Mar 31, 2020 : 18,383		
No. of shares Mar 31, 2019 : 14,250		
Thyrocare Technologies Ltd of ₹ 10 each	0.00	40.04
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 7,499		
V-Mart Retail Limited of ₹ 10 each	58.93	228.85
No. of shares Mar 31, 2020 : 4,146		
No. of shares Mar 31, 2019 : 8,494		
ICICI Liquid Fund - Direct Plan - Daily Dividend	0.00	492.93
No. of units Mar 31, 2020 : Nil		
No. of units Mar 31, 2019 : 492,396.372		
<b>Total</b>	<b>1499.62</b>	<b>1790.58</b>
Aggregate amount of unquoted investments	0.00	492.93
Aggregate amount of quoted investments - At Cost	1847.52	1006.83
Aggregate amount of quoted investments - At Market Value	1499.62	1297.65

### 11 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLE \*

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
<b>(Unsecured, considered good unless otherwise stated)</b>		
Considered Good	35809.23	35951.34
Doubtful	8.77	4.17
	<b>35818.00</b>	<b>35955.51</b>
Less: Provision for doubtful receivables	8.77	4.17
<b>Total</b>	<b>35809.23</b>	<b>35951.34</b>

#### The movement in Allowance for bad and doubtful debts is as follows:

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Balance as at beginning of the year	4.17	8.41
Allowance for bad and doubtful debts during the year	4.59	(4.23)
Less : Trade receivable written off during the year	-	-
<b>Total</b>	<b>8.77</b>	<b>4.17</b>

\* Working capital borrowing are secured by hypothecation of trade receivables of the Company (Refer Note No. 22)

Refer Note No. 44 for Related Party Transaction

Refer Note No. 55 for Balance Confirmation

## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

### 12 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks	5335.82	572.23
Cash on hand	22.22	9.72
Cheque on Hand	35.91	-
Deposits with original maturity of less than 3 months	1671.00	588.89
<b>Total</b>	<b>7064.95</b>	<b>1170.84</b>

### 13 CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unclaim dividend account	2.91	3.35
Margin Money Deposit with banks against gold loan	66.40	73.20
Deposits with original maturity of more than 3 months but less than 12 months	482.25	648.75
<b>Total</b>	<b>551.56</b>	<b>725.30</b>

### 14 CURRENT FINANCIAL ASSETS - LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Loan to Employees	41.13	23.11
<b>Total</b>	<b>41.13</b>	<b>23.11</b>

### 15 CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
Forward contract receivable (net)	0.00	1297.80
Interest accrued on fixed deposits	36.04	32.29
Others	288.19	5.54
<b>Total</b>	<b>324.23</b>	<b>1335.63</b>

### 16 OTHERS CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits	0.00	0.30
Prepaid expenses and deferrment	162.93	232.31
Advance recoverable in cash or in Kind	227.58	411.14
Balance with statutory/government authorities	883.92	1137.13
Other	1.44	1.38
<b>Total</b>	<b>1275.87</b>	<b>1782.26</b>

Refer Note No. 55 for Balance Confirmation

# Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

## 17 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at	
	March 31, 2020	March 31, 2019
<b>Authorized</b>		
88,700,000 Mar 31, 2020 : (88,700,000 March 31, 2019)	8,870.00	8,870.00
equity shares of ₹ 10/- each		
10,000,000 Mar 31, 2020 : (10,000,000 March 31, 2019)	1,000.00	1,000.00
Eight years 0% optionally convertible or Redeemable Non-Cumulative		
Preference Shares of ₹ 10/- each		
<b>Issued, subscribed and fully paid-up</b>		
18,879,440 Mar 31, 2020 : (18,879,440 March 31, 2019)	1,887.94	1,887.94
equity shares of ₹ 10/- each		
RJL-Employee welfare Trust for Investment in Shares	(19.64)	(19.64)
<b>Total</b>	<b>1,868.30</b>	<b>1,868.30</b>

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

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	18,879,440	1,887.94	18,879,440	1,887.94
<b>Total</b>	<b>18,879,440</b>	<b>1,887.94</b>	<b>18,879,440</b>	<b>1,887.94</b>

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

The company has only one class of issued shares having par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share and carries identical right as to dividend. These shares are not subject to any restrictions. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the numbers of equity share held by the shareholders.

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

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Equity Shares of ₹ 10/- each</b>				
<b>fully paid up</b>				
Mr. Sumit N. Shah	4,128,037	21.87	4,128,037	21.87
Kothari Descendents Private Trust	2,671,916	14.15	2,671,916	14.15
Niranjan Family Private Trust	2,580,112	13.67	2,580,112	13.67
Mr. Hitesh M. Shah	1,335,958	7.08	1,335,958	7.08
Ms. Pinky D. Shah	1,068,766	5.66	1,068,766	5.66

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

# Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

## 18 OTHER EQUITY

Particulars	Reserve and Surplus				Items of Other Comprehensive Income (OCI)				Other Component of Equity on shares issued under ESPS	Own Shares held by ESPS Trusts holders of the company	Total Other equity attributable to Equity holders of the company		
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve (CRR)	Effective portion of Cash Flow Hedge Reserve	Remeasurement of Actuarial Gain or Loss	Equity Instruments through OCI				Mutual Fund Equity Instruments through OCI	Mutual Fund Debts Instruments through OCI
<b>As at April 1, 2018 (Ind AS) (A)</b>	380.00	7,129.54	254.00	32,075.52	20.00	295.13	4.76	570.28	3.48	-	559.01	(78.56)	41,213.16
Add / (Less):													
Profit / (Loss) for the year	-	-	-	2,653.55	-	-	-	-	-	-	-	-	2,653.56
Fair Value of changes on derivatives designated as Cash flow reserves (net of tax)	-	-	-	-	-	549.19	-	-	-	-	-	-	549.18
Re-measurement gains (losses) on defined benefit plans (net of tax)	-	-	-	-	-	-	(2.57)	-	-	-	-	-	(2.57)
Fair value change of financial instruments through OCI (net of tax)	-	-	-	-	-	-	-	84.03	8.22	-	-	-	92.25
De-recognition of financial instruments (net of tax)	-	-	-	425.58	-	-	-	(414.29)	(11.29)	-	-	-	(0.00)
<b>Total adjustments (C)</b>	-	-	-	3,079.14	-	549.19	(2.57)	(330.26)	(3.07)	-	-	-	3,292.42
<b>As at March 31, 2019 (Ind AS) (A) + (B)</b>	380.00	7,129.54	254.00	35,154.66	20.00	844.32	2.19	240.02	0.41	-	559.01	(78.56)	44,505.58
Add / (Less):													
Profit / (Loss) for the year	-	-	-	3,180.23	-	-	-	-	-	-	-	-	3,180.23
Fair Value of changes on derivatives designated as Cash flow reserves (net of tax)	-	-	-	-	-	(2,302.08)	-	-	-	-	-	-	(2,302.08)
Fair value change of financial instruments through OCI (net of tax)	-	-	-	-	-	-	-	(694.27)	(180.09)	-	-	-	(874.36)
Transition effect on Implementation of IND-AS 116	-	-	-	(63.62)	-	-	-	-	-	-	-	-	(63.62)
De-recognition of financial instruments (net of tax)	-	-	-	(261.83)	-	-	-	167.14	94.69	-	-	-	-
<b>Total adjustments (C)</b>	-	-	-	2,854.78	-	(2,302.08)	2.19	(527.12)	(85.40)	-	-	-	(59.83)
<b>As at March 31, 2020 (Ind AS) (B) + (C)</b>	380.00	7,129.54	254.00	38,009.44	20.00	(1,457.76)	2.19	(287.10)	(84.99)	-	559.01	(78.56)	44,445.76



## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

### 19 NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Loans		
Vehicle Loan	18.34	113.46
<b>Total</b>	<b>18.34</b>	<b>113.46</b>

All two standing vehicle loans are secured by hypothecation of vehicles and balance amount is repayable in 10 EMI of ₹ 6.30 Lakhs and 18 EMI of ₹ 3.17 Lakhs inclusive of interest on reducing balance. (Refer Note No. 25)

### 20 NON CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Lease Liability (Refer Note No.45)	142.46	0.00
<b>Total</b>	<b>142.46</b>	<b>0.00</b>

### 21 NON CURRENT LIABILITIES - PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Provision for employee benefits</b> (Refer Note No.37)		
Gratuity	172.21	90.99
Leave encashment	65.86	48.70
<b>Total</b>	<b>238.07</b>	<b>139.69</b>

### 22 CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Secured *</b>		
Working Capital Finance from banks denominated in		
Foreign Currency	20,222.86	19,844.82
Indian Currency	-	1,003.11
<b>Unsecured **</b>		
Loan from related parties repayable on demand		
Inter Corporate Deposit ( Refer Note No. 44)	370.00	300.00
<b>Total</b>	<b>20,592.85</b>	<b>21,147.92</b>

\* The Working Capital Loan is secured by first charge on pari passu basis by way of hypothecation and/or pledge of company's current assets both present and future, by way of joint equitable mortgage of Company's factory premises situated at Plot Nos. 36A and 37 (Mumbai), at Plot No. 2302 (Bhavnagar) and office premises situated bearing no CC9081 with car parking situated at Bharat Diamond Bourse and hypothecation of machinery and plant, furniture and fixtures, electrical installations, office equipments, erected and installed therein and by personal guarantee of some of the directors / promoters. The working capital finance is generally having tenure of 180 days. The Foreign currency loans carries interest rate @ LIBOR plus 2% to 4% and Indian currency Loans carries interest rate @ 9% to 10%.

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

## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

## 23 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of small enterprises and micro enterprises (Refer Note No. 49)	0.24	1.60
Total outstanding dues of creditors other than small enterprises and micro enterprises (Refer Note No. 44)	15,321.14	18,943.28
<b>Total</b>	<b>15,321.38</b>	<b>18,944.88</b>

Refer Note No. 55 for Balance Confirmation

## 24 CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current maturities of Long term debt</b>		
Vehicle loan from bank (secured)#	95.11	98.23
Forward contract payable (net)	2,240.81	-
Salaries, wages and other payables	300.68	275.14
Unclaim dividend	2.91	3.35
Interest accrued on ICD (Related party) (Refer Note No. 45)	7.45	5.99
Lease Liability	80.06	-
Payable to Others	11.14	3.87
<b>Total</b>	<b>2,738.15</b>	<b>386.57</b>

# All two standing vehicle loans are secured by hypothecation of vehicles and balance amount is repayable in 10 EMI of ₹ 6.30 Lakhs and 18 EMI of ₹ 3.17 Lakhs inclusive of interest on reducing balance.

## 25 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues payable	109.85	91.80
Bank overdrawn as per Books	-	305.03
<b>Total</b>	<b>109.85</b>	<b>396.83</b>

## 26 CURRENT LIABILITIES - PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Provision for employee benefits</b> (Refer Note No.37)		
Gratuity	148.78	137.89
Leave encashment	11.17	8.99
<b>Total</b>	<b>159.95</b>	<b>146.88</b>

# Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

## 27 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Sale of products</b>		
Jewellery, Gems and Diamonds	125,918.51	127,628.67
Furniture and accessories	53.77	133.96
<b>Service Income</b>		
Jewellery making charges	93.07	57.14
<b>Other Operating revenues</b>		
Sale of Dust	-	0.97
<b>Total</b>	<b>126,065.35</b>	<b>127,820.74</b>

### Reconciliation of revenue recognised in the statement of profit and loss with the contracted price:

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contract Price	126,268.68	127,939.62
Less : Discount	60.11	118.88
Less : Sales Return	143.22	-
<b>REVENUE FROM OPERATIONS</b>	<b>Total 126,065.35</b>	<b>127,820.74</b>

## 28 OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Interest income on</b>		
Bank deposits	93.84	81.96
Others	8.08	10.63
Financial Instruments measured at FVTPL	1.65	0.66
Exchange Difference (net)	755.12	-
Rent Income	10.08	17.34
Miscellaneous income	16.26	13.36
Dividend income on current investment at FVTOCI	18.38	5.34
Reversal of expected credit loss	-	4.23
Profit on sale of assets	14.52	-
<b>Total</b>	<b>917.93</b>	<b>133.52</b>

## 29 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Stock *	9,971.02	10,105.39
Add : Purchases made during the year	82,476.54	85,914.96
Add : Other direct cost	250.63	237.31
	<b>92,698.19</b>	<b>96,257.66</b>
Less : Inventory at the end of the year*	9,575.94	9,971.02
<b>Total cost of materials consumed</b>	<b>Total 83,122.25</b>	<b>86,286.64</b>

\* Includes Stock in trade of Colour stones and Diamonds.

## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

## COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Details of materials consumed</b>		
Colour Stone	3,550.72	2,528.79
Diamond	54,422.93	61,463.94
Gold	18,515.54	16,125.43
Silver	2,403.01	1,870.49
Others	4,230.06	4,297.99
<b>Total</b>	<b>83,122.25</b>	<b>86,286.64</b>
<b>Details of inventory</b>		
Colour Stone	860.66	728.51
Diamond	7,693.24	8,703.10
Gold	879.32	375.40
Silver	26.64	5.12
Others	116.09	158.89
<b>Total</b>	<b>9,575.94</b>	<b>9,971.02</b>

## 30 PURCHASE OF TRADED GOODS

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Purchase of Traded Goods		
Jewellery, Gems and Diamonds	12,199.22	22,137.08
<b>Total</b>	<b>12,199.22</b>	<b>22,137.08</b>

## 31 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN PROGRESS

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Inventories at the end of the year</b>		
Work-In-progress	15,297.21	19,437.36
Finished goods	583.26	2,434.43
Furniture and accessories	-	555.27
<b>Total</b>	<b>15,880.47</b>	<b>22,427.06</b>
<b>Inventories at the beginning of the year</b>		
Work-In-progress	19,437.36	15,369.34
Finished goods	2,434.43	650.42
Furniture and accessories	555.27	1,238.38
<b>Total</b>	<b>22,427.06</b>	<b>17,258.14</b>
<b>Total (Increase)/Decrease in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress</b>	<b>6,546.59</b>	<b>(5,168.91)</b>
<b>Details of inventory</b>		
<b>Work-in-progress</b>		
Jewellery	15,297.21	19,437.36
<b>Finished Goods</b>		
Jewellery	583.26	2,434.43
Furniture and accessories	-	555.27

## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

### 32 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	3,173.95	2,971.18
Contribution to provident and other funds	154.79	156.70
Gratuity expense (Refer Note No.37)	168.19	64.16
Leave salary	50.06	19.38
Staff welfare expenses	316.38	365.37
<b>Total</b>	<b>3,863.37</b>	<b>3,576.79</b>

### 33 OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of stores and spare parts	1,491.03	1,448.84
Power and fuel	774.75	723.19
Water charges	73.92	68.33
Jewellery making charges	8,621.73	7,644.02
Freight and forwarding charges	249.89	225.90
Rent (Refer Note No. 45)	50.85	205.11
Rates and Taxes	69.61	48.37
Director Sitting fees	12.50	14.90
Exchange Difference (net)	-	2,123.37
Insurance	234.23	185.27
<b>Repairs and maintenance</b>		
Buildings	17.30	6.27
Machinery	58.44	33.34
Others	212.97	186.79
Payment to auditor	50.45	50.00
CSR Contribution / Expenditure	80.32	101.22
Donation	1.34	1.24
Loss on sale of assets	-	160.01
Bank Charges	367.81	383.79
Expected credit loss	7.08	-
Miscellaneous expenses	2,356.78	2,063.95
<b>Total</b>	<b>14,731.00</b>	<b>15,673.91</b>
<b>Payment to auditor</b>		
As auditor:		
Audit fee	50.00	50.00
Tax audit fee	-	-
<b>In other capacity:</b>		
Taxation	-	-
Other services	0.45	-
<b>Total</b>	<b>50.45</b>	<b>50.00</b>

### 34 FINANCE COST

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense	1,021.24	962.30
Interest on Leases	22.89	-
<b>Total</b>	<b>1,044.13</b>	<b>962.30</b>

## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

## 35 DEPRECIATION, AMORTISATION AND IMPAIRMENT

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of tangible assets	859.51	845.98
Impairment of tangible assets	121.41	-
Amortization of intangible assets	14.83	33.82
Amortization of Right of use assets	103.44	-
Amortization of leasehold land	-	3.63
<b>Total</b>	<b>1,099.19</b>	<b>883.43</b>

## 36 TAX EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. The major components of income tax expense for the year are as under :</b>		
<b>i. Tax expense recognized in the statement of profit and loss</b>		
<b>Current Tax expense:</b>		
Current tax on profit for the year	1,268.75	783.43
Short/(Excess) Provision of tax relating to earlier years	(23.26)	-
MAT credit in respect of earlier years	-	-
<b>Deferred Tax expense:</b>		
Deferred Tax expenses	(455.31)	97.53
<b>Total tax expense recognized in the statement of profit and loss</b>	<b>790.17</b>	<b>880.96</b>
<b>ii. Tax expense recognized in other comprehensive income</b>		
<b>Items that will not be reclassified to profit and loss</b>		
Re-measurement of defined benefit plan	-	1.98
Fair valuation of equity instruments	111.60	(13.96)
Fair valuation of mutual fund	18.08	(1.74)
<b>Items that will be reclassified to profit and loss</b>		
Fair valuation of cash flow hedge	1,236.53	(294.98)
<b>Total Tax expense recognized in other comprehensive income</b>	<b>1,366.21</b>	<b>(308.71)</b>
<b>B. Reconciliation of tax expense and the accounting profit for the year is under.</b>		
<b>Accounting Profit before income tax expenses</b>		
Enacted tax rate in India (%)	3,970.40	3,534.52
Expected income tax expense	34.944%	34.944%
<b>Tax effect of :</b>	1,387.42	1,235.10
Expenses not deductible	134.84	72.35
Tax exempt income	(6.42)	(1.86)
Allowances and concessions	(768.07)	(385.32)
Accelerated capital allowances	65.67	(39.31)
<b>Tax expenses recognized in statement of profit and loss</b>	<b>813.43</b>	<b>880.96</b>
Adjustments recognized in current year in relation to the current tax ( Including MAT credit entitlement) of earlier years	(23.26)	-
<b>Income Tax Expenses</b>	<b>790.17</b>	<b>880.96</b>
<b>Effective tax rate (%)</b>	<b>20.49%</b>	<b>24.92%</b>

## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

### 37 EMPLOYEE BENEFITS

#### a. Defined Contribution Plan

Contribution to defined contribution plan, recognized as expense for the year are as under:

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Employer's Contribution to Provident Fund & Family Pension Fund	123.16	113.07
Employer's Contribution to Employees' State Insurance Scheme	31.63	43.62

#### b. Defined Benefit plan - Gratuity

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

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

Particulars	(₹ in Lakhs)			
	Gratuity (Unfunded)		Gratuity (Funded)	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>i) Changes in Present Value of Defined Benefit Obligation during the year</b>				
Opening Defined Benefit Obligation	7.08	6.16	537.85	480.48
Interest cost	-	0.42	40.18	36.33
Current service cost	-	0.93	112.23	45.16
Past service cost	-	-	-	-
Benefits paid/Transfer from the fund	(7.08)	-	(23.44)	(38.27)
Actuarial (Gains)/Losses on Obligations				
Due to Change in Financial Assumptions	-	-	-	3.00
Due to Experience	-	(0.43)	-	11.15
<b>Closing defined benefit obligation</b>	<b>-</b>	<b>7.08</b>	<b>666.83</b>	<b>537.85</b>
<b>ii) Changes in Fair Value of Plan Assets during the year</b>				
Opening fair value of planned assets			316.05	247.16
Interest Income			(15.77)	18.69
Contributions by employer			69.00	80.00
Benefits paid			(23.44)	(38.27)
Return on Plan Assets, Excluding Interest Income			-	8.47
<b>Closing fair value of plan assets</b>			<b>345.84</b>	<b>316.05</b>
The company expects to contribute ₹ 148.77 Lakhs to gratuity in the next year (March 31, 2019 : ₹ 135.39 Lakhs)				
<b>iii) Net (asset)/liability recognized in the balance sheet</b>				
Present Value of Benefit Obligation at the end of the year	-	(7.08)	(666.83)	(537.85)
Fair Value of Plan Assets at the end of the year	-	-	345.84	316.05
Net (asset)/liability recognized in the Balance Sheet	-	(7.08)	(320.99)	(221.80)
Net liability – current (Refer Note No.26)	-	2.50	148.78	135.39
Net liability – non current (Refer Note No.21)	-	4.58	172.21	86.41

## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Gratuity (Unfunded)		Gratuity (Funded)	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>iv) Expenses recognized in the statement of profit and loss for the year</b>				
Current Service Cost	-	0.93	112.23	45.16
Net Interest Cost	-	0.42	55.95	17.64
Past service cost	-	-	-	-
<b>Expenses recognized</b>	<b>-</b>	<b>1.35</b>	<b>168.18</b>	<b>62.80</b>
<b>v) Recognized in other comprehensive income for the year</b>				
Actuarial (Gains)/Losses on Obligations				
Due to Change in Financial Assumptions	-	-	-	3.00
Due to Experience	-	(0.43)	-	11.15
Return on Plan Assets, Excluding Interest Income	-	-	-	(8.47)
Net (Income)/Expense For the Period Recognized in OCI	-	(0.43)	-	5.68
<b>vi) Actuarial assumptions</b>				
Expected Return on Plan Assets			6.04%	7.47%
Rate of Discounting			6.04%	7.47%
Rate of Salary Increase			5.00%	5.00%
Rate of Employee Turnover			8.00%	8.00%
<b>vii) Maturity profile of defined benefit obligation</b>				
Within 1 year	-	2.50	104.02	72.39
1-2 Year	-	1.88	54.51	65.76
2-3 Year	-	1.27	53.08	47.48
3-4 Year	-	0.85	57.98	66.65
4-5 Year	-	0.58	49.97	46.85
Above 5 Years	-	1.02	763.38	698.49
<b>viii) Sensitivity analysis for significant assumptions is as below</b>				
Projected Benefit Obligation on Current Assumptions	-	7.08	666.83	537.85
Delta Effect of +1% Change in Rate of Discounting	-	(6.93)	(40.60)	(31.47)
Delta Effect of -1% Change in Rate of Discounting	-	(7.24)	46.26	35.87
Delta Effect of +1% Change in Rate of Salary Increase	-	(7.21)	41.97	32.61
Delta Effect of -1% Change in Rate of Salary Increase	-	(6.96)	(37.89)	(29.50)
Delta Effect of +1% Change in Rate of Employee Turnover	-	-	(3.95)	(7.56)
Delta Effect of -1% Change in Rate of Employee Turnover	-	-	(4.40)	(8.48)

**ix) Investment details**

The company made annual contribution to the PNB Metlife India Insurance Co. Ltd. (PNB) of an amount advised by the PNB. The company was not informed by PNB of the investments made or the break-down of the plan assets by investment type.



## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

### 38 FAIR VALUE MEASUREMENT

A) The carrying value and Fair value of Financial assets and liabilities by categories are as follows :

(₹ in Lakhs)

Particulars	Carrying value of the financial assets/liabilities		Fair value of the financial assets/liabilities	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Financial Assets at amortized cost (non-current)</b>				
Deposits with original maturity for more than 12 months	22.85	26.21	22.85	26.21
Security Deposits	223.26	181.40	223.26	181.40
Maring money held with Broker	235.70	-	235.70	-
Others	17.56	14.84	17.56	14.84
<b>Financial Assets at Fair value through OCI (non-current)</b>				
Investments in Mutual fund	157.01	10.50	157.01	10.50
Investments in Shares	-	-	-	-
<b>Financial Assets at amortized cost (current)</b>				
Trade receivables	35,809.23	35,951.34	35,809.23	35,951.34
Cash and cash equivalents	7,064.95	1,170.84	7,064.95	1,170.84
Bank Balances other than Cash and cash equivalents	551.56	725.30	551.56	725.30
Loan to employees	41.13	23.11	41.13	23.11
Inter Corporate Deposit	-	-	-	-
Others	324.23	32.29	324.23	32.29
<b>Financial Assets at Fair value through OCI (current)</b>				
Investments in equity shares	1,499.62	1,297.65	1,499.62	1,297.65
Investments in mutual fund	-	492.93	-	492.93
Forward contract	-	1,297.80	-	1,297.80
<b>Financial liabilities at amortized cost (non-current)</b>				
Borrowings	2,481.67	113.46	2,481.67	113.46
<b>Financial liabilities at amortized cost (current)</b>				
Borrowings	20,592.85	21,147.92	20,592.85	21,147.92
Trade Payables	15,321.38	18,944.88	15,321.38	18,944.88
Other financial liabilities	497.34	386.57	497.34	386.57
<b>Financial Liabilities at Fair value through OCI (current)</b>				
Forward contract	2,240.81	-	2,240.81	-

## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

## B) Level wise disclosures of financial assets and liabilities by categories are as follows :

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019	Level	Valuation techniques and key inputs
<b>Financial Assets at Fair value through OCI (non-current)</b>				
Investments in Mutual fund	157.01	10.50	1	Quoted NAV in active markets.
<b>Financial Assets at Fair value through OCI (current)</b>				
Investments in equity shares	1,499.62	1,297.65	1	Quoted closing price in active markets.
Investments in mutual fund	-	492.93	1	Quoted NAV in active markets.
Forward contract	-	1,297.80	2	Forward contracts are valued using readily available information from the banks.
<b>Financial Liabilities at Fair value through OCI (current)</b>				
Forward contract	2,240.81	-	2	Forward contracts are valued using readily available information from the banks.

Fair value of cash and cash equivalents, short term loans, trade receivables, trade payables, other financial assets/liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2020.

During the reporting period ended March 31, 2020 and March 31, 2019, there were no transfers between level 1 and level 2 fair value measurements.

## 39 DEFERRED TAX

The major components of deferred tax liabilities and assets arising on account of timing differences are as follows:

As at March 31, 2020

(₹ in Lakhs)

Particulars	As at March 31, 2019	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	As at March 31, 2020
<b>Tax effect of item constituting deferred tax liabilities</b>				
Fair valuation of financial instruments	50.90	-	(50.90)	-
Fair Valuation of Forward Contracts	453.50	-	(453.50)	-
<b>Total</b>	<b>504.40</b>	<b>-</b>	<b>(504.40)</b>	<b>-</b>
<b>Tax effect of item constituting deferred tax assets</b>				
Property plant and equipment	98.45	298.12	-	396.57
Employee benefits	75.65	14.83	48.60	139.08
Provision for Expected Credit Loss	0.59	2.47	-	3.06
Provision for Diminution in value of Investment	139.04	94.86	-	233.90
Fair valuation of financial instruments	-	78.78	-	78.78
Fair Valuation of Forward Contracts	-	783.03	-	783.03
Lease Liability (IND-AS 116)	-	30.60	-	30.60
MAT credit entitlement	1,347.35	-	(293.77)	1,053.58
<b>Total</b>	<b>1,661.07</b>	<b>1,302.69</b>	<b>(245.17)</b>	<b>2,718.60</b>
<b>Net deferred tax liability/ (asset)</b>	<b>(1,156.67)</b>	<b>(1,302.69)</b>	<b>(259.23)</b>	<b>(2,718.60)</b>

# Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

As at March 31, 2019				(₹ in Lakhs)
Particulars	As at March 31, 2018	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	As at March 31, 2019
<b>Tax effect of item constituting deferred tax liabilities</b>				
Fair valuation of financial instruments	81.36	-	(30.46)	50.90
Fair Valuation of Forward Contracts	158.52	-	294.98	453.50
<b>Total</b>	<b>239.88</b>	<b>-</b>	<b>264.53</b>	<b>504.40</b>
<b>Tax effect of item constituting deferred tax assets</b>				
Property plant and equipment	205.09	(106.65)	-	98.45
Employee benefits	78.15	(4.48)	1.98	75.65
Provision for Expected Credit Loss	2.94	(2.35)	-	0.59
Provision for Diminution in value of Investment	123.08	15.95	-	139.03
MAT credit entitlement	1,386.35	-	(39.00)	1,347.35
<b>Total</b>	<b>1,795.62</b>	<b>(97.53)</b>	<b>(37.02)</b>	<b>1,661.07</b>
<b>Net deferred tax liability/ (asset)</b>	<b>(1,555.74)</b>	<b>97.53</b>	<b>301.54</b>	<b>(1,156.67)</b>

## 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### Risk management framework

Company's board of directors has overall responsibility for establishment of Company's risk management framework. Management is responsible for developing and monitoring Company's risk management policies, under the guidance of Audit Committee. Management identifies, evaluates and analyses the risks to which is company is exposed to and set appropriate risk limits and controls to monitor risks and adherence to limits.

Management periodically reviews its risk policy and systems to assess need for changes in the policies to adapt to the changes in market conditions and align the same to the business of the Company. Management through its interaction and training to concerned employees aims to maintain a disciplined and constructive control environment in which concerned employees understand their roles and obligations. The Audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks to which Company is exposed. The Audit committee is assisted in its role by the internal auditor wherever required. Internal auditor undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee.

### Company has exposure to following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

#### a) Credit risk:

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions, foreign exchange transactions and other financial instruments.

The Company has adopted a policy of only dealing with counterparties that have sufficiently high credit standards and financial strength. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the several counterparties.

Credit risk arising from derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the reputed credit rating agencies.

## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

As regards, credit risk for investment in equity shares, the Company limits its exposure to credit risk by investing mainly in scrips which are of high credibility. Company monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, Company adjusts its exposure to various counterparties from time to time.

As regards, credit risk for investment in mutual funds, the Company limits its exposure to credit risk by investing mainly in debt securities issued by mutual funds which are of high credit ranking from rating agency like CRISIL or the equivalent rating agency. Company monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, Company adjusts its exposure to various counterparties from time to time.

Credit risk from Trade receivables is managed by the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are mainly from reputed debtors and are non-interest bearing. Trade receivables generally ranges from 30 - days to 180- days credit term. Credit limits are established for all customers based on internal criteria and any deviation in credit limit requires approval of Head of the department and / or Directors depending upon the quantum and overall business risk. Majority of the customers have been doing business with the company for more than 3 years and they are being monitored by individual business managers who deals with those customers. Management monitors trade receivables on regular basis and takes suitable action where needed to control the receivables crossing set criteria / limits.

Management does an impairment analysis at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Further, the Company's customers base is widely distributed both economically as well as geographically and in view of the same, the quantum risk also gets spread across wide base and hence management considers risk with respect to trade receivable as low.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

**Expected credit loss for trade receivables under simplified approach as at the end of each reporting period is as follows:**

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Gross carrying amount	35,818.00	35,955.51
Expected credit loss at simplified approach	8.77	4.17
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>35,809.23</b>	<b>35,951.34</b>

**Aging of Trade receivable** (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Not Due	26,121.26	29,617.12
0-90 Days	9,566.39	5,656.49
91-180 Days	63.50	577.96
181 Days and above	66.85	103.94
<b>Total</b>	<b>35,818.00</b>	<b>35,955.51</b>

### b) Liquidity risk:

Liquidity risk is the risk that Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. Company closely monitors its liquidity position and deploys a robust cash management system.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash or cash equivalent available to meet all its normal operating commitments in a timely and cost-effective manner. Working capital requirements are adequately addressed by internally generated funds and through working capital loans available from various banks. Trade receivables are kept within manageable levels. Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next three to six months.

## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

### Maturity patterns of borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	0-1 year	1-5 years	Total	0-1 year	1-5 years	Total
Long term borrowings (Including current maturity of long term debt)	-	18.34	18.34	-	113.46	113.46
Short term borrowings	20,592.86	-	20,592.86	21,147.93	-	21,147.93
<b>Total</b>	<b>20,592.86</b>	<b>18.34</b>	<b>20,611.20</b>	<b>21,147.93</b>	<b>113.46</b>	<b>21,261.39</b>

### Maturity patterns of other financial liabilities

(₹ in Lakhs)

As at March 31, 2020	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	Beyond 12 months	Total
Trade Payable	-	10,984.17	927.51	907.33	2,502.37	15,321.38
Payable related to Capital goods	-	11.14	-	-	-	11.14
Lease Liabilities	-	26.07	20.13	33.86	-	80.06
Other Financial Liability	-	311.81	-	2,343.37	2.91	2,658.09
Current maturities of Long term debt	-	26.01	26.62	42.48	-	95.11
<b>Total</b>	<b>-</b>	<b>11,359.20</b>	<b>974.26</b>	<b>3,327.04</b>	<b>2,505.28</b>	<b>18,165.77</b>

(₹ in Lakhs)

As at March 31, 2019	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	Beyond 12 months	Total
Trade Payable	-	17,038.41	783.98	1,064.92	57.56	18,944.88
Payable related to Capital goods	-	3.87	-	-	-	3.87
Other Financial Liability	-	279.01	-	107.57	-	386.58
Current maturities of Long term debt	-	23.71	24.27	50.25	-	98.23
<b>Total</b>	<b>-</b>	<b>7,345.00</b>	<b>808.25</b>	<b>1,222.74</b>	<b>57.56</b>	<b>19,433.56</b>

#### c) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises four types of risks;

- i) Interest rate risk
- ii) Currency risk and;
- iii) Equity price risk
- iv) Commodity Price Risk

Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### i) Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company has not used any interest rate derivatives.

## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

Based on the composition of debt as at March 31, 2020 and March 31, 2019 a 100 basis points increase in interest rates would increase the Company's finance costs and thereby consequently reduce net profit before tax by approximately ₹ 206.97 Lakhs for the year ended March 31, 2020 (2018-19: ₹ 212.61 Lakhs).

### ii) Foreign Currency risk

The Company's foreign exchange risk arises from its foreign operations, foreign currency revenues, foreign currency expenses and foreign currency borrowings. Primarily, the exposure in foreign currencies are denominated in USD. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and USD have changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses foreign exchange forward contracts and foreign currency financial liabilities, to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

Details of Hedged exposure in foreign currency denominated monetary items.

The Company enters into forward exchange contracts to hedge against its foreign currency exposure relating to the underlying transactions and based on past performance. The Company does not enter into any derivative instruments for trading or speculative purpose.

**The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:**

#### Details of Hedged exposure in foreign currency denominated monetary items:

(₹ in Lakhs)

Currency	As at March 31, 2020		As at March 31, 2019	
	FC In Lakhs	₹ In Lakhs	FC In Lakhs	₹ In Lakhs
<b>Receivable</b>				
USD	451.10	34,022.30	512.78	35,474.05
<b>Secured Loans</b>				
USD	268.14	20,222.86	286.86	19,844.82
<b>Payable</b>				
USD	165.09	12,451.02	208.16	14,400.27
EURO	2.60	215.88	1.71	132.85
GBP	0.06	5.34	0.02	2.04
AED	0.02	0.32	0.02	0.29
CHF	-	0.01	-	-
<b>Balance with Banks</b>				
USD	28.80	2,172.03	0.77	53.13

The company is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 1% increase or decrease in the USD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the company as at the reporting date. 1% represents management's assessment of reasonably possible change in foreign exchange rate.

(₹ in Lakhs)

Particulars	Currency	As at	As at
		March 31, 2020	March 31, 2019
1% Depreciation in INR	USD	34.67	12.60
1% Appreciation in INR	USD	(34.67)	(12.60)

## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

### Cash Flow Hedged Accounting:

The Company designates its derivative contracts that hedge foreign exchange risk associated with its highly probable forecasted transactions as cash flow hedges and measures them at fair value. The effective portion of such cash flow hedges is recorded as in other comprehensive income, and re-classified in the income statement as revenue in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such cash flow hedges is immediately recorded in the statement of profit and loss.

The following table gives details in respect of the notional amount of outstanding foreign exchange derivative contracts:

Currency	(₹ in Lakhs)			
	As at March 31, 2020		As at March 31, 2019	
	FC In Lakhs	₹ In Lakhs	FC In Lakhs	₹ In Lakhs
Forward contract to sell USD	661.50	49,890.33	740.88	51,254.08

### iii. Equity Price risk

The Company's exposure to equity price risk arises from investments in equity shares mutual funds held by the Company and classified in the balance sheet as fair value through OCI. To manage its price risk arising from investments in equity shares and mutual funds, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

#### Sensitivity

The sensitivity to profit or loss in case of an increase in price of the instrument by 5% keeping all other variables constant would have resulted in an impact on profits by ₹ 82.83 Lakhs (March 31, 2019 ₹ 90.05 Lakhs).

### iv. Commodity Price Risk

Commodity price risk arises due to fluctuation in prices of Gold. The company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices. The Company's commodity risk is managed centrally through well-established trading operations and control processes. In accordance with the risk management policy, the Company enters into various transactions using purchase of gold contracts. These contracts are for hedging purpose only. on March 31, 2020 company has 39 Kgs of gold hedged on a single outstanding contract of ₹ 1,675 Lakhs of Notional value and ₹ 16.57 Lakhs of fair value change. The gain/(loss) on fair value change is clubbed with cost of material consumed and netted with margin money given for contracts. The maturity of the contract is June 05, 2020.

#### Sensitivity

The company has taken forward contracts against expected purchase of gold and fixed the purchase price of gold, accordingly the Company don't expect any material impact on fluctuation of gold prices, so sensitivity analysis has not been presented in respect of fluctuation in gold prices.

## 41 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to safeguard the company's ability to remain as a going concern and to maintain and optimal capital structure so as to maximize shareholder's value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plan. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or buy back of shares. The current capital structure of the company is equity based with low financing through borrowings. The company is not subject to any externally imposed capital requirement.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

# Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

## 42 SCHEME OF MERGER BY ABSORPTION OF THE SUBSIDIARIES COMPANY'S (EFFECT GIVEN IN PREVIOUS YEAR)

In terms of the Scheme of Merger ("Scheme") pursuant to Section 230 read with Section 232 of the Companies Act, 2013 sanctioned by Order dated April 22, 2019 by National Company Law Tribunal (NCLT) Mumbai Bench, the 100% subsidiary company House full International Ltd. and N. Kumar diamond Ltd. ("Transferor Companies") of Renaissance Global Ltd. ("the Company") ("Transferee Company") is merged into the Company from the Appointed date, i.e. April 01, 2017.

The merger scheme is effective from May 8, 2019 being the date on which the certified copies of the Orders of NCLT, Mumbai Bench sanctioning the Scheme are filed with the Registrar of Companies, Mumbai.

In accordance with the aforesaid Scheme and as per NCLT approval:

After the Scheme of merger the authorized share capital of the Company is increased from ₹ 27 Crore to ₹ 98.70 Crore consists of 8.87 Crore Equity shares of ₹ 10 each i.e. 88.70 crore of Equity shares and 1 crore Preference shares of ₹ 10 each i.e. ₹ 10 crore of Preference shares.

All the Assets amounting to ₹ 35 Crore and liabilities (including reserves) amounting to ₹ 4 Crore of the transferor companies as appearing in the books of transferor Companies are recorded in the books of the Company at their respective book values as on April 01, 2017.

The Company's investment amounting to ₹ 68 crore in the transferor Companies has been cancelled.

The difference between the investment made by the Company in transferor Companies and the amount of issued, subscribed and paid-up share capital (equity as well as preference) standing credited in the books of account of the Transferor Companies have been adjusted in the Reserve and Surplus account of the Transferee Companies.

The transferor Companies income of ₹ 2 Crore and expenses of ₹ 10 crore for Financial Year 2018-19 has been booked in the Company. (Net impact is ₹ 8 Crore loss for the F. Y. 2018-19). Similarly income of ₹ 11 Crore and expenses of ₹ 13 Crore for the Financial Year 2017-2018 (Net impact is ₹ 2 Crore loss).

## 43 SEGMENT INFORMATION

In accordance with Ind AS 108 "Operating Segments", the Company has presented segment information on the basis of consolidated financial statements which form part of this report.

## 44 RELATED PARTY DISCLOSURES AS REQUIRED UNDER IND-AS 24, "RELATED PARTY DISCLOSURES; ARE GIVEN BELOW:

### a. Name of entities where control exists

#### Subsidiary companies / Trust

- 1 Renaissance Jewelry N.Y Inc
- 2 Verigold Jewellery (UK) Limited
- 3 Renaissance Jewellery Bangladesh Private Limited
- 4 Verigold Jewellery DMCC
- 5 RJI - Employee Welfare Trust
- 6 The Seabean Dialysis Partners India Trust - 100% Ceased w.e.f March 15, 2019 beneficial interest by Housefull International Limited

#### Indirect subsidiary companies

- 1 Jay Gems, Inc - w.e.f August 02, 2018 Subsidiary Renaissance Jewelry N.Y Inc
- 2 Essar Capital LLC - w.e.f August 02, 2018 Subsidiary Jay Gems, Inc
- 3 Renaissance Jewellery DMCC - Subsidiary of Verigold Jewellery DMCC
- 4 Verigold Jewellery LLC - w.e.f May 24, 2018 Subsidiary of Verigold Jewellery DMCC
- 5 Verigold Jewellery (Shanghai) Trading Company Limited w.e.f April 18, 2019 Subsidiary of Verigold Jewellery DMCC



## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

### b. Associate concerns / companies / trust under control of key management personnel and relatives with whom transactions have taken place during the year

- 1 Anived Portfolio Managers Private Limited
- 2 Renaissance Jewellery Limited - Employee Group Gratuity Trust
- 3 Renaissance Foundation
- 4 Difference Jewelry LLC
- 5 Jewelmark India Pvt Ltd
- 6 Verigold Jewellery India Private Limited

### c. Key Management Personnel and relative

- 1 Mr. Niranjana A. Shah
- 2 Mr. Sumit N. Shah
- 3 Mr. Hitesh M. Shah
- 4 Mr. Neville R. Tata
- 5 Mr. Bhupen C. Shah
- 6 Mr. Amit C. Shah
- 7 Mrs. Leshna S. Shah
- 8 Mr. Dilip B. Joshi (Chief Financial Officer)
- 9 Mr. Ghanashyam M. Walavalkar (Company Secretary)

### d. Related Party transactions

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

#### Subsidiary companies / LLP

(₹ in Lakhs)

Name of Related Party	Nature of Transaction	March 31, 2020	March 31, 2019
1 Renaissance Jewelry N.Y Inc.,	Sales of goods	21,158.09	40,085.98
	Purchase of goods	7,154.01	5,446.01
	Packing materials	0.37	1.68
	Consumable purchase	2.19	5.26
	Tools purchase	0.31	0.11
	Trade receivable	5,292.06	2,374.65
	Trade Payable	2,096.26	581.55
	Investment	5,082.74	5,082.74
2 Verigold Jewellery (UK) Limited	Sales of goods	2,651.63	3,077.98
	Purchase of goods	226.75	230.42
	Consumable purchase	1.76	-
	Spares purchase	0.74	0.96
	Commission paid	311.08	383.07
	Expenses	4.40	-
	Packing materials	0.11	0.26
	Trade receivable	396.73	412.21
	Trade Payable	62.20	43.63
	Expenses Payable	-	84.67
Investment	309.72	309.72	

## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

Subsidiary companies / LLP			(₹ in Lakhs)	
Name of Related Party	Nature of Transaction	March 31, 2020	March 31, 2019	
3 Renaissance Jewellery Bangladesh Private Limited	Investment	1,371.87	1,371.87	
	Provision for Diminution	1,003.97	596.83	
4 Verigold Jewellery DMCC	Sales of goods	44,991.76	20,558.55	
	Exp. Reimbursement	117.28	148.00	
	Purchase of goods	540.92	119.91	
	Finished goods	13.73	-	
	Trade receivable	12,505.20	14,568.18	
	Trade Payable	-	2.66	
	Investment	51.04	51.04	
5 Renaissance Jewellery DMCC	Sales of goods	0.16	-	
	Purchase of goods	-	8.04	
	Trade receivable	0.18	-	
	Trade Payable	-	0.07	
6 Jay Gems Inc	Sales of goods	14,981.11	23,584.54	
	Purchase of goods	3,868.10	1,069.62	
	Finished goods	20.09	-	
	Consumable purchase	0.08	-	
	Packing materials	0.37	-	
	Other charges	0.14	-	
	Trade receivable	3,802.98	9,996.50	
	Trade Payable	2,575.91	1,046.83	
<b>Associate Concern/Trusts :</b>				
1 Renaissance Foundation	CSR Contribution	77.60	98.50	
2 Anived Portfolio Manager Pvt Ltd	ICD Repaid	-	(37.89)	
	ICD Received	70.00	120.60	
	Interest expenses	29.89	25.60	
	ICD Payable	370.00	300.00	
	Interest payable	7.45	-	
	Exp. Reimbursement	13.50	13.86	
	Expenses paid	53.35	18.38	
	Receivable	3.14	3.25	
3 RJL - Employee Group Gratuity Trust	Contribution Paid	69.00	80.00	
	Contribution Payable	320.99	221.80	
4 RJL - Employee Welfare Trust	Loan Receivable	78.56	78.56	
5 Difference Jewelry LLC	Sales of goods	5,892.85	9,311.44	
	Purchase of goods	1,090.02	706.91	
	Packing materials	-	0.97	
	Trade receivable	844.18	2,424.36	
	Trade Payable	107.22	280.07	
6 The Seabeam Dialysis Partners India Trust	Paid	34.88	-	
	Receivable	-	34.88	

## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

Subsidiary companies / LLP			(₹ in Lakhs)	
Name of Related Party	Nature of Transaction	March 31, 2020	March 31, 2019	
7 Jewelmark India Pvt Ltd	Sales of Goods	-	97.05	
	Purchase of Goods	-	1,371.49	
	Computer Purchase	-	3.24	
	Tools Purchase	0.05	-	
	Plant & Machinery Purchase	2.38	-	
	Trade Receivable	-	-	
	Trade Payable	2.44	177.79	
8 Verigold Jewellery India Private Limited	Sales of goods	1,858.43	-	
	Trade Receivable	1,589.29	-	
	Advance Payment purchase of Fixed Assets	50.00	-	
	Exp. Reimbursement	12.50	-	
	Exp. Reimbursement Receivable	0.03	-	
<b>Key Management Personnel :</b>				
1 Mr. Niranjana A. Shah	Loan Received	245.00	192.74	
	Loan Re-payment	(236.00)	(1,096.94)	
	Remuneration *	36.22	36.22	
2 Mr. Sumit N. Shah	Loan Re-payment	-	(12.76)	
3 Mr. Hitesh M. Shah	Loan Received	455.00	1,134.00	
	Loan Re-payment	(455.00)	(1,199.36)	
	Remuneration *	90.22	54.22	
4 Mr. Neville R. Tata	Remuneration *	96.22	96.22	
5 Mr. Amit C. Shah	Loan Re-payment	-	(17.54)	
6 Mr. Bhupen C. Shah	Loan Re-payment	-	(147.64)	
7 Ms. Leshna S. Shah	Sales of goods	-	0.35	
8 Mr. Dilip B. Joshi (Chief Financial Officer)*	Remuneration	32.93	30.23	
9 Mr. Ghanashyam M. Walavalkar (Company Secretary) *	Remuneration	27.86	22.91	

\* Excludes provision for gratuity liabilities for KMP and relative of KPM, as these liabilities are provided on overall company basis and as not identified separately in actuarial valuation.

### 45 LEASES

#### Operating Lease: company as lessee

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

The Company has adopted Ind AS 116, "Leases", effective 1 April 2019, using modified retrospective approach as a result of which comparative information are not required to be restated. The Company has discounted lease payments using the borrowing rate as at 1 April 2019 for measuring lease liabilities at ₹ 200.51 lakhs and accordingly recognized right-of-use assets at ₹ 102.72 lakhs (after adjusting prepaid lease rent) by adjusting retained earnings by ₹ 63.62 lakhs (net of tax), as at the aforesaid date. In the Statement of Profit and Loss for the current year, the nature of expenses in respect of operating leases are recognized as amortization of right-of-use of assets and finance costs, as compared to lease rent in previous periods, and to this extent results for the current period are not comparable. On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 9% p.a.

# Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

## 46 EARNINGS PER SHARE (EPS)

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Basic and Diluted EPS (before Exceptional Items)</b>		
Profit after tax but before exceptional item	3,587.36	2,722.06
Weighted average number of equity shares in calculating Basic and Diluted EPS	18,683,064	18,683,064
Basic and diluted Earnings per share	19.20	14.57
<b>Basic and Diluted EPS (after Exceptional Items)</b>		
Profit after tax	3,180.23	2,653.56
Weighted average number of equity shares in calculating Basic and Diluted EPS	18,683,064	18,683,064
Basic and diluted Earnings per share	17.01	14.20

## 47 CAPITAL AND OTHER COMMITMENTS

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	13.81	3.53

## 48 CONTINGENT LIABILITIES

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Claims against the Company not acknowledged as debts:</b>		
Sales Tax and VAT	134.19	251.24
Custom, Excise and Service Tax	16,775.15	16,961.28
Income Tax	176.19	176.19
Other litigations	584.96	584.96
<b>Bank Guarantees</b>	14.99	14.99

### Provident Fund

The Honourable Supreme Court, has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

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

## Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

### 49 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT 2006 \*

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	0.24	1.60
Interest due on above	-	-
b The amount of interest paid by the buyer in terms of section 16 of the Micro and Small enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprise Development Act, 2006.	-	-
d The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
e The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section	-	-

\* The company has initiated the process of identification of suppliers registered under Micro and Small Enterprise Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received as at balance sheet date.

### 50 CSR EXPENDITURE

Gross amount required to be spent during the year ₹ 79 Lakhs (March 31, 2019 : ₹ 75 Lakhs) as detailed hereunder.

(₹ in Lakhs)

Nature of Activity	Year ended March 31, 2020	Year ended March 31, 2019
Medical, health care and social welfare	18.32	29.00
Education	22.84	21.33
Humanitarian	21.00	13.00
Enviornmental/Animal Welfare/Cultural/Religious	18.16	37.72
<b>Total</b>	<b>80.32</b>	<b>101.05</b>

### 51 PROVISION FOR DIMINUTION IN THE VALUE OF INVESTMENT

The Company has invested ₹ 1,371.87 Lakhs in Renaissance Jewellery Bangladesh Private Limited (RJBPL) – wholly owned subsidiary company. The net worth of RJBPL as on March 31, 2020 is ₹ 367.90 Lakhs. The Company, in principle, had decided to exit out of its operation in Bangladesh and is pursuing appropriate steps in this direction either through divestment of its stake in RJBPL or sale of the entire operation as slump sale. The company has taken the write down of ₹ 1,003.97 Lakhs to the extent of the Net worth of RJBPL, being the expected realizable value.

### 52 EMPLOYEE STOCK PURCHASE SCHEME (“ESPS 2008”)

Company's Shareholders has approved the Employee Stock Option Plan 2018 Scheme (ESOP-2018) in Annual General Meeting by passing special resolution, company is in the process of implementing the scheme and the Company has not made any grant to the employees during the financial year.

### 53 RJL-EMPLOYEE WELFARE TRUST FOR INVESTMENT IN SHARES

The Company through employee welfare trust (“Trust”), offered Employee Stock Purchase Scheme (ESPS) and 720,000 numbers of equity shares were issued to the Trust in F.Y. 2008-2009 at fair value then for onward offering to the recommended employees. During the F.Y. from 2011-12 to 2015-16 the trust issued 73,624 equity shares to its employees under ESPS and in the F.Y. 2017-18, the trust further issued 4,50,000 shares to its employees. Presently the Trust holds 1,96,376 equity shares as on March 31, 2020. To the extent of the face value of the shares held by Trust, the same has been reduced from the Paid up Share capital of the Company and the balance has been reduced from Other Equity under a separate reserve. Accordingly, the income received from the Trust has been recognized directly under Other Equity of the company.

# Notes to Standalone Financial Statements (Contd...)

For the year ended March 31, 2020

- 54** The outbreak of COVID 19 across the globe and in India has resulted in pandemic requiring unprecedented steps to combat it. Consequent to the nation-wide lockdown imposed by the Central Government from March 23, 2020 to prevent the spread thereof, the Company had to shut down its factories /stores and all its operational activities across its locations , impacting the business during the quarter.

Significant decline in the economic activity of the whole nation and the disruption created across the businesses have affected the operations of the Company as well, the impact whereof would evolve around the developments taking place in forthcoming months.

The operations of the Company have resumed in a partial manner at manufacturing locations at Bhavnagar, Gujarat from April 25, 2020 and at SEEPZ, Mumbai from May 14, 2020 taking cognizance of the Governments' views around resuming manufacturing activities with controlled entry and exit facilities, maintaining appropriate distancing and following other directives of the regulatory authorities.

In the case of inventory, the management has performed year end inventory verification procedures at each of its locations and also performed alternative procedures after year end.

Further, the Company expects to recover the carrying amount of all its assets including inventory, receivables and loans in the ordinary course of business based on information available on current economic conditions. The Company is continuously monitoring any material changes in future economic conditions for taking prompt corrective actions within its purview and would keep assessing the impact for taking appropriate cognizance in financial reporting in the forthcoming quarters

The statutory auditors given Emphasis of Matter in their Audit report in respect of above matter.

- 55** The Company has initiated the process of obtaining Balance confirmations and is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management is of the opinion the balances outstanding are correct and does not expect any material differences in the balances that would be affecting the current year's financial statement on receipt of the balance confirmations post the balance sheet date.

## 56 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

## 57 PREVIOUS YEAR FIGURES

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

(₹ in Lakhs)

Previous Year Grouping		Current Year Grouping		
Description	Note No.	Description	Note No.	Amount
Financials Assets - Loans	15	Other Current Assets	16	
Loans to Related Party		Advance recoverable in cash or in Kind		34.88

As per our report of even date  
For **Chaturvedi & Shah LLP**  
Chartered Accountants  
Firm Registration No. 1017220W/W100355

**Lalit R. Mhalsekar**  
Partner  
Membership No. 103418

Place: Mumbai  
Date : June 29, 2020

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

**Niranjan A. Shah**  
Executive Chairman  
DIN No. 00036439

**Ghanashyam M. Walavalkar**  
Company Secretary

Place: Mumbai  
Date : June 29, 2020

**Hitesh M. Shah**  
Managing Director  
DIN No. 00036338

**Dilip B. Joshi**  
Chief Financial Officer

## Form AOC-1

(Pursuant to first Proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

### Part "A": Subsidiaries

Sr. No.	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries	Share Capital	Reserves and Surplus	Total assets	Total liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding
1	Renaissance Jewellery N.Y Inc**	N.A	USD 1 = INR 75.42	20,662.95	5,564.26	84,795.67	58,568.45	-	1,42,336.88	1,709.92	369.02	1,340.90	-	100%
2	Verigold Jewellery (UK) Limited #	N.A	GBP 1 = INR 93.12	419.04	1,111.02	2,008.97	478.90	-	3,660.57	10.51	3.91	6.60	-	100%
3	Renaissance Jewellery Bangladesh Private Limited #	N.A	BDT 1 = INR 0.8728	1,852.14	(1,484.23)	391.56	23.66	-	-	(447.99)	0.33	(448.32)	-	100%
4	Verigold Jewellery DMCC ** #	N.A	USD 1 = INR 75.42	61.69	15,897.95	30,126.21	14,166.56	17,028.69	1,22,931.91	3,449.85	-	(3,449.85)	-	100%

#### Notes:-

\* Figures for Renaissance Jewellery N.Y Inc are figures after consolidation with its subsidiaries Jay Gems Inc. and Essar Capital LLC.

\*\* Figures for Verigold Jewellery DMCC are figures after consolidation with its subsidiaries Renaissance Jewellery DMCC.

# Share capital, Reserves and surplus, Total assets, Total liabilities and investments are translated at exchange rate as on March 31, 2020 as US Dollars = ₹ 75.42, Pound Sterling = ₹ 93.12, Taka = ₹ 0.8728 and Turnover, Profit before taxation, Provision for taxation and Profit after taxation are translated at annual average exchange rate of US Dollars = ₹ 70.8960, Pound Sterling = ₹ 90.1514, Taka = ₹ 0.8211

### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of the Associates / Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate / Joint Ventures held by the Company on the year end	Reason why the associate / joint venture is not consolidated		Networth attributable to shareholding as per latest audited Balance sheet	Profit/Loss for the year								
				Depreciation of how there is significant influence	Reason why the associate / joint venture is not consolidated		Considered in consolidation	Not Considered in consolidation							
1			No.	Amount of Investment in Associates / Joint Venture	Extend of Holding %										

NIL

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# Independent Auditor's Report

## To the Members of Renaissance Global Limited

(Formerly known as Renaissance Jewellery Limited)

## Report on the Audit of the Consolidated Financial Statements

### OPINION

1. We have audited the accompanying consolidated Financial Statements of Renaissance Global Limited (Formerly known as Renaissance Jewellery Limited) (hereinafter referred to as the "Parent Company" or "Company") and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2020, and the consolidated statement of Profit and Loss including other comprehensive income, the consolidated statement of cash flows, consolidated statement of changes in equity for the year then ended, and notes to the financial statement, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the act") in the manner so required and a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies ( Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of their consolidated state of affairs of the group as at March 31, 2020, consolidated profit ( including other comprehensive income) and their consolidated cash flows and consolidated changes in equity for the year ended on that date.

### BASIS FOR OPINION

3. We conducted our audit in accordance with Standards on Auditing (SAs) prescribed under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements as per the ICAI's Code of Ethics and the provisions of the Companies Act, 2013 and Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### EMPHASIS OF MATTER

4. We draw attention to note no. 51 of the consolidated financial statements regarding the uncertainties arising out of the outbreak of COVID 19 pandemic and the assessment made by the management on its operations and the financial reporting for the year ended March 31, 2020; such an assessment and the outcome of the pandemic, as made by the management, is dependent on the circumstances as they evolve in the subsequent periods. Further, we were not able to participate in the physical verification of inventory that was carried out by the management. Consequently we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific consideration for selected items" and have obtained sufficient appropriate evidence.

Our opinion is not modified in respect of the above matters.

### KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each 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 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 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 financial statements.

## Independent Auditor's Report (Contd...)

The Key Audit Matters	How the matter was addressed in our audit
<p><b>Existence and valuation of Inventories</b> (as described in note no. 2.13 of the significant accounting policies, and note no. 9 for details in consolidated financial statements)</p>	
<p>The carrying value of Inventories of the Group is ₹ 81,828 lakhs as at March 31, 2020. The Group's Inventories mainly comprised of gold, diamond &amp; colour stone and silver at its plant location and offices, which are subject to risk of changes in the market value.</p>	<p>Our audit procedures over existence and valuation of Inventories included the following:</p>
<p>Due to various restrictions imposed under COVID-19 outbreak, physical verification could not be carried out at the year-end, but the same was carried out subsequent to the year-end.</p>	<ul style="list-style-type: none"> <li>• We evaluated the design, implementation and tested the operating effectiveness of key controls that the Company has in relation to safeguarding and physical verification of inventories including the appropriateness of the Company's standard operating procedures for conducting, recording and reconciling physical verification of inventories and tested the implementation thereof.</li> </ul>
<p>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 diamonds used to make jewellery products.</p>	<ul style="list-style-type: none"> <li>• We evaluated the design, implementation and operating effectiveness of general IT controls and key application controls over the Company's IT systems including those relating to recording of inventory quantities on occurrence of each sale transaction, including access controls, controls over program changes, interfaces between different systems.</li> </ul>
<p>We concluded that existence and valuation of inventories as a key audit matter for our audit.</p>	<ul style="list-style-type: none"> <li>• Participated in the physical verification of inventory conducted by the management subsequent to the year end, through video calls &amp; physical verification and performed roll back procedures which included the movement of inventory considering production and sales subsequent to March 31, 2020 till the date of verification.</li> <li>• Evaluated the differences identified at the time of physical verification of inventories and it was noted that there were no major deviations found.</li> <li>• The company has taken gemological appraisal report (valuation report) from gemologist and we compared the results of 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>

### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

6. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report but does not include the consolidated financial statements and our auditor's report thereon. The report containing other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

7. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the

## Independent Auditor's Report (Contd...)

accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the consolidated financial statements, the respective Board of Directors of companies in the Group is responsible for assessing the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The 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 FINANCIAL STATEMENTS

10. Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company and its subsidiary companies which are incorporated in India, 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 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 financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.
12. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.
13. 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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.

## Independent Auditor's Report (Contd...)

**OTHER MATTER**

16. We did not audit the financial statements and other financial information, in respect of Eight subsidiaries (including one subsidiary classified as discontinued operations), whose financial statements include total assets of ₹ 1200.47 Crore as at March 31, 2020, and total revenues from continuing operations of ₹ 2696.37 Crore and total revenue from discontinued operations of ₹ 0.54 Crore and total profit after tax from continuing operations of ₹ 45.58 Crore and total profit/(loss) after tax from discontinued operations of ₹ (4.48) Crore and total comprehensive (loss)/profit from continuing operations of ₹ 52.04 Crore and total comprehensive (loss)/profit from discontinued operations of ₹ (4.48) Crore for the year ended on that date and cash outflows of ₹ 2.38 Crore from continuing operations and ₹ 0.31 crore from discontinued operations for the year ended on that date. These financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

Our Opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

17. 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 relating to preparation of the aforesaid Consolidated financial statements have been kept by the Parent Company, its subsidiary companies included in RGL Group including relevant records relating to, preparation of the aforesaid Consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Parent Company and report of the other auditors:
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including 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 of preparation of consolidated financial statement.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder to the extent applicable
- 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 of the parent Company and the report of its statutory auditors of subsidiaries companies incorporated in India, none of the directors of the Group Companies 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 and the operating effectiveness of such controls; refer to our separate Report in "Annexure A" which is based on the auditor's reports of the parent Company and its subsidiary companies incorporated in India.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the parent Company to its directors during the year is in accordance with the provisions of section 197 of 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, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group. Refer Note No. 47 to the consolidated financial statements.
  - (ii) The RGL Group has no long-term contracts including derivative contracts as at March 31, 2020; and
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

For **Chaturvedi and Shah LLP**  
Chartered Accountants  
Firm's Registration No.101720W/W100355

**Lalit R. Mhalsekar**  
Partner

Membership No. 103418  
UDIN: 20103418AAAADQ5494

Place : Mumbai  
Date : June 29, 2020

## ANNEXURE “A” to the Independent Auditor’s Report

[Referred to in paragraph 18 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Renaissance Global Limited (Formerly known as Renaissance Jewellery Limited) of even date]

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

1. In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Renaissance Global Limited (Formerly known as Renaissance Jewellery Limited) (hereinafter referred to as “Company”) and as such there are no Indian subsidiary companies and the Internal Financial Control Over Financial Reporting is not applicable to Foreign Subsidiary Companies, the Internal Financial Control over Financial Reporting for the company as of that date.

#### Management’s Responsibility for Internal Financial Controls

2. The Board of Directors of the Company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (“ the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, 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 was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### Meaning of Internal Financial Controls Over Financial Reporting

5. A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that;
  - (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
  - (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

## ANNEXURE "A" to the Independent Auditor's Report (Contd...)

### OPINION

7. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 **Chaturvedi and Shah LLP**  
Chartered Accountants  
Firm's Registration No.101720W/W100355

**Lalit R. Mhalsekar**  
Partner  
Membership No. 103418  
UDIN: 20103418AAAADQ5494

Place : Mumbai  
Date : June 29, 2020

# Consolidated Balance Sheet

As at March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	4	5,032.65	5,395.46
Capital work-in-progress	4a	8.36	11.28
Intangible assets	4	2,052.94	2,815.95
Right of use assets	4b	2,703.80	-
<b>Financial assets</b>			
Investments	5	1,238.50	501.56
Other financial assets	6	765.44	498.71
Deferred Tax assets (net)	7	4,655.04	3,321.03
Other non-current assets	8	96.79	130.22
<b>Total Non-current assets</b>		<b>16,553.51</b>	<b>12,674.20</b>
<b>Current assets</b>			
Inventories	9	81,827.57	101,611.09
<b>Financial assets</b>			
Investments	10	5,834.25	1,790.58
Trade receivables	11	40,507.81	37,314.53
Cash and cash equivalents	12	8,460.56	3,184.31
Bank balances other than above	13	894.03	725.30
Loans	14	130.90	43.17
Other financial assets	15	878.22	5,005.06
Current tax assets (net)		-	137.20
Other current assets	16	1,721.71	2,144.63
<b>Total Current assets</b>		<b>140,255.05</b>	<b>151,955.88</b>
<b>Assets classified as held for sale</b>	56	364.33	726.95
<b>Total Assets</b>		<b>157,172.88</b>	<b>165,357.03</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	1,868.30	1,868.30
Other equity	18	68,053.10	64,600.70
<b>Equity attributable to shareholders of the company</b>			
Non Controlling interest	19a	5.32	16.20
<b>Total Equity</b>		<b>69,926.72</b>	<b>66,485.20</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19	18.34	113.46
Others financial liabilities	20	11,285.13	8,815.16
Provisions	21	273.76	142.24
<b>Total Non-current liabilities</b>		<b>11,577.23</b>	<b>9,070.86</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	22	51,581.88	55,924.66
<b>Trade payables</b>			
Total outstanding dues of small enterprises and micro enterprises	23	0.24	1.60
Total outstanding dues of creditors other than small enterprises and micro enterprises	23	14,666.41	29,308.43
Other financial liabilities	24	4,473.48	3,579.17
Other current liabilities	25	4,619.15	464.31
Provisions	26	159.95	193.63
Current Tax liabilities (net)		167.83	329.15
<b>Total Current liabilities</b>		<b>75,668.94</b>	<b>89,800.95</b>
<b>Total Equity and Liabilities</b>		<b>157,172.88</b>	<b>165,357.03</b>
Statement of Significant Accounting Policies	1 to 3		

The accompanying notes form an integral part of the Ind AS Financial Statements (Refer Note No. 4 to 59)

As per our report of even date  
For **Chaturvedi & Shah LLP**  
Chartered Accountants  
Firm Registration No. 1017220W/W100355

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

**Lalit R. Mhalsekar**  
Partner  
Membership No. 103418

**Niranjan A. Shah**  
Executive Chairman  
DIN No. 00036439

**Hitesh M. Shah**  
Managing Director  
DIN No. 00036338

**Ghanashyam M. Walavalkar**  
Company Secretary

**Dilip B. Joshi**  
Chief Financial Officer

Place: Mumbai  
Date : June 29, 2020

Place: Mumbai  
Date : June 29, 2020

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2020
<b>REVENUE FROM OPERATIONS</b>			
Revenue	27	250,184.59	259,062.69
Other income	28	1,615.06	227.20
<b>Total Revenue from operations</b>		<b>251,799.65</b>	<b>259,289.89</b>
<b>EXPENSES</b>			
Cost of materials consumed	29	135,409.95	149,073.76
Purchase of Traded Goods	30	48,291.01	106,775.30
Changes in inventories of finished goods, Stock-in-Trade and work-in progress	31	19,131.36	(42,460.10)
Employee benefit expenses	32	9,555.57	9,227.80
Other expenses	33	22,329.93	24,182.19
<b>Total expenses</b>		<b>234,717.82</b>	<b>246,798.95</b>
<b>Earning Before Exceptional Items, Interest, Tax, Depreciation and Amortization (EBITDA)</b>		<b>17,081.83</b>	<b>12,490.94</b>
Finance costs	34	2,975.48	2,495.78
Depreciation, amortisation and Impairment expense	35	3,105.43	1,809.52
<b>Profit/(Loss) Before Tax</b>		<b>11,000.92</b>	<b>8,185.64</b>
<b>Tax expenses</b>			
Current tax	36	1,820.88	1,360.24
Deferred tax		(19.94)	(1,003.00)
Short/(Excess) Provision of tax relating to earlier years (net)		(23.26)	-
<b>Total Tax Expense</b>		<b>1,777.68</b>	<b>357.24</b>
<b>Profit/(loss) after tax for the year</b>		<b>9,223.24</b>	<b>7,828.40</b>
<b>Profit/(loss) before tax from Discounted Operations</b>		<b>(447.99)</b>	<b>(112.23)</b>
Tax Expense of Discounted Operations		0.33	-
<b>Profit/(loss) after tax from Discounted Operations</b>		<b>(448.32)</b>	<b>(112.23)</b>
<b>OTHER COMPREHENSIVE INCOME (OCI)</b>			
<b>Items that will not be reclassified to profit and loss</b>			
Re-measurement gains (losses) on defined benefit plans		-	(4.55)
Equity instruments through other comprehensive income		(1,196.75)	394.12
Mutual fund equity instruments through other comprehensive income		(198.18)	9.96
Income tax effect on above		129.68	(13.72)
Gain on bargain purchase		-	697.53
<b>Items that will be reclassified to profit and loss</b>			
Fair value changes on derivatives designated as cash flow hedges		(3,538.61)	844.16
Exchange differences on translation of foreign operations		(1,812.51)	2,255.10
Income tax effect on above		1,236.53	(294.98)
<b>Total Other comprehensive income</b>		<b>(5,379.84)</b>	<b>3,887.61</b>
<b>Total Comprehensive Income for the year</b>		<b>3,395.08</b>	<b>11,603.78</b>
<b>Profit or Loss for the year attributable to:</b>			
Non - controlling Interest, and Owners of the Parent		(24.23)	43.66
<b>Comprehensive Income for the year attributable to:</b>		8,799.15	7,672.51
Non - controlling Interest, and Owners of the Parent		-	-
<b>Total Comprehensive Income for the year attributable to:</b>		(5,379.84)	3,887.61
Non - controlling Interest, and Owners of the Parent		(24.23)	43.66
<b>Earnings per equity share</b> [nominal value of share ₹ 10] (Refer Note No. 44)		3,419.31	11,560.12
<b>Basic and Diluted (₹)</b>			
Continuing Operations		49.50	41.67
Discontinued Operations		(2.40)	(0.60)
Continuing and Discontinued Operations		47.10	41.07
Statement of Significant Accounting Policies	1 to 3		

The accompanying notes form an integral part of the Ind AS Financial Statements (Refer Note No. 4 to 59)

As per our report of even date  
For **Chaturvedi & Shah LLP**  
Chartered Accountants  
Firm Registration No. 1017220W/W100355

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

**Lalit R. Mhalsekar**  
Partner  
Membership No. 103418

**Niranjan A. Shah**  
Executive Chairman  
DIN No. 00036439

**Hitesh M. Shah**  
Managing Director  
DIN No. 00036338

**Ghanashyam M. Walavalkar**  
Company Secretary

**Dilip B. Joshi**  
Chief Financial Officer

Place: Mumbai  
Date : June 29, 2020

Place: Mumbai  
Date : June 29, 2020



# Consolidated Cash Flow Statement

for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2020
<b>Cash Flow from operating activities</b>		
Profit before tax	11,000.92	8,185.64
Profit before tax from Discontinued Operation	(447.99)	(112.23)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization	3,105.43	1,809.52
Impairment / Discard of assets	-	112.56
Sundry balance written off	135.84	30.96
Unrealized foreign exchange loss/(gain)	(1386.94)	2014.43
Expected Credit Loss/Bad Debts	(15.89)	329.67
Loss/(profit) on sale of Property, Plant and Equipment	(14.52)	46.81
Remeasurement of Defined Benefit Plan	-	4.55
Interest expense	2,975.48	2,495.78
Interest income	(102.67)	(92.59)
Rent income	(257.26)	(59.73)
Dividend Income	(18.59)	(6.62)
<b>Operating profit before working capital changes</b>	<b>14,973.80</b>	<b>14,758.75</b>
<b>Changes in Working Capital</b>		
Increase / (decrease) in trade payable	(15,317.59)	(91.04)
Increase / (decrease) in short-term provisions	(159.16)	4.08
Decrease / (increase) in trade receivables	(581.96)	(733.32)
Decrease / (increase) in inventories	19,783.52	(42,410.09)
Decrease / (increase) in long-term loans and advances	3,130.48	(649.50)
Decrease / (increase) in other current assets	-	(320.24)
Cash generated from/(used in) operations	<b>21,829.10</b>	<b>(29,441.36)</b>
Direct taxes paid (Net of refunds)	(1,527.97)	(889.93)
<b>Net cash flow from/(used in) operating activity (A)</b>	<b>20,301.14</b>	<b>(30,331.28)</b>
<b>Cash flows from investing activities</b>		
Purchase of Property, Plant and Equipment, including intangible assets, CWIP and capital advances	(853.82)	(4,842.10)
Proceeds from sale of Property, Plant and Equipment	50.76	49.59
Sale of Equity Shares and Mutual Fund	3,595.61	6,746.80
Purchase of Equity Shares and Mutual Fund	(9,180.72)	(2,229.60)
Purchase of CCD's in Associate	(590.43)	(491.06)
Movement in Other Bank Balances	(165.37)	(320.24)
Gain on bargain purchase	-	697.53
Interest received	96.20	73.34
Rent received	257.26	59.73
Dividend received	18.59	6.62
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(6,771.93)</b>	<b>(249.40)</b>
<b>Cash flows from financing activities</b>		
Proceeds/ (Repayment) from/of short-term borrowing (net)	(4,324.62)	30,272.69
Interest paid	(2,833.98)	(2,527.68)
Payment of Lease Liability	(788.89)	-
Dividend paid	(0.44)	(70.92)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(7,947.93)</b>	<b>27,674.09</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>5,581.28</b>	<b>(2,906.60)</b>

# Consolidated Cash Flow Statement

for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	year ended March 31, 2020	year ended March 31, 2020
Cash and cash equivalents at the beginning of the year	2,879.28	5,785.88
Cash and cash equivalents at the end of the year	<b>8,460.56</b>	<b>2,879.28</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash on hand	85.52	45.43
With banks		
- on current account	7,010.60	2,549.99
Cheque on Hand	35.91	-
- on deposit account	1,328.53	588.89
<b>Cash and Cash Equivalents</b> (Refer Note No. 12)	<b>8,460.56</b>	<b>3,184.31</b>
Less: Bank overdrawn as per Books (Refer Note No. 25)	-	305.03
	<b>8,460.56</b>	<b>2,879.28</b>

## Changes in liabilities arising from financing activities

(₹ in Lakhs)

Particulars	Opening Balance	Non-Cash / Accruals / Fair value Changes	Cash Flow / Repayments	Closing Balance
<b>For the year ended March 31, 2020</b>				
Proceeds/ (Repayment) from/of short-term borrowing (net)	65,479.31	414.05	(4,324.62)	61,568.74
Interest paid	5.99	2,835.44	(2,833.98)	7.45
Payment of Lease Liability	-	3,905.28	788.89	4,694.17
Dividend paid	3.35	-	(0.44)	2.91
<b>For the year ended March 31, 2019</b>				
Proceeds/ (Repayment) from/of short-term borrowing (net)	34,762.24	444.38	30,272.69	65,479.31
Interest paid	37.89	2,495.78	(2,527.68)	5.99
Payment of Lease Liability	-	-	-	-
Dividend paid	74.27	-	(70.92)	3.35

Statement of Significant Accounting Policies

1 to 3

The accompanying notes form an integral part of the Ind AS Financial Statements (Refer Note No. 4 to 59)

As per our report of even date  
For **Chaturvedi & Shah LLP**  
Chartered Accountants  
Firm Registration No. 1017220W/W100355

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

**Lalit R. Mhalsekar**  
Partner  
Membership No. 103418

**Niranjan A. Shah**  
Executive Chairman  
DIN No. 00036439

**Hitesh M. Shah**  
Managing Director  
DIN No. 00036338

**Ghanashyam M. Walavalkar**  
Company Secretary

**Dilip B. Joshi**  
Chief Financial Officer

Place: Mumbai  
Date : June 29, 2020

Place: Mumbai  
Date : June 29, 2020



# Consolidated Statement of Changes in Equity

For the year ended March 31, 2020

Particulars	Reserve and Surplus			Items of Other Comprehensive Income (OCI)						Other Component of Equity on shares issued under ESPS	Own Shares held by ESPS Trusts	Total		
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve (CRR)	Cash Flow Hedge Reserve	Foreign Currency Translation Reserves	Remeasurement of defined benefit	Equity Instruments through OCI				Fund Instruments through OCI	Mutual Fund Debts Instruments through OCI
<b>Balance as at March 31, 2019</b>	<b>1,077.53</b>	<b>7,129.54</b>	<b>254.00</b>	<b>54,267.00</b>	<b>20.00</b>	<b>844.32</b>	<b>285.24</b>	<b>2.22</b>	<b>240.02</b>	<b>0.41</b>	<b>-</b>	<b>559.01</b>	<b>(78.54)</b>	<b>64,600.66</b>
Surplus/(Deficit) of Statement of Profit and Loss	-	-	-	8,799.15	-	-	-	-	-	-	-	-	-	8,799.15
Transition effect on Implementation of IND-AS 116	-	-	-	33.08	-	-	-	-	-	-	-	-	-	33.08
Other Comprehensive Income	-	-	-	(471.42)	-	(2,302.08)	-	-	(708.42)	(85.41)	-	-	-	(3,567.33)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(1,812.51)	-	-	-	-	-	-	(1,812.51)
<b>Balance as at March 31, 2020</b>	<b>1,077.53</b>	<b>7,129.54</b>	<b>254.00</b>	<b>62,627.82</b>	<b>20.00</b>	<b>(1,457.76)</b>	<b>(1,527.27)</b>	<b>2.22</b>	<b>(468.40)</b>	<b>(84.99)</b>	<b>-</b>	<b>559.01</b>	<b>(78.54)</b>	<b>68,053.06</b>

Statement of Significant Accounting Policies

1 to 3

The accompanying notes form an integral part of the Ind AS Financial Statements (Refer Note No. 4 to 59)

 As per our report of even date  
 For **Chaturvedi & Shah LLP**  
 Chartered Accountants  
 Firm Registration No. 1017220W/W100355

**Lalit R. Mhalsekar**  
 Partner  
 Membership No. 103418

**Niranjan A. Shah**  
 Executive Chairman  
 DIN No. 00036439

For and on behalf of the board of directors of

**Renaissance Global Limited**
**Hitesh M. Shah**  
 Managing Director  
 DIN No. 00036338

**Dilip B. Joshi**  
 Chief Financial Officer

**Ghanashyam M. Walavalkar**  
 Company Secretary

 Place: Mumbai  
 Date : June 29, 2020

 Place: Mumbai  
 Date : June 29, 2020

# Notes to Consolidated Financial Statements

For the year ended March 31, 2020

## 1. CORPORATE INFORMATION

### 1.1 Nature of Operations

Renaissance Global Limited (Formerly known as "Renaissance Jewellery Limited") (the Parent company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The RGL Group is engaged in the manufacturing and selling of diamond studded jewellery, trading of gems & diamonds and furniture. The Parent company's shares are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE). The consolidated financial statement comprises financials of the parent company and its subsidiaries (referred to collectively as "the RGL Group").

### 1.2 General information and statement of compliance with Ind AS

The consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended; and the other relevant provisions of the Act and Rules there under.

The consolidated Ind AS financial statements for the year ended March 31, 2020 were authorised and approved for issue by the Board of Directors on June 29, 2020.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Principles of consolidation:

2.1.1 Subsidiaries are entities controlled by the Parent Company. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The financial statements of the subsidiaries are included in the consolidated Ind AS financial statements from the date on which control commences until the date on which the control ceases.

2.1.2 The consolidated Ind AS financial statements comprise of the financial statement of the Parent Company and its subsidiaries referred herein in Para 2.1.8 below. The financial statements of the Parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra group transactions and unrealized profits resulting there from and are presented to the extent possible, in the same manner as the RGL Group's independent financial statements.

2.1.3 In case of foreign subsidiaries, revenue items are converted at the average rates prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the "Foreign Currency Translation Reserve".

2.1.4 The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the RGL Group's accounting policies. The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Parent Company i.e., year ended March 31, 2020.

2.1.5 Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.

2.1.6 Non-controlling interests in the net assets of consolidated subsidiaries consists of:

- a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
- b) The non-controlling interests' share of movements in equity since the date parent subsidiary relationship came into existence.
- c) The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Statement of Profit and Loss and Statement of Changes in Equity.

### 2.1.7 Business Combinations

In accordance with Ind AS 101 First time adoption of Indian Accounting Standards, the RGL Group has elected to apply the requirements of Ind AS 103, "Business Combinations" prospectively to business combinations on or after the date of transition (April 1, 2016). Pursuant to this exemption, goodwill / capital reserve arising from business

# Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

combination has been stated at the carrying amount under previous GAAP. In accordance with Ind AS 103, the RGL Group accounts for these business combinations using the acquisition method when the control is transferred to the RGL Group. The consideration transferred for the business combinations is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI as appropriate.

## Common Control

Business combinations involving entities that are ultimately controlled by the same part(ies) before and after the business combination are considered as Common control entities and are accounted using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect the fair values, or recognise new assets or liabilities. Adjustments are made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference if any, between the amounts recorded as share capital plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

## 2.1.8 The subsidiary companies/entities considered in the consolidated financial statements are:

Name of the Subsidiary	Relationship	Country of Incorporation	Proportion of ownership interest	Accounting year ending on
RJL Employee Welfare Trust *	Beneficial Interest	India	100%	March 31 <sup>st</sup>
Renaissance Jewelry, N.Y Inc. *	Subsidiary	U.S.A.	100%	March 31 <sup>st</sup>
Jay Gems Inc * (Renaissance Jewelry, N.Y Inc.) *	Subsidiary	U.S.A.	100%	March 31 <sup>st</sup>
Essar Capital LLC * (Renaissance Jewelry, N.Y Inc.) *	Subsidiary	U.S.A.	100%	March 31 <sup>st</sup>
Verigold Jewellery (UK) Limited *	Subsidiary	United Kingdom	100%	March 31 <sup>st</sup>
Renaissance Jewellery Bangladesh Private Limited *	Subsidiary	Bangladesh	100%	March 31 <sup>st</sup>
Verigold Jewellery DMCC *	Subsidiary	Dubai	100%	March 31 <sup>st</sup>
Renaissance Jewelry DMCC (Subsidiary of Verigold Jewellery DMCC) *	Subsidiary	Dubai	65%	March 31 <sup>st</sup>
Verigold Jewellery LLC (Subsidiary of Verigold Jewellery DMCC) *	Subsidiary	Dubai	49%	March 31 <sup>st</sup>
Verigold Jewellery (Shanghai) Trading Company Limited (Subsidiary of Verigold Jewellery DMCC) *	Subsidiary	China	100%	March 31 <sup>st</sup>

\* Audited by other auditors

# Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

## 2.2 Basis of Preparation

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

## 2.3 Functional and presentation currency and Rounding off of the amounts

The Functional and presentation currency of the RGL Group is Indian rupees. Accordingly, all amounts disclosed in the consolidated Ind AS financial statements and notes have been shown in Indian rupees and all values are shown in lakhs and rounded to two decimals except when otherwise indicated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

## 2.4 Current/non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

2.4.2 All other assets are classified as non-current.

2.4.3 A liability is current when:

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

2.4.4 All other liabilities are classified as non-current.

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

## 2.5 Property, Plant and Equipment (PPE)

2.5.1 Freehold Land are stated at historical cost.

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

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

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

## 2.6 Depreciation/Amortization

2.6.1 Depreciation is provided based on the estimated useful life of the asset which has been determined by the management which coincides with those prescribed under the Schedule II to the Companies Act, 2013 by applying written down value.

# Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

2.6.2 Depreciation on property, plant and equipment of the RGL Group's foreign subsidiaries has been provided on straight line method as per the estimated useful life of such assets except in case of Renaissance Jewellery Bangladesh Private Limited. Details of estimated useful life of property, plant and equipment of these foreign subsidiaries are as follows:

Class of Assets	Years
Leasehold Improvements	5 Years 4 months
Factory Building	12 to 25 years
Plant and Machinery	10 to 12 Years
Furniture and Fittings	4 to 25 Years
Office Equipment's	4 to 25 years
Computers	3 to 8 Years
Vehicle	4 to 12 Years

In case of Renaissance Jewellery Bangladesh Private Limited, it has not charged depreciation on PPE because company production has been stopped during the year 2019.

2.6.3 Leasehold Land is amortized on a straight line basis over the period of lease.

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

## 2.7 Intangible assets

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

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

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

## 2.8 Impairment of non-financial Assets

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

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

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

## 2.9 Leases

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



## Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

- 2.9.2 The determination of whether an arrangement is a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is considered as a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.
- 2.9.3 Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.
- 2.9.4 The Company has adopted Ind AS 116-Leases effective April 01, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 01, 2019). Accordingly, previous period information has not been restated. The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been presented in the Balance Sheet as a part of Property, plant and equipment and lease payments have been classified as financing cash flows.

### Practical expedient opted by Company:

- For contracts in place at the date of transition, the Company has elected to apply the definition of a lease from Ind AS 17 and Appendix C to Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17 and appendix C to Ind AS 17.
- The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of transition of Ind AS 116, being 1 April 2019.
- On transition Company has elected, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months, not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.
- For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application.

### Exemptions availed by Company:

- The Company has elected not to recognise right-of-use assets in below mentioned cases but to account for the lease expense on a straight-line basis over the remaining lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit:
- A lease that, at the commencement date, has a lease term of 12 months or less i.e. short-term leases and
- leases for which the underlying asset is of low value

The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

# Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

## Measurement and recognition of leases

The Company considers whether contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that convey the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

## Company as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company and any lease payments made in advance of the lease commencement date.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss account as the case may be.

The Company has elected to account for short-term leases and leases of low-value assets using the exemption given under Ind AS 116. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit.

## Company as a lessor

Lease income from operating leases where the company is lessor is recognised in income on straight line basis over the lease term.

Critical accounting estimates and judgements Ind AS 116 requires Company to make certain judgements and estimations, and those that are significant are disclosed below.

Critical judgements are required when an entity is,

- determining whether or not a contract contains a lease
- establishing whether or not it is reasonably certain that an extension option will be exercised
- considering whether or not it is reasonably certain that a termination option will not be exercised
- determining whether or not variable leased payments are truly variable, or in-substance fixed
- for lessors, determining whether the lease should be classified as an operating or finance lease.

## Key sources of estimation and uncertainty include:

- calculating the appropriate discount rate.
- estimating the lease term.

# Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

## 2.10 Non-Current Assets held for Sale and Discontinued Operations

- 2.10.1 Non current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction. Non-current assets classified as held for sale are measured at the lower of their carrying amount and/ or fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets and sale is expected to be concluded within twelve months from the date of such classification.
- 2.10.2 Assets and liabilities classified as held for sale are presented separately in the balance sheet. A disposal group qualifies as discontinued operations if it is a component of the company that either has been disposed off or is classified as held for sale, and; represents a separate major line of business or geographical area of operations, or part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or a subsidiary acquired exclusively with a view to resale. Non-current assets are not depreciated or amortised while they are classified as held for sale.
- 2.10.3 When the group is committed to sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described are met, regardless of whether the group will retain a non controlling interest in its former subsidiary after the sale. Loss is recognised for any initial or subsequent write down of such non current assets (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increase in fair value less costs to sell an asset (or disposal group) but not in excess of any cumulative loss previously recognised.
- 2.10.4 If the criteria for assets held for sale are no longer met, it ceases to be classified as held for sale and are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation or any amortisation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.
- 2.10.5 A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a Subsidiary acquired exclusively with a view to resale. The results of discontinued operations or presented separately in the Statement of Profit and Loss.

## 2.11 Financial instruments

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

### 2.11.1 Financial assets

#### a. Initial recognition and measurement

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

#### b. Subsequent measurement

For subsequent measurement, the RGL Group classifies financial asset in following broad categories:

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

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

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

# Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

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

**d. Financial asset carried at FVTOCI**

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

**e. Financial asset carried at FVTPL**

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

**f. Derecognition of Financial Asset**

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

**g. Impairment of financial assets**

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

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

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

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

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

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

## 2.11.2 Financial liabilities

**a. Initial recognition and measurement**

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

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

**b. Subsequent measurement**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses

# Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

are recognized in profit or loss when the liabilities are derecognized as well as through EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

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

## c. Derecognition of financial liabilities:

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

## 2.11.3 Offsetting of Financial Instruments

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

## 2.11.4 Derivative financial instrument:

- a. RGL Group uses derivative financial instruments such as forward contracts to mitigate its foreign currency fluctuation risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.
- b. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.
- c. For the purpose of hedge accounting, hedges are classified as:
  - Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
  - Cash flow hedges when hedging the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment;
  - Hedges of a net investment in a foreign operation.
- d. At the inception of a hedge relationship, the RGL Group formally designates and documents the hedge relationship to which the RGL Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the RGL Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how will the entity assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective if achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.
- e. Hedges that meet the strict criterion for hedge accounting are accounted for, as described below:

### ✓ Fair value hedges

The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the Statement of Profit and Loss as finance costs.

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

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss. When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative

# Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in the Statement of profit and loss.

✓ **Cash flow hedges**

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

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

The RGL Group does not use hedges of net investment.

f. **Derecognition:**

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

## 2.12 Fair value measurement

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

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

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

## Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

### 2.13 Inventories

Inventories are valued as under:

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

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

Identification of a specific item and determination of estimated net realizable value involve technical judgements of the management supported by valuation from an independent valuer.

**2.14** The Company enters into future contracts for purchase of gold to fix the purchase price of gold on the future date, such transactions are entered to protect the risk of gold price movement for expected purchase of gold at future date. The gain/ (loss) on change in the fair value of contract are included in cost of material consumed.

### 2.15 Revenue recognition

INDAS 115 - Revenue from Contracts with Customers has been notified by Ministry of Corporate affairs on March 28, 2018 and is effective for accounting period beginning on or after April 01, 2018. According to INDAS 115, entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service.

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

The RGL Group follows specific recognition criteria as described below before the revenue is recognized.

#### 2.15.1 Sale of goods

- In case of domestic customer, generally performance obligation satisfied and transferred the control when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally performance obligation satisfied and transferred the control, when goods are shipped on board based on bill of lading.
- Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

#### 2.15.2 Sale of services

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

# Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

## 2.15.3 Other operating revenue

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

## 2.16 Other Income

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

## 2.17 Borrowing costs

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

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

## 2.18 Foreign Currency Transactions

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

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

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

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

## 2.19 Employee benefits

### 2.19.1 Parent Company / Indian Subsidiaries

#### a. Short Term Employee Benefits

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

#### b. Long Term Employee Benefits

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

As per the Employees Provident Funds and Miscellaneous Provisions Act, 1952 all employees of the Company are entitled to receive benefits under the provident fund & family pension fund which is a defined contribution



## Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

plan. These contributions are made to the fund administered and managed by Government of India. In addition, some employees of the Company are covered under Employees' State Insurance Scheme Act 1948, which are also defined contribution schemes recognized and administered by Government of India.

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

- **Leave Encashment**

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

- **Gratuity**

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

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

### 2.19.2 Renaissance Jewelry New York, Inc.

The company, since incorporated in the USA, has followed the law of that country and has established a 401(k) saving plan (the 'Plan'). At the discretion of the company, the Plan provides for the company's contributions based on eligible amounts contributed to the Plan by its participants. For the year ended March 31, 2019, the company did not make any contribution to this Plan.

### 2.19.3 Renaissance Jewellery Bangladesh Pvt. Ltd.

- **Provident Fund**

The Company operates a recognized provident fund scheme with equal contribution @ 8.33% of basic salary by the employees and also by the Company. The fund is administered by the Board of Trustees.

- **Compensation/Gratuity scheme**

The Company introduced an unfunded gratuity scheme for its all eligible permanent staffs from 1 April 2015. Provision for gratuity has been made in the financial statement according to company's gratuity policy in the year from April 2017 to March 2018 for the staff competing one year of service from the date of joining. Gratuity is payable to the staff after completion of minimum five years continued service in the company.

### 2.19.4 Verigold Jewellery DMCC

#### Staff end-of-service gratuity

The company computes the provision for the liability to staff end-of-service gratuity assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

## 2.20 Tax

### 2.20.1 Parent Company / Indian Subsidiaries

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

# Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

**a. Current tax**

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

**b. Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary timing difference. Deferred tax assets are recognized for deductible temporary differences to the extent that they are probable that taxable profit will be available against which the deductible temporary difference can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted on the reporting date.

Current and deferred tax for the year are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current or deferred tax arises from initial accounting for a business combination, the tax affect is included in the accounting for the business combination.

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

**c. Minimum Alternate Tax (MAT) Credit**

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

## 2.20.2 Foreign Subsidiaries

Tax expenses have been accounted for on the basis of tax laws prevailing in respective countries of incorporation.

## 2.21 Segment reporting

The RGL Group has two operating/reportable segment based on geographical area, i.e., domestic sales and export sales. The operating segment is managed separately as each involves different regulations, marketing approaches and other resources. These operating segments are monitored by the RGL Group's chief operating decision maker and strategic decisions are made on the basis of segment operating results. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the RGL Group uses the same measurement policies as those used in its financial statements. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss. No asymmetrical allocations have been applied between segments.

# Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

## 2.22 Earnings per share

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

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

## 2.23 Provisions, Contingent Liabilities and Contingent Assets

### 2.23.1 Provisions

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

### 2.23.2 Contingent liability

#### a. Contingent liability is disclosed in the case;

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

#### b. Commitments

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

### 2.23.3 Contingent assets

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

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

## 2.24 Cash and cash equivalents

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

## 2.25 Cash flow statements

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

## 2.26 Measurement of EBITDA

As permitted by the Guidance Note on Division II – Ind AS Schedule III to the Companies Act, 2013, the RGL Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The RGL Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the RGL Group does not include depreciation and amortization expense, finance costs and tax expense.

# Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

### 3. KEY ACCOUNTING JUDGMENTS, CRITICAL ESTIMATES AND ASSUMPTIONS

The preparation of the RGL Group's consolidated financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The RGL Group continually evaluates these estimates and assumption based on the most recently available information.

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

- a. Assessment of functional currency (Refer Note No. 2.3)
- b. Financial instruments (Refer Note No. 2.11)
- c. Estimates of useful lives and residual value of PPE and intangible assets (Refer Note No. 2.5)
- d. Impairment of financial and non-financial assets (Refer Note No. 2.8 & 2.11)
- e. Valuation of inventories (Refer Note No. 2.13)
- f. Measurement of Defined Benefit Obligations and actuarial assumptions (Refer Note No. 2.18)
- g. Allowances for uncollected trade receivable and advances
- h. Provisions (Refer Note No. 2.22)
- i. Provisions for Current and Deferred Tax (Refer Note No. 2.19)
- j. Evaluation of recoverability of deferred tax assets (Refer Note No. 2.19)
- k. Contingencies (Refer Note No. 2.22) and
- l. Determination of effective portion of Cash flow hedge (Refer Note No. 2.11.4)
- m. Estimation / uncertainties relating to global held pandemic on COVID-19 (Refer Note No. 51)

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

# Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

## 4 NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block				Accumulated Depreciation				As at March 31, 2019	
	As at April 01, 2019	Additions	Foreign Currency Translation reserve	Disposal/ Impairment during the year*	As at March 31, 2020	Depreciation for the year	Foreign Currency Translation reserve	Deductions/ Impairment on Disposal		As at March 31, 2020
Land	118.55	-	2.11	-	120.66	0.96	0.26	-	117.17	116.28
Factory Building	1,569.74	-	0.00	69.20	1,500.55	43.06	0.00	55.57	1,075.49	481.74
Non Factory Building	991.54	-	52.71	-	1,044.25	38.04	6.62	-	283.05	753.16
Plant and Machinery	4,875.71	368.45	34.60	350.68	4,928.08	384.91	12.69	252.60	3,026.92	1,993.79
Electrical Installations	572.85	33.07	0.00	46.68	559.24	26.05	0.00	34.51	443.46	120.94
Office Equipments	1,190.22	76.20	20.37	139.20	1,147.59	92.12	20.35	130.61	972.31	199.75
Computers	698.35	53.56	6.51	82.83	675.59	48.38	5.15	79.49	599.94	72.45
Furniture and Fixtures	1,418.55	155.62	10.41	149.32	1,435.26	102.96	8.56	130.95	999.53	399.60
Vehicles	1,805.99	97.14	10.93	8.31	1,905.75	254.74	1.93	7.90	1,307.71	747.06
Leasehold Improvements	1,330.67	25.08	36.11	-	1,391.86	127.45	16.83	-	964.27	510.68
<b>Total</b>	<b>14,572.17</b>	<b>809.12</b>	<b>173.73</b>	<b>846.21</b>	<b>14,708.82</b>	<b>1,118.67</b>	<b>72.40</b>	<b>691.62</b>	<b>9,676.17</b>	<b>5,395.46</b>
<b>Previous Year</b>	<b>12,875.36</b>	<b>2,171.44</b>	<b>155.46</b>	<b>630.09</b>	<b>14,572.17</b>	<b>1,102.57</b>	<b>53.79</b>	<b>533.68</b>	<b>9,176.71</b>	<b>4,321.34</b>

Working capital borrowing are secured by hypothecation of fixed assets of the company (Refer Note No. 22).

## 4 INTANGIBLE ASSETS

Particulars	Gross Block				Accumulated Depreciation				As at March 31, 2019	
	As at April 01, 2019	Additions	Foreign Currency Translation reserve	Disposal/ Impairment during the year*	As at March 31, 2020	Depreciation for the year	Foreign Currency Translation reserve	Deductions/ Impairment on Disposal		As at March 31, 2020
Computer Software	532.08	40.66	-	343.37	229.37	14.83	-	340.31	185.16	21.44
Goodwill	1,383.60	-	124.80	-	1,508.40	94.53	99.63	-	1,231.86	345.90
Other Licences	3,018.76	-	272.29	-	3,291.05	881.06	107.65	-	1,558.86	2,448.61
<b>Total</b>	<b>4,934.44</b>	<b>40.66</b>	<b>397.09</b>	<b>343.37</b>	<b>5,028.82</b>	<b>990.41</b>	<b>207.28</b>	<b>340.31</b>	<b>2,975.88</b>	<b>2,815.95</b>
<b>Previous Year</b>	<b>2,040.63</b>	<b>3,020.71</b>	<b>80.00</b>	<b>206.90</b>	<b>4,934.44</b>	<b>703.32</b>	<b>47.56</b>	<b>94.35</b>	<b>2,118.49</b>	<b>578.67</b>

Balance useful life as at March 31, 2020 ranges from 5 to 15 years.

\* Assets Impaired during the year at ended March 31, 2020 ₹ 121.42 Lakhs

Particulars	Amount
Plant & Machinery	62.37
Computers	3.34
Office Equipments	4.57
Air conditioner	3.97
Electrical Installation	12.10
Furniture & Fixtures	18.37
Software	3.06
Building	13.64
<b>Total</b>	<b>121.42</b>

## Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

### 4A CAPTAIL WORK IN PROGRESS

#### Reconciliation of carrying amount

(₹ in Lakhs)

Particulars	Capital work in Progress (2019-20)	Capital work in Progress (2018-19)
<b>Balance as at April 01</b>	<b>11.28</b>	<b>294.52</b>
Additions	81.58	224.67
Capitalisation	84.50	507.91
<b>Balance as at March 31</b>	<b>8.36</b>	<b>11.28</b>

### 4B RIGHT-OF-USE ASSETS\*

#### Gross carrying amount

(₹ in Lakhs)

Particulars	Right of Use assets
<b>Balance as at April 01, 2019</b>	<b>3,168.88</b>
Additions	186.08
Disposals	-
Foreign Exchange Variances	272.96
<b>Balance as at March 31, 2020</b>	<b>3,627.92</b>
Accumulated Depreciation	-
<b>Balance as at April 01, 2019</b>	<b>3,168.88</b>
Depreciation Charge for the year	874.93
Foreign Exchange Variances	49.19
<b>Balance as at March 31, 2020</b>	<b>2,703.80</b>
Net Carrying Amount	
<b>Balance as at April 01, 2019</b>	<b>3,168.88</b>
<b>Balance as at March 31, 2020</b>	<b>2,703.80</b>

\* Refer Note No. 43 on Leases.

### 5 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Investment in Equity Instruments Unquoted (At Fair Value through OCI)</b>		
The Saraswat Co-op Bank Limited	-	-
No. of shares Mar 31, 2020 : 10 (Value ₹ 100)	-	-
No. of shares Mar 31, 2019 : 10 (Value ₹ 100)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>In Mutual Funds (Unquoted) (At Fair value through OCI)</b>		
SBI PSU Fund (Growth Plan) of ₹ 10/- each	7.61	10.50
No. of units Mar 31, 2020 : 100,000		
No. of units Mar 31, 2019 : 100,000		
HDFC Small Cap Fund (Direct Growth Plan)	149.40	-
No. of units Mar 31, 2020 : 10,62,992.96		
No. of units Mar 31, 2019 : Nil		
<b>Total</b>	<b>157.01</b>	<b>10.50</b>
<b>In Debentures (Unquoted) (At Fair value through Amortised Cost) (Refer Note No. 38)</b>		
0% Compulsorily Convertible Debenture in Verigold Jewellery India Private Limited	877.06	491.06
Debenture Application pending for allotment	204.43	-
<b>Total</b>	<b>1,081.49</b>	<b>491.06</b>

# Notes to Consolidated Financial Statements (Contd..)

For the year ended March 31, 2020

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>1,238.50</b>	<b>501.56</b>
The investment has been made in CCDs of a related party of the company, Verigold Jewellery India Pvt. Ltd ("VJIPL") vide debenture subscription agreement dated 26th January, 2019. The coupon/interest rate for the CCDs is NIL.		
Aggregate amount of unquoted investments	1,238.50	501.56
<b>Category-wise Non current investment</b>		
Financial assets carried at fair value through OCI	157.01	10.50
Financial assets carried at fair value through Amortised Cost	1,081.49	491.06

## 6 NON-CURRENT FINANCIAL ASSETS - OTHERS

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Security Deposits	489.33	457.66
Deposits with original maturity for more than 12 months	22.85	26.21
Interest accrued on fixed deposits	17.56	14.84
Margin money for Gold Contracts*	235.70	-
<b>Total</b>	<b>765.44</b>	<b>498.71</b>

\*Net of Fair Value Change of Outstanding Options (Refer Note No. 38)

## 7 DEFERRED TAX ASSETS

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Deferred tax liability:</b>		
Fair valuation of financial instruments	-	50.90
Fair Valuation of Forward Contracts	-	453.50
	-	<b>504.41</b>
<b>Deferred tax assets:</b>		
Employee benefits	139.08	98.45
Property plant and equipment	396.57	75.64
Provision for Expected Credit Loss	1.48	20.06
Fair valuation of financial instruments	78.78	-
Fair Valuation of Forward Contracts	783.03	-
Lease Liability (IND-AS 116)	114.59	-
MAT credit entitlement	1,053.58	1,347.35
Others	2,087.93	2,283.94
	<b>4,655.04</b>	<b>3,825.44</b>
<b>Deferred tax assets (net)</b>	<b>Total</b>	<b>4,655.04</b>
		<b>3,321.03</b>

## 8 OTHERS NON CURRENT ASSETS

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>(Unsecured considered good)</b>		
Capital Advances	74.65	67.69
Security Deposits	13.20	13.13
Prepaid expenses and deferment	8.94	9.44
Leasehold Land Premium - Operating Lease	-	39.96
<b>Total</b>	<b>96.79</b>	<b>130.22</b>

## Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

### 9 CURRENT ASSETS INVENTORIES\*

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials		
Gems and diamonds	8,466.14	7,276.67
Gold, Silver and others	2,584.59	2,183.55
Work-In-progress	15,297.21	19,437.36
Manufactured Jewellery (Finished Goods)	583.26	69,552.23
Traded goods	54,661.46	2,713.39
Consumable, tools and spares	340.65	419.90
Promotional items	-	27.99
<b>Total</b>	<b>81,933.31</b>	<b>101,611.09</b>
Provision on Inventory **	105.74	-
<b>Total</b>	<b>81,827.57</b>	<b>101,611.09</b>

\* Working capital borrowing are secured by hypothecation of inventories of the company (Refer Note No. 22 & 39(a)).

\*\* Management regularly undertakes a review of the company's inventory, in order to assess the likely realization proceeds, taking in account purchase and replacement prices, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

### 10 CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>In Equity Shares (Quoted) (At fair value through OCI)</b>		
Bajaj Finance Limited of ₹ 2 each	304.81	33.28
No. of shares Mar 31, 2020 : 13,756		
No. of shares Mar 31, 2019 : 1,100		
Central Depository Services India Ltd of ₹ 10 each	-	26.50
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 10,926		
Dollar Industries Ltd of ₹ 2 each	-	118.30
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 41,300		
Dr. Lal Path Labs Limited of ₹ 10 each	-	48.64
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 4,658		
Housing Development Finance Corpn. Ltd. of ₹ 2 each	380.51	-
No. of shares Mar 31, 2020 : 23,300		
No. of shares Mar 31, 2019 : Nil		
Kotak Mahindra Bank Ltd of ₹ 5 each	681.55	254.18
No. of shares Mar 31, 2020 : 52,587		
No. of shares Mar 31, 2019 : 19,047		
La Opala RG Ltd of ₹ 2 each	-	88.71
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 40,900		
Repco Home Finance Limited of ₹ 10 each	-	114.21
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 24,603		



# Notes to Consolidated Financial Statements (Contd..)

For the year ended March 31, 2020

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Shemaroo Entertainment Limited of ₹ 10 each	-	100.46
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 24,690		
SRG Housing Finance Limited of ₹ 10 each	-	141.23
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 55,822		
Safari Industries India Ltd of ₹ 2 each	73.82	103.25
No. of shares Mar 31, 2020 : 18,383		
No. of shares Mar 31, 2019 : 14,250		
Thyrocare Technologies Ltd of ₹ 10 each	-	40.04
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 7,499		
V-Mart Retail Limited of ₹ 10 each	58.93	228.85
No. of shares Mar 31, 2020 : 4,146		
No. of shares Mar 31, 2019 : 8,494		
Alibaba Group Holding Ltd- ADR	538.30	-
No. of shares Mar 31, 2020 : 3,670		
No. of shares Mar 31, 2019 : Nil		
Alphabet Inc	355.18	-
No. of shares Mar 31, 2020 : 405		
No. of shares Mar 31, 2019 : Nil		
Amazon	519.08	-
No. of shares Mar 31, 2020 : 353		
No. of shares Mar 31, 2019 : Nil		
Boeing Company	101.23	-
No. of shares Mar 31, 2020 : 900		
No. of shares Mar 31, 2019 : Nil		
Facebook Inc	314.50	-
No. of shares Mar 31, 2020 : 2,500		
No. of shares Mar 31, 2019 : Nil		
HDFC Bank	1,058.74	-
No. of shares Mar 31, 2020 : 36,500		
No. of shares Mar 31, 2019 : Nil		
Mastercard Inc	477.32	-
No. of shares Mar 31, 2020 : 2,620		
No. of shares Mar 31, 2019 : Nil		
Microsoft Inc	86.24	-
No. of shares Mar 31, 2020 : 725		
No. of shares Mar 31, 2019 : Nil		
Ollies Bargain Outlet Holdings	267.36	-
No. of shares Mar 31, 2020 : 7,650		
No. of shares Mar 31, 2019 : Nil		
Ross Storage Inc	98.39	-
No. of shares Mar 31, 2020 : 1,500		
No. of shares Mar 31, 2019 : Nil		

## Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
T Mobile US Inc	275.26	-
No. of shares Mar 31, 2020 : 4,350		
No. of shares Mar 31, 2019 : Nil		
Visa Inc & Co.	243.03	-
No. of shares Mar 31, 2020 : 2,000		
No. of shares Mar 31, 2019 : Nil		
<b>In Mutual Funds (Unquoted) (At fair value through OCI)</b>		
ICICI Liquid Fund - Direct Plan - Daily Dividend	-	492.93
No. of units Mar 31, 2020 : Nil		
No. of units Mar 31, 2019 : 492,396.372		
<b>Total</b>	<b>5,834.25</b>	<b>1,790.58</b>
Aggregate amount of unquoted investments	-	492.93
Aggregate amount of quoted investments - At Cost	6,363.45	1,006.83
Aggregate amount of quoted investments - At Market Value	5,834.25	1,297.65

### 11 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLE \*

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(Unsecured, considered good unless otherwise stated)</b>		
Considered Good	40,507.81	37,314.53
Add: Provision for expected credit loss	415.81	747.45
	<b>40,923.62</b>	<b>38,061.98</b>
Less: Provision for doubtful receivable	403.35	456.53
Less: Provision for expected credit loss	12.46	290.92
	<b>415.81</b>	<b>747.45</b>
<b>Total</b>	<b>40,507.81</b>	<b>37,314.53</b>

#### The movement in Allowance for doubtful receivable is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance as at beginning of the year	456.53	65.18
Allowance for bad and doubtful debts during the year	(53.18)	391.35
Less : Trade receivable written off during the year	-	-
<b>Total</b>	<b>403.35</b>	<b>456.53</b>

#### The movement in Allowance for expected credit loss is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance as at beginning of the year	290.92	58.54
Allowance for expected credit loss during the year	(278.46)	232.38
Less : Trade receivable written off during the year	-	-
<b>Total</b>	<b>12.46</b>	<b>290.92</b>

\* Working capital borrowing are secured by hypothecation of trade receivables of the Company (Refer Note No. 22) Refer Note No. 39 (a) for credit risk

Pursuant to the Factoring Agreement (the "Agreement") between the Company and Israel Discount Bank of New York ("IDB") without recourse against the Company in the event of a loss. Per the Agreement, the Company pays a factoring commission ranging from 0.18% to 0.40%. As of March 31, 2020, the Company had \$2,597,433 of accounts receivable due from non-related parties which were factored without recourse as defined in the Agreement

# Notes to Consolidated Financial Statements (Contd..)

For the year ended March 31, 2020

## 12 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current accounts	7,046.51	2,549.99
Deposits with original maturity of less than 3 months	1,328.53	588.89
Cash on hand	85.52	45.43
<b>Total</b>	<b>8,460.56</b>	<b>3,184.31</b>

## 13 CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unclaimed dividend account	2.91	3.35
Margin Money Deposit with banks against gold loan	66.40	73.20
Deposits with original maturity of more than 3 months but less than 12 months	824.72	648.75
<b>Total</b>	<b>894.03</b>	<b>725.30</b>

## 14 CURRENT FINANCIAL ASSETS - LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Loan to Employees	53.33	43.17
Loan to Related Party (Refer Note No. 42)	77.57	-
<b>Total</b>	<b>130.90</b>	<b>43.17</b>

## 15 CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Forward contract receivable (net)	-	1,297.80
Interest accrued on fixed deposits	36.04	32.29
Security Deposits	551.39	3,669.43
Others	290.79	5.54
<b>Total</b>	<b>878.22</b>	<b>5,005.06</b>

## 16 OTHERS CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured considered good)		
Prepaid expenses and deferment	478.75	404.49
Advance recoverable in cash or in Kind	347.39	583.16
Balance with statutory/government authorities	894.13	1,155.60
Interest accrued on other deposits	1.44	1.38
<b>Total</b>	<b>1,721.71</b>	<b>2,144.63</b>

# Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

## 17 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at	
	March 31, 2020	March 31, 2019
<b>Authorized</b>		
88,700,000 March 31, 2020 : 88,700,000 March 31, 2019)	8,870.00	8,870.00
equity shares of ₹ 10/- each		
10,000,000 March 31, 2020 : 10,000,000 March 31, 2019)	1,000.00	1,000.00
Eight years 0% optionally convertible or Redeemable Non-Cumulative		
Preference Shares of ₹ 10/- each		
<b>Issued, subscribed and fully paid-up</b>		
18,879,440 March 31, 2020 : 18,879,440, March 31, 2019)	1,887.94	1,887.94
equity shares of ₹ 10/- each		
RJL-Employee welfare Trust for Investment in Shares	(19.64)	(19.64)
<b>Total</b>	<b>1,868.30</b>	<b>1,868.30</b>

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

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	18,879,440	1,887.94	18,879,440	1,887.94
Buyback during the year	-	-	-	-
<b>Total</b>	<b>18,879,440</b>	<b>1,887.94</b>	<b>18,879,440</b>	<b>1,887.94</b>

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

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

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

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

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Equity Shares of ₹ 10/- each</b>				
<b>fully paid up</b>				
Mr. Sumit N. Shah	41,28,037	21.87	41,28,037	21.87
Kothari Descendents Private Trust	26,71,916	14.15	26,71,916	14.15
Niranjan Family Private Trust	25,80,112	13.67	25,80,112	13.67
Mr. Hitesh M. Shah	13,35,958	7.08	13,35,958	7.08
Ms. Pinky D. Shah	10,68,766	5.66	10,68,766	5.66

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

# Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

## 18 OTHER EQUITY

Particulars	Reserve and Surplus					Items of Other Comprehensive Income (OCI)					Other Component of Equity on shares issued under ESPS	Own Shares held by ESPS Trusts holders of the company	Total Other equity attributable to Equity holders of the company	
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve (CRR)	Effective portion of Cash Flow Hedge Reserve	Foreign Currency Translation Reserves	Remeasurement of Actuarial Gain or Loss	Equity Instruments through OCI	Mutual Fund Equity Instruments through OCI				Mutual Fund Debts Instruments through OCI
As at April 1, 2018 (A)	380.00	7,129.54	254.00	45,480.58	20.00	295.14	(1,969.86)	4.79	962.48	3.48	-	559.01	(78.54)	53,040.58
<b>Add / (Less):</b>														
Profit / (Loss) for the year	-	-	-	7,672.51	-	-	-	-	-	-	-	-	-	7,672.51
Fair value change of financial instruments through OCI (net of tax)	-	-	-	-	-	-	-	-	380.15	8.22	-	-	-	388.37
Fair Value of changes on derivatives designated as Cash flow reserves (net of tax)	-	-	-	-	-	549.18	-	-	-	-	-	-	-	549.18
Re-measurement gains (losses) on defined benefit plans (net of tax)	-	-	-	-	-	-	(2.57)	-	-	-	-	-	-	(2.57)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	2,255.10	-	-	-	-	-	-	2,255.10
Gain on bargain purchase	697.53	-	-	-	-	-	-	-	-	-	-	-	-	697.53
De-recognition of financial instruments (net of tax)	-	-	-	1,113.91	-	-	-	-	(1,102.62)	(11.29)	-	-	-	(0.00)
<b>Total adjustments (B)</b>	<b>697.53</b>	<b>-</b>	<b>-</b>	<b>8,786.42</b>	<b>-</b>	<b>549.18</b>	<b>2,255.10</b>	<b>(2.57)</b>	<b>(722.47)</b>	<b>(3.07)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,560.12</b>
As at March 31, 2019 (A) + (B)	1,077.53	7,129.54	254.00	54,266.99	20.00	844.32	285.25	2.22	240.01	0.41	-	559.01	(78.54)	64,600.70

# Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Reserve and Surplus				Items of Other Comprehensive Income (OCI)						Other Component of Equity on shares issued under ESPS	Own Shares held by ESPS Trusts holders of the company	Total Other equity attributable to Equity holders of the company		
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve (CRR)	Effective portion of Cash Flow Hedge Reserve	Foreign Currency Translation Reserves	Remeasurement of Actuarial Gain or Loss	Equity Instruments through OCI	Mutual Fund Equity Instruments through OCI				Mutual Fund Debts Instruments through OCI	
<b>Add / (Less):</b>															
Profit / (Loss) for the year	-	-	-	8,799.15	-	-	-	-	-	-	-	-	-	-	8,799.15
Fair value change of financial instruments through OCI (net of tax)	-	-	-	-	-	-	-	(1,085.15)	(180.10)	-	-	-	-	-	(1,265.25)
Fair Value of changes on derivatives designated as Cash flow reserves (net of tax)	-	-	-	-	-	(2,302.08)	-	-	-	-	-	-	-	-	(2,302.08)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(1,812.51)	-	-	-	-	-	-	-	(1,812.51)
Transition effect on Implementation of IND-AS 116	-	-	-	33.08	-	-	-	-	-	-	-	-	-	-	33.08
De-recognition of financial instruments (net of tax)	-	-	-	(471.42)	-	-	-	376.73	94.69	-	-	-	-	-	(0.00)
<b>Total adjustments (C)</b>	-	-	-	<b>8,360.81</b>	-	<b>(2,302.08)</b>	<b>(1,812.51)</b>	<b>(708.42)</b>	<b>(85.41)</b>	-	-	-	-	-	<b>3,452.39</b>
<b>As at March 31, 2020 (Ind AS) (B) + (C)</b>	<b>1,077.53</b>	<b>7,129.54</b>	<b>254.00</b>	<b>62,627.81</b>	<b>20.00</b>	<b>(1,457.76)</b>	<b>(1,527.26)</b>	<b>2.22</b>	<b>(84.99)</b>	-	-	<b>559.01</b>	<b>(78.54)</b>	-	<b>68,053.10</b>

# Notes to Consolidated Financial Statements (Contd..)

For the year ended March 31, 2020

## 19 NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Loans		
Vehicle Loan *	18.34	113.46
<b>Total</b>	<b>18.34</b>	<b>113.46</b>

All two standing vehicle loans are secured by hypothecation of vehicles and balance amount is repayable in 10 EMI of ₹ 6.30 Lakhs and 18 EMI of ₹ 3.17 Lakhs inclusive of interest on reducing balance.

## 19A INFORMATION REGARDING NON CONTROLLING INTEREST

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Accumulated balances of non controlling Interest at the begning	16.20	42.03
Previous year's re-classification	31.47	-
Profit/Loss share of Minority Interest	(24.23)	43.66
Dividend paid during the year	(19.30)	(70.26)
Foreign exchange variation	1.19	0.76
<b>Total</b>	<b>5.32</b>	<b>16.20</b>

## 20 NON CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Notes Payable *	9,148.86	8,815.16
Lease Liability (Refer Note No. 43)	2,136.27	-
<b>Total</b>	<b>11,285.13</b>	<b>8,815.16</b>

\* In 2014, Essar acquired the net assets of M.A. Reich & Co., Inc. for a purchase price of \$2,103,033. In connection with this acquisition, Essar issued a \$1,300,000 non-interest bearing note at a total discount of \$164,307. At March 31, 2020, Essar had a note payable of \$260,000, payable in semi-annual principal installments of \$32,500 through March 31, 2024. The note is recorded at the present value of the future cash flows, utilizing an imputed interest rate of 3.75%.

At March 31, 2020, the future principal payments of this note were as follows:

Years ending March 31,	
2021	\$65,000
2022	\$65,000
2023	\$65,000
2024	\$65,000
	<b>\$260,000</b>
Less: unamortized discount	\$20,786
	<b>\$239,214</b>

For the year ended March 31, 2020, the amortization of discounts on this note amounted to \$10,588.

On August 2, 2018, Renaissance acquired 100% of the shares in Jay Gems for the total purchase price of \$12,405,547 at a total discount of \$1,645,520. In connection with this acquisition, Renaissance issued non-interest-bearing notes to the former stockholders of Jay Gems which were recorded at the present value of the future cash flows, utilizing an imputed interest rate of 3.57%.

## Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

At March 31, 2020, the future principal payments of these notes were as follows:

Years ending March 31,	
2021	\$1,326,554
2022	\$3,124,514
2023	\$9,200,000
2024	\$57,702
	<b>\$13,708,770</b>
Less: unamortized discount	\$856,766
	<b>\$12,852,004</b>

For the year ended March 31, 2020, the amortization of discounts on these notes amounted to \$513,334.

## 21 NON CURRENT LIABILITIES - PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Provision for employee benefits</b> (Refer Note No.37)		
Gratuity	207.90	93.54
Leave encashment	65.86	48.70
<b>Total</b>	<b>273.76</b>	<b>142.24</b>

## 22 CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Secured</b>		
Working Capital Finance from banks denominated in *		
Foreign Currency	50,176.03	50,928.80
Indian Currency	-	1,003.11
<b>Unsecured</b>		
Inter Corporate Deposit **	370.00	300.00
Others	1,035.85	3,692.75
<b>Total</b>	<b>51,581.88</b>	<b>55,924.66</b>

\* Renaissance Global Limited

The Working Capital Loan is secured by first charge on pari passu basis by way of hypothecation and/or pledge of company's current assets both present and future, by way of joint equitable mortgage of Company's factory premises situated at Plot Nos. 36A and 37 (Mumbai), at Plot No. 2302 (Bhavnagar) and office premises situated bearing no CC9081 with car parking situated at Bharat Diamond Bourse and hypothecation of machinery and plant, furniture and fixtures, electrical installations, office equipment's, erected and installed therein and by personal guarantee of some of the directors / promoters. The working capital finance is generally having tenure of 180 days. The Foreign currency loans carries interest rate @ LIBOR plus 2% to 4% and Indian currency Loans carries interest rate @ 9% to 10%.

\* Renaissance Jewelry N.Y Inc.

The Company has credit facilities with two different financial institutions allowing for total maximum borrowings of \$50,000,000 for working capital purposes.

Renaissance has a credit facility with a bank allowing for maximum borrowing of \$25,000,000 to be utilized for working capital purposes. Borrowing under this facility are subject to a borrowing base limitation consisting of specified percentages of eligible accounts receivable and inventories. Interest on these borrowings is calculated as a function of the bank's prime rate (5.00% at March 31, 2020) or LIBOR (2.03% at March 31, 2020). At March 31, 2020, the outstanding borrowings were \$18,000,000 which are secured by substantially all assets of the Company, as well as various guarantees and subordinations. This credit facility agreement matures on August 8, 2020. The Company is in the process of negotiating with the lender to extend the line of credit. The bank is also the loss payee on the jewelers' block policy the Company holds. This facility contains various restrictive covenants.

Jay Gems has a credit facility with a bank allowing for maximum borrowing of \$25,000,000 to be utilized for working capital purposes. Borrowing under this facility is subject to a borrowing base limitation consisting of specified percentages of eligible accounts receivable and inventories. Interest on these borrowings is calculated as a function of the bank's prime rate (5.00% at March 31, 2020) or LIBOR (2.03% at March 31, 2020). At March 31, 2020, the outstanding borrowings were \$20,282,034 which are secured by substantially all assets of the Company, as well as various guarantees and subordinations. This credit facility agreement matures on July 31, 2020. The Company is in the process of negotiating with the lender to extend the line of credit. The bank is also the loss payee on the jewelers' block insurance policy the Company holds. This facility contains various restrictive covenants.

\* Verigold Jewellery DMCC Bank Borrowings is secured against assignment of Investment.

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



# Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

## 23 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of small enterprises and micro enterprises (Refer Note No. 48)	0.24	1.60
Total outstanding dues of creditors other than small enterprises and micro enterprises (Refer Note No. 42)	14,666.41	29,308.43
<b>Total</b>	<b>14,666.65</b>	<b>29,310.03</b>

Refer Note No. 55 for Balance Confirmation

## 24 CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current maturities of Long term debt</b>		
Vehicle loan from bank (secured) #	95.11	98.23
Others	724.54	527.79
Forward contract receivable (net)	2,240.81	-
Salaries, wages and other payables	411.40	2,939.94
Unclaimed dividend	2.91	3.35
Interest accrued on ICD (Related party) (Refer Note No. 42)	7.45	5.99
Lease Liability (Refer Note No. 43)	980.12	-
Other Payables	11.14	3.87
<b>Total</b>	<b>4,473.48</b>	<b>3,579.17</b>

# Renaissance Global Limited

All two standing vehicle loans are secured by hypothecation of vehicles and balance amount is repayable in 10 EMI of ₹ 6.30 Lakhs and 18 EMI of ₹ 3.17 Lakhs inclusive of interest on reducing balance.

## 25 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance from customer	3.24	69.01
Statutory dues payable	110.89	90.27
Bank overdrawn as per Books	-	305.03
Others	4,505.02	-
<b>Total</b>	<b>4,619.15</b>	<b>464.31</b>

## 26 CURRENT LIABILITIES - PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Provision for employee benefits</b> (Refer Note No.37)		
Gratuity	148.78	160.84
Leave encashment	11.17	32.79
<b>Total</b>	<b>159.95</b>	<b>193.63</b>

## Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

### 27 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Sale of products</b>		
Jewellery, Gems and Diamonds	249,885.07	257,178.33
Furniture and accessories	53.55	133.96
<b>Service Income</b>		
Jewellery making charges	93.07	1,574.77
<b>Other Operating revenues</b>		
Sale of Dust	152.68	175.63
Sale of Scrap	0.22	-
<b>Total</b>	<b>250,184.59</b>	<b>259,062.69</b>

#### Reconciliation of revenue recognised in the statement of profit and loss with the contracted price:

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contract Price	280,543.15	276,309.74
Less :Discount	1,429.79	1,992.55
Returns	19,408.08	8,221.21
Charge Back	1,616.00	301.94
Credits	21.32	6,612.41
Others	7,883.37	118.94
<b>REVENUE FROM OPERATIONS</b>	<b>Total 250,184.59</b>	<b>259,062.69</b>

### 28 OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Interest income on</b>		
Bank deposits	94.59	81.96
Others	8.08	10.63
Gain on foreign currency transactions and translations (net)	784.56	-
Rent Income	257.26	59.73
Miscellaneous income	147.99	66.11
Dividend income on current investment at FVTOCI	18.59	6.62
Unwinding of discount on Secutiy Deposits (IND-AS)	11.02	2.15
Profit on sale of assets	14.52	-
Reversal of expected credit loss	278.46	-
<b>Total</b>	<b>1,615.06</b>	<b>227.20</b>

# Notes to Consolidated Financial Statements (Contd..)

For the year ended March 31, 2020

## 29 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Stock *	11,785.33	11,524.14
Add : Purchases made during the year	134,504.26	149,082.09
Add : Other direct cost	258.85	252.87
	<b>146,548.44</b>	<b>160,859.10</b>
Less : Inventory at the end of the year*	11,138.49	11,785.33
<b>Total cost of materials consumed</b>	<b>Total 135,409.95</b>	<b>149,073.76</b>

\* Includes Stock in trade of Colour stones and Diamonds.

## 30 PURCHASE OF TRADED GOODS

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Purchase of Traded Goods		
Jewellery, Gems and Diamonds	48,291.01	106,775.30
<b>Total</b>	<b>48,291.01</b>	<b>106,775.30</b>

## 31 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN PROGRESS

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Inventories at the end of the year</b>		
Work-In-progress	15,297.21	19,437.36
Finished goods	583.26	2,434.43
Traded goods-Jewellery,Gems and Diamonds	54,573.70	67,158.45
Traded goods-Furniture and accessories	-	555.27
<b>Total</b>	<b>70,454.16</b>	<b>89,585.52</b>
<b>Inventories at the beginning of the year</b>		
Work-In-progress	19,437.36	15,369.34
Finished goods	2,434.43	650.42
Traded goods-Jewellery,Gems and Diamonds	67,158.45	29,867.28
Traded goods-Furniture and accessories	555.27	1,238.38
<b>Total</b>	<b>89,585.51</b>	<b>47,125.42</b>
<b>Total (Increase)/Decrease in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress</b>	<b>19,131.36</b>	<b>(42,460.10)</b>

## 32 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	8,676.90	8,408.22
Contribution to provident and other funds	186.79	194.58
Gratuity expense (Refer Note No. 37)	179.50	86.28
Leave salary (Refer Note No.37)	77.50	52.63
Staff welfare expenses	434.87	486.08
<b>Total</b>	<b>9,555.57</b>	<b>9,227.80</b>

## Notes to Consolidated Financial Statements (Contd..)

For the year ended March 31, 2020

### 33 OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of stores and spare parts	1,594.76	1,524.70
Power and fuel	861.82	810.56
Water charges	73.92	68.33
Advertisement/Sales promotion expenses	3,180.54	2,945.89
Jewellery making charges	8,621.73	7,644.02
Freight and forwarding charges	522.05	776.84
Rent (Refer Note No. 43)	333.51	1,009.34
Rates and Taxes	69.61	59.60
Director Sitting fees	12.50	14.90
Insurance	769.39	540.88
<b>Repairs and maintenance</b>		
Buildings	17.30	6.27
Machinery	58.44	33.34
Others	256.36	230.68
<b>Payment to auditor</b>	50.45	50.00
Exchange Difference (net)	-	1,027.05
Impairment / Discard of assets on closure of retail segment of Home Retail Business	-	112.56
CSR Contribution / Expenditure	80.32	101.22
Donation	16.39	6.83
Profit on sale of assets	-	46.81
Miscellaneous expenses	5,810.84	7,172.38
<b>Total</b>	<b>22,329.93</b>	<b>24,182.19</b>

### 34 FINANCE COST

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense	2,952.40	2,495.78
Interest on Leases	23.08	-
<b>Total</b>	<b>2,975.48</b>	<b>2,495.78</b>

### 35 DEPRECIATION, AMORTISATION AND IMPAIRMENT

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of tangible assets	1,118.67	1,102.57
Impairment of tangible assets	121.41	-
Amortization of intangible assets	990.41	703.32
Amortization of Right of use assets	874.93	-
Amortization of leasehold land	-	3.63
<b>Total</b>	<b>3,105.43</b>	<b>1,809.52</b>

## Notes to Consolidated Financial Statements (Contd..)

For the year ended March 31, 2020

## 36 TAX EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. The major components of income tax expense for the year are as under :</b>		
<b>i. Income tax recognized in the statement of profit and loss</b>		
<b>Current Tax expense:</b>		
Current tax on profit for the year	1,820.88	1,360.24
Short/(Excess) Provision of tax relating to earlier years	(23.26)	-
MAT credit in respect of earlier years	-	-
<b>Deferred Tax expense:</b>		
Deferred Tax expenses	(19.94)	(1,003.00)
<b>Total tax expense recognized in the statement of profit and loss</b>	<b>1,777.68</b>	<b>357.24</b>
<b>ii. Tax expense recognized in other comprehensive income</b>		
<b>Items that will not be reclassified to profit and loss</b>		
Re-measurement of defined benefit plan	-	1.98
Fair valuation of equity instruments	111.60	(13.96)
Fair valuation of mutual fund	18.08	(1.75)
<b>Items that will be reclassified to profit and loss</b>		
Fair valuation of cash flow hedge	1,236.53	(294.98)
Mutual fund debts instruments through OCI	-	-
<b>Total Tax expense recognized in other comprehensive income</b>	<b>1,366.21</b>	<b>(308.71)</b>
<b>B. Reconciliation of tax expense and the accounting profit for the year is under:</b>		
<b>Accounting Profit before income tax expenses</b>	10,552.93	8,073.41
Enacted tax rate in India (%)	34.944%	34.944%
Expected income tax expense	3,687.61	2,821.17
<b>Tax effect of :</b>		
Expenses not deductible	226.96	72.35
Tax exempt income	(6.43)	(1.86)
Allowances and concessions	(878.75)	(385.32)
Accelerated capital allowances	226.70	(39.31)
Non Taxable Subsidiaries	(1,212.95)	(1,713.17)
Effect of differential tax rate under various jurisdiction	(237.41)	(599.17)
Loss in respect of which deferred tax assets not recognised	156.88	28.00
Others	(162.46)	174.55
<b>Tax expenses recognized in statement of profit and loss</b>	<b>1,800.15</b>	<b>357.24</b>
Adjustments recognised in current year in relation to the current tax ( Including MAT credit entitlement) of earlier years	-23.26	-
<b>Income Tax Expenses</b>	<b>1,776.89</b>	<b>357.24</b>
<b>Effective tax rate (%)</b>	<b>17.06%</b>	<b>4.42%</b>

## Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

### 37 EMPLOYEE BENEFITS

#### a. Defined Contribution Plan

Contribution to defined contribution plan, recognized as expense for the year are as under:

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Employer's Contribution to Provident Fund & Family Pension Fund	159.21	154.54
Employer's Contribution to Employees' State Insurance Scheme	31.63	43.62

#### b. Defined Benefit plan - Gratuity

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

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

Particulars	(₹ in Lakhs)			
	Gratuity (Unfunded)		Gratuity (Funded)	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>i) Changes in Present Value of Defined Benefit Obligation during the year</b>				
Opening Defined Benefit Obligation	7.08	6.16	537.85	480.48
Interest cost	-	0.42	40.18	36.33
Current service cost	-	0.93	112.23	45.16
Past service cost	-	-	-	-
Benefits paid from the fund	(7.08)	-	(23.44)	(38.27)
Actuarial (Gains)/Losses on Obligations				
Due to Change in Financial Assumptions	-	-	-	3.00
Due to Experience	-	(0.43)	-	11.15
<b>Closing defined benefit obligation</b>	<b>-</b>	<b>7.08</b>	<b>666.83</b>	<b>537.85</b>
<b>ii) Changes in Fair Value of Plan Assets during the year</b>				
Opening fair value of planned assets			316.05	247.16
Interest Income			(15.77)	18.69
Contributions by employer			69.00	80.00
Benefits paid			(23.44)	(38.27)
Return on Plan Assets, Excluding Interest Income			-	8.47
<b>Closing fair value of plan assets</b>			<b>345.84</b>	<b>316.05</b>
The company expects to contribute ₹ 148.77 Lakhs to gratuity in the next year (March 31, 2019 : ₹ 135.39 Lakhs)				
<b>iii) Net (asset)/liability recognized in the balance sheet</b>				
Present Value of Benefit Obligation at the end of the year	-	(7.08)	(666.83)	(537.85)
Fair Value of Plan Assets at the end of the year	-	-	345.84	316.05
<b>Net (asset)/liability recognized in the Balance Sheet</b>	<b>-</b>	<b>(7.08)</b>	<b>(320.99)</b>	<b>(221.80)</b>
Net liability – Current (Refer Note No.27)	-	2.50	148.78	135.39
Net liability – Non Current (Refer Note No.22)	-	4.58	172.21	86.41

## Notes to Consolidated Financial Statements (Contd..)

For the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Gratuity (Unfunded)		Gratuity (Funded)	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>iv) Expenses recognized in the statement of profit and loss for the year</b>				
Current Service Cost	-	0.93	112.23	45.16
Net Interest Cost	-	0.42	55.95	17.64
Past service cost	-	-	-	-
<b>Expenses recognized</b>	<b>-</b>	<b>1.35</b>	<b>168.18</b>	<b>62.80</b>
<b>v) Recognized in other comprehensive income for the year</b>				
Actuarial (Gains)/Losses on Obligations				
Due to Change in Financial Assumptions	-	-	-	3.00
Due to Experience	-	(0.43)	-	11.15
Return on Plan Assets, Excluding Interest Income	-	-	-	(8.47)
Net (Income)/Expense For the Period Recognized in OCI	-	(0.43)	-	5.68
<b>vi) Actuarial assumptions</b>				
Expected Return on Plan Assets			6.04%	7.47%
Rate of Discounting			6.04%	7.47%
Rate of Salary Increase			5.00%	5.00%
Rate of Employee Turnover			8.00%	8.00%
<b>vii) Maturity profile of defined benefit obligation</b>				
Within 1 year	-	2.50	104.02	72.39
1-2 Year	-	1.88	54.51	65.76
2-3 Year	-	1.27	53.08	47.48
3-4 Year	-	0.85	57.98	66.65
4-5 Year	-	0.58	49.97	46.85
Above 5 Years	-	1.02	763.38	698.49
<b>viii) Sensitivity analysis for significant assumptions is as below</b>				
Projected Benefit Obligation on Current Assumptions	-	7.08	666.83	537.85
Delta Effect of +1% Change in Rate of Discounting	-	(6.93)	(40.60)	(31.47)
Delta Effect of -1% Change in Rate of Discounting	-	(7.24)	46.26	35.87
Delta Effect of +1% Change in Rate of Salary Increase	-	(7.21)	41.97	32.61
Delta Effect of -1% Change in Rate of Salary Increase	-	(6.96)	(37.89)	(29.50)
Delta Effect of +1% Change in Rate of Employee Turnover	-	-	(3.95)	(7.56)
Delta Effect of -1% Change in Rate of Employee Turnover	-	-	(4.40)	(8.48)

**ix) Investment details**

The Parent company made annual contribution to the PNB MetLife India Insurance Co. Ltd. of an amount advised by the PNB. The Parent company was not informed by PNB of the investments made or the break-down of the plan assets by investment type.

## Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

**c. Renaissance Jewellery Bangladesh Pvt Ltd**

The Company has introduced an unfunded gratuity scheme for all its eligible permanent staff from April 01, 2015. Provision for gratuity has been made in the financial statement according to company's gratuity policy in the year from April 2017 to March 2018 for the staff completing one year of service from the date of joining. Gratuity is payable to staff after completion of minimum 5 years continued service in the company. Accordingly the Company has provided the unfunded gratuity liability and outstanding balance as on March 31, 2020 ₹ 19.11 Lakhs (PY ₹ 19.78 Lakhs)

**d. Verigold Jewellery - DMCC**

Provision is made for end-of-service gratuity payable to the staff subject to the completion of a minimum service period, at the reporting date in accordance with the local labour laws and outstanding balance as on March 31, 2020 ₹ 35.69 Lakhs (PY ₹ 25.50 Lakhs).

**e. Renaissance Jewelry N.Y Inc.,**

Employees of the Company are covered under a defined contribution plan which qualifies under Section 401(k) of the Internal Revenue Code (the "Code"). The plan permits employees to voluntarily contribute up to the maximum allowed under the Code. For the years ended March 31, 2020 and 2019, Company did not make a discretionary contribution to the plan.

**f. Verigold Jewellery (UK) Limited**

Payments to defined contribution retirement benefit scheme are charged as an expenses as they fall due.

**38 FAIR VALUE MEASUREMENT****A) The carrying value and Fair value of Financial assets and liabilities by categories are as follows:**

(₹ in Lakhs)

Particulars	Carrying value of the financial assets/liabilities		Fair value of the financial assets/liabilities	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Financial Assets at amortized cost (non-current)</b>				
Deposits with original maturity for more than 12 months	22.85	26.21	22.85	26.21
Security Deposits	489.33	457.66	489.33	489.33
Others	17.56	14.84	17.56	17.56
Debentures	1,081.49	491.06	1,081.49	491.06
<b>Financial Assets at Fair value through OCI (non-current)</b>				
Investments in Mutual fund	157.01	10.50	157.01	10.50
Investments in equity shares	-	-	-	-
<b>Financial Assets at amortized cost (current)</b>				
Trade receivables	40,507.81	37,314.53	40,507.81	37,314.53
Cash and cash equivalents	8,460.56	3,184.31	8,460.56	3,184.31
Bank Balances other than Cash and cash equivalents	894.03	725.30	894.03	725.30
Loan to employees	130.90	43.17	130.90	43.17
Security deposit with supplier	551.39	3,669.43	551.39	3,669.43
Others	326.83	37.83	326.83	37.83
<b>Financial Assets at Fair value through OCI (current)</b>				
Investments in equity shares	5,834.25	1,297.65	5,834.25	1,297.65
Investments in mutual fund	-	492.93	-	492.93
Forward contract receivable	-	1,297.80	-	1,297.80
<b>Financial liabilities at amortized cost (non-current)</b>				
Borrowings	18.34	113.46	18.34	113.46



# Notes to Consolidated Financial Statements (Contd..)

For the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Carrying value of the financial assets/liabilities		Fair value of the financial assets/liabilities	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Financial liabilities at amortized cost (current)</b>				
Borrowings	51,581.88	55,924.66	51,581.88	55,924.66
Trade Payables	14,666.65	29,310.03	14,666.65	29,310.03
Other financial liabilities	4,473.48	3,579.17	4,473.48	3,579.17
<b>Financial Liabilities at Fair value through OCI (current)</b>				
Forward contract	2,240.81	-	2,240.81	-

## B) Level wise disclosures of financial assets and liabilities by categories are as follows :

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019	Level	Valuation techniques and key inputs
<b>Financial Assets at Fair value through OCI (non-current)</b>				
Investments in Mutual fund	157.01	10.50	1	Quoted NAV in active markets.
Investments in Equity Shares	-	-	3	Weighted average valuation method of discounted cash flow, precedent transaction and valuation multiple of public companies.
<b>Financial Assets at Fair value through OCI (current)</b>				
Investments in equity shares	5,834.25	1,297.65	1	Quoted closing price in active markets.
Investments in mutual fund	-	492.93	1	Quoted NAV in active markets.
Forward contract		1,297.80	2	Forward contracts are valued using readily available information from the banks.
<b>Financial Liabilities at Fair value through OCI (current)</b>				
Forward contract	2,240.81		2	Forward contracts are valued using readily available information from the banks.

Fair value of cash and cash equivalents, short term loans, trade receivables, trade payables, other financial assets/liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2020.

During the reporting period ended March 31, 2020 and March 31, 2019, there were no transfers between level 1, level 2 and level 3 fair value measurements.

## 39 RISK MANAGEMENT FRAMEWORK

Parent Company's board of directors has overall responsibility for establishment of RJL Group risk management framework. Management is responsible for developing and monitoring RJL Group's risk management policies, under the guidance of Audit Committee. Management identifies, evaluates and analyses the risks to which RJL Group is exposed to and set appropriate risk limits and controls to monitor risks and adherence to limits.

Management periodically reviews its risk policy and systems to assess need for changes in the policies to adapt to the changes in market conditions and align the same to the business of the RJL Group. Management through its interaction and training to concerned employees aims to maintain a disciplined and constructive control environment in which concerned employees understand their roles and obligations. The Audit committee oversees how management monitors compliance with RJL Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks to which RJL Group is exposed. The Audit committee is assisted in its role by the internal auditor wherever required. Internal auditor undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee.

# Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

**The RJL Group has exposure to following risks arising from financial instruments:**

- a) Credit risk
- b) Liquidity risk
- c) Market risk

**a) Credit risk:**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. RJL Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions, foreign exchange transactions and other financial instruments.

The RJL Group has adopted a policy of only dealing with counterparties that have sufficiently high credit standards and financial strength. The RJL Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the several counterparties.

Credit risk arising from derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the reputed credit rating agencies.

As regards, credit risk for investment in equity shares, the RJL Group limits its exposure to credit risk by investing mainly in scrips which are of high credibility. RJL Group monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, RJL Group adjusts its exposure to various counterparties from time to time.

As regards, credit risk for investment in mutual funds, the RJL Group limits its exposure to credit risk by investing mainly in debt securities issued by mutual funds which are of high credit ranking from rating agency like CRISIL or the equivalent rating agency. RJL Group monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, RJL Group adjusts its exposure to various counterparties from time to time.

Credit risk from Trade receivables is managed by the RJL Group's established policy, procedures and control relating to customer credit risk management. Trade receivables are mainly from reputed debtors and are non-interest bearing. Trade receivables generally ranges from 30 - days to 180- days credit term. Credit limits are established for all customers based on internal criteria and any deviation in credit limit requires approval of Head of the department and / or Directors depending upon the quantum and overall business risk. Majority of the customers have been doing business with the RJL Group for more than 3 years and they are being monitored by individual business managers who deals with those customers. Management monitors trade receivables on regular basis and takes suitable action where needed to control the receivables crossing set criteria / limits.

Management does an impairment analysis at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Further, the RJL Group's customers base is widely distributed both economically as well as geographically and in view of the same, the quantum risk also gets spread across wide base and hence management considers risk with respect to trade receivable as low.

For trade receivables, as a practical expedient, the RJL Group computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

**Expected credit loss for trade receivables under simplified approach as at the end of each reporting period is as follows:**

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Gross carrying amount	40,520.27	37,605.45
Expected credit loss at simplified approach	12.46	290.92
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>40,507.81</b>	<b>37,314.53</b>

# Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

<b>Aging of Trade receivable</b>		(₹ in Lakhs)	
<b>Particulars</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>	
Not Due	26,216.33	27,840.57	
0-90 Days	11,078.78	5,744.39	
91-180 Days	2,050.16	2,481.09	
181 Days and above	1,175.01	1,539.40	
<b>Total</b>	<b>40,520.27</b>	<b>37,605.45</b>	

## b) Liquidity risk:

Liquidity risk is the risk that RJL Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. RJL Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. RJL Group closely monitors its liquidity position and deploys a robust cash management system.

The RJL Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The RJL Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The RJL Group also has adequate credit facilities agreed with banks to ensure that there is sufficient cash or cash equivalent available to meet all its normal operating commitments in a timely and cost-effective manner. Working capital requirements are adequately addressed by internally generated funds and through working capital loans available from various banks. Trade receivables are kept within manageable levels. RJL Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next three to six months.

## c) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks;

- i) Interest rate risk
- ii) Currency risk and;
- iii) Equity price risk
- iv) Commodity Price Risk

Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

### i) Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the RJL Group's cash flows as well as costs. The RJL Group is subject to variable interest rates on some of its interest bearing liabilities. The RJL Group's interest rate exposure is mainly related to debt obligations. The RJL Group has not used any interest rate derivatives.

Based on the composition of debt as at March 31, 2020 and March 31, 2019 a 100 basis points increase in interest rates would increase the RJL Group's finance costs and thereby consequently reduce net profit before tax by approximately ₹ 515.82 Lakhs for the year ended March 31, 2020 (2018-19: ₹ 652.68 Lakhs).

### ii) Foreign Currency risk

The RJL Group's foreign exchange risk arises from its foreign operations, foreign currency revenues, foreign currency expenses and foreign currency borrowings. Primarily, the exposure in foreign currencies are denominated in USD. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the RJL Group's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and USD have changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the RJL Group uses foreign exchange forward contracts and foreign currency financial liabilities, to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

## Notes to Consolidated Financial Statements (Contd..)

For the year ended March 31, 2020

**Details of Hedged exposure in foreign currency denominated monetary items**

The RJL Group enters into forward exchange contracts to hedge against its foreign currency exposure relating to the underlying transactions and based on past performance. The RJL Group does not enter into any derivative instruments for trading or speculative purpose.

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

**Details of Unhedged exposure in foreign currency denominated monetary items:**

(₹ in Lakhs)

Currency	As at March 31, 2020		As at March 31, 2019	
	FC In Lakhs	₹ In Lakhs	FC In Lakhs	₹ In Lakhs
<b>Receivable</b>				
USD	451.10	34,022.30	512.78	35,474.05
<b>Secured Loans</b>				
USD	268.14	20,222.86	286.86	19,844.82
<b>Payable</b>				
USD	165.09	12,451.02	208.16	14,400.27
EURO	2.60	215.88	1.71	132.85
GBP	0.06	5.34	0.02	2.04
AED	0.02	0.32	0.02	0.29
CHF	-	0.01	-	-
<b>Balance with Banks</b>				
USD	28.80	2,172.03	0.77	53.13

The RJL Group is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 1% increase or decrease in the USD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the RJL Group as at the reporting date. 1% represents management's assessment of reasonably possible change in foreign exchange rate.

(₹ in Lakhs)

Particulars	Currency	As at	As at
		March 31, 2020	March 31, 2019
1% Depreciation in INR	USD	34.67	12.60
1% Appreciation in INR	USD	(34.67)	(12.60)

**Cash Flow Hedged Accounting:**

The Parent Company designates its derivative contracts that hedge foreign exchange risk associated with its highly probable forecasted transactions as cash flow hedges and measures them at fair value. The effective portion of such cash flow hedges is recorded as in other comprehensive income, and re-classified in the income statement as revenue in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such cash flow hedges is immediately recorded in the statement of profit and loss.

**The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:**

(₹ in Lakhs)

Currency	As at March 31, 2020		As at March 31, 2019	
	FC In Lakhs	₹ In Lakhs	FC In Lakhs	₹ In Lakhs
Forward contract to sell USD	661.50	49,890.33	740.88	51,254.08

## Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

### iii. Equity Price risk

Equity price risk is related to change in market reference price of investments in equity securities and equity linked mutual funds held by the RJL Group. The fair value of quoted investments held by the RJL Group exposes the RJL Group to equity price risks. In general, these investments are not held for trading purposes.

#### Sensitivity

The sensitivity to profit or loss in case of an increase in price of the instrument by 5% keeping all other variables constant would have resulted in an impact on profits by ₹ 299.56 Lakhs (March 31, 2019 : ₹ 90.05 Lakhs).

#### Details of Hedged exposure in foreign currency denominated monetary items.

The Company enters into forward exchange contracts to hedge against its foreign currency exposure relating to the underlying transactions and based on past performance. The Company does not enter into any derivative instruments for trading or speculative purpose.

### iv. Commodity Price Risk

Commodity price risk arises due to fluctuation in prices of Gold. The company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices. The Company's commodity risk is managed centrally through well-established trading operations and control processes. In accordance with the risk management policy, the Company enters into various transactions using purchase of gold contracts. These contracts are for hedging purpose only. on March 31, 2020 company has 39 Kgs of gold hedged on a single outstanding contract of ₹ 1,675 Lakhs of Notional value and ₹ 16.57 Lakhs of fair value change. The gain/(loss) on fair value change is clubbed with cost of material consumed and netted with margin money given for contracts. The maturity of the contract is June 05, 2020.

#### Sensitivity

The company has taken forward contracts against expected purchase of gold and fixed the purchase price of gold, accordingly the Company don't expect any material impact on fluctuation of gold prices, so sensitivity analysis has not been presented in respect of fluctuation in gold prices.

## 40 CAPITAL MANAGEMENT

For the purpose of the RJL Group's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity holders of the RJL Group. The primary objective of the RJL Group's capital management is to safeguard the RJL Group's ability to remain as a going concern and to maintain an optimal capital structure so as to maximise shareholder's value.

The RJL Group manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plan. To maintain or adjust the capital structure, the RJL Group may adjust the dividend payment to shareholders, return capital to shareholders or buy back of shares. The current capital structure of the RJL Group is equity based with low financing through borrowings. The RJL Group is not subject to any externally imposed capital requirement.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

## 41 SEGMENT INFORMATION

### Operating Segments:

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance for which discrete financial information is available.

The Group is engaged in manufacturing/ trading and retail of "Jewellery, Gems, Diamond and Furniture & Accessories" which is the primary business segment based on the nature of products manufactured/ traded and sold. In view of same, the Group has only one reportable segment viz "Jewellery, Gems, Diamond and Furniture & Accessories" as required by Ind AS 108 on 'Operating Segments'.

## Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

### Geographical Segments :

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

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Revenue</b>		
<b>Sales to external customers</b>		
India	3,843.82	3,881.63
Outside India	246,340.77	255,181.06
<b>Total</b>	<b>250,184.59</b>	<b>259,062.69</b>
<b>Other segment information</b>		
<b>Carrying amount of segment assets</b>		
India	85,635.09	87,651.08
Outside India	71,537.79	77,705.96
<b>Capital Expenditure:</b>		
<b>Additions to tangible and intangible fixed assets (Incl. CWIP and advance)</b>		
India	823.66	1,432.14
Outside India	21.80	3,623.35

Further the Company meets the quantitative threshold as mentioned in Ind AS 108 and hence separate information has been disclose below:-

Reporting of Customers contributing to revenue more than 10%.

(₹ in Lakhs)

Name of Customer	Revenue	
	March 31, 2020	March 31, 2019
Sterling Inc	43,227.52	28,554.67
JCPenney	20,348.22	16,401.42
Zales Corporation	21,624.91	28,082.38

### Notes :

#### Geographical Segment :

- a. For the purpose of geographical segment the sales are divided into two segments - India and outside India.
- b. The accounting policies of the segments are the same as those described in Note 2.

## 42 RELATED PARTY DISCLOSURES AS REQUIRED UNDER IND-AS 24, "RELATED PARTY DISCLOSURES" ARE GIVEN BELOW:

### a. Associate concerns / companies / Trust under control of key management personnel and relatives with whom transactions have taken place during the year.

- 1 Anived Portfolio Managers Private Limited
- 2 Renaissance Jewellery Limited - Employee Group Gratuity Trust
- 3 Renaissance Foundation
- 4 Difference Jewelry LLc
- 5 Verigold Jewellery India Private Limited
- 6 Jewelmark Sourcing LLp
- 7 Kothari Descendants Trust
- 8 Jewelmark India Private Limited

## Notes to Consolidated Financial Statements (Contd..)

For the year ended March 31, 2020

- 9 VNJ Capital LLC
- 10 Roopam Jain Investment LLC
- 11 The Seabean Dialysis Partners India Trust - 100% Ceased w.e.f March 15, 2019 beneficial interest by Housefull International Limited

### b. Key Management Personnel (KMP) and relative

- 1 Mr. Niranjan A. Shah
- 2 Mr. Sumit N. Shah
- 3 Mr. Hitesh M. Shah
- 4 Mr. Neville R. Tata
- 5 Mrs. Leshna S. Shah
- 6 Mr. Amit C. Shah
- 7 Mr. Bhupen C. Shah
- 8 Mr. Dhruv Desai
- 9 Mr. Pratik Shah
- 10 Mr. Nilesh Jadhvani
- 11 Mr. Suhel Kothari
- 12 Mr. Siraj Shah
- 13 Mr. Roopam Jain
- 14 Mr. Nilesh Shah
- 15 Mr. Dilip B. Joshi (Chief Financial Officer)
- 16 Mr. Ghanashyam M. Walavalkar (Company Secretary)

### c. Related Party transactions

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

### d. Related Party transactions

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

Subsidiary companies / LLP			(₹ in Lakhs)	
Name of Related Party	Nature of Transaction	March 31, 2020	March 31, 2019	
1 Renaissance Foundation	CSR Contribution	77.60	98.50	
2 Anived Portfolio Manager Pvt Ltd	ICD Repaid	-	(37.89)	
	ICD Received	70.00	120.60	
	Interest expenses	29.89	25.60	
	ICD Payable	370.00	300.00	
	Interest payable	7.45	-	
	Exp. Reimbursement	13.50	13.86	
	Expenses paid	53.35	18.38	
	Receivable	3.14	3.25	
3 RJL - Employee Group Gratuity Trust	Contribution Repaid	(69.00)	(80.00)	
	Contribution Payable	320.99	221.80	
4 Difference Jewelry LLC	Sales of goods	6,939.92	10,030.78	
	Purchase of goods	9,657.29	7,464.42	
	Rent Income	35.38	-	
	Packing materials	-	0.97	
	Trade receivable	1,869.37	3,115.21	
	Trade Payable	2,560.69	1,930.82	

## Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

Subsidiary companies / LLP			(₹ in Lakhs)	
Name of Related Party	Nature of Transaction	March 31, 2020	March 31, 2019	
5 Jewelmark India Pvt Ltd	Sales of Goods	-	164.96	
	Purchase of Goods	-	3,637.96	
	Computer Purchase	-	3.24	
	Tools Purchase	0.05	-	
	Plant & Machinery Purchase	2.38	-	
	Trade Receivable	-	-	
	Trade Payable	2.44	814.00	
6 Verigold Jewellery India Private Limited	Sales of goods	1,828.72	-	
	Purchase of goods	-	-	
	Trade Receivable	1,589.32	-	
	Accounts Payable	-	-	
	Advance Payment for purchase of Fixed Assets	50.00	-	
	Exp. Reimbursement	12.50	-	
	Exp. Reimbursement Receivable	0.03	-	
	Investments in CCD's	1,081.49	491.06	
7 Jewelmark Sourcing LLP	Purchase of goods	-	545.48	
8 Kothari Descendants Trust	Loan Payable	-	518.85	
9 VNJ Capital LLC	Interest on loan receivable	0.75	-	
	Loan Receivable	41.85	37.66	
	Trade Payable	-	107.98	
	Purchase	-	830.80	
10 Roopam Jain Investment LLC	Loan Payable	157.68	1,790.73	
11 The Seabean Dialysis Partners India Trust	Repayment	34.88	-	
	Receivable	-	34.88	
<b>Key Management Personnel and relatives :</b>				
1 Mr. Niranjana A. Shah	Loan Received	245.00	192.74	
	Loan Re-payment	(236.00)	(1,096.94)	
	Remuneration *	36.22	36.22	
2 Mr. Sumit N. Shah	Loan Re-payment	-	(12.76)	
	Remuneration *	354.48	349.61	
3 Mr. Hitesh M. Shah	Loan Received	455.00	1,134.00	
	Loan Re-payment	(455.00)	(1,199.36)	
	Remuneration *	90.22	54.22	
4 Mr. Neville R. Tata	Remuneration *	96.22	96.22	
5 Ms. Leshna S. Shah	Sales of goods	-	0.35	
6 Mr. Amit C. Shah	Loan Re-payment	-	(17.54)	
7 Mr. Bhupen C. Shah	Loan Re-payment	-	(147.64)	
8 Mr. Dhruv Desai	Sales of goods	1.74	-	
	Remuneration	70.55	72.19	
9 Mr. Nilesh Jadhvani	Remuneration	428.66	429.06	
10 Mr. Suhel Kothari	Interest on loan payable	8.66	-	
	Loan Payable	-	231.75	



# Notes to Consolidated Financial Statements (Contd..)

For the year ended March 31, 2020

Subsidiary companies / LLP			(₹ in Lakhs)	
Name of Related Party	Nature of Transaction	March 31, 2020	March 31, 2019	
11 Mr. Siraj Shah	Loan Payable	878.17	805.52	
	Notes Payable	6,398.02	6,127.45	
	Accounts Receivable	-	1.30	
12 Mr. Roopam Jain	Loan Receivable	35.72	32.77	
	Notes Payable	3,445.09	3,299.40	
	Accounts Receivable	-	6.44	
	Loan Payable	-	345.90	
13 Mr. Dilip B. Joshi (Chief Financial Officer)*	Remuneration	32.93	30.23	
14 Mr. Ghanashyam M. Walavalkar (Company Secretary) *	Remuneration	27.86	22.91	

\* Excludes provision for gratuity liabilities for KMP and relative of KMP, as these liabilities are provided on overall company basis and as not identified separately in actuarial valuation.

## 43 LEASES

### Operating Lease: company as lessee

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

The Company has adopted Ind AS 116, "Leases", effective 1 April 2019, using modified retrospective approach as a result of which comparative information are not required to be restated. The Company has discounted lease payments using the borrowing rate as at 1 April 2019 for measuring lease liabilities at ₹ 3856.38 lakhs and accordingly recognized right-of-use assets at ₹ 3128.92 lakhs (after adjusting prepaid lease rent) by adjusting retained earnings by ₹ 33.08 lakhs (net of tax), as at the aforesaid date. In the Statement of Profit and Loss for the current year, the nature of expenses in respect of operating leases are recognized as amortization of right-of-use of assets and finance costs, as compared to lease rent in previous periods, and to this extent results for the current period are not comparable. On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 9% p.a.

## 44 EARNINGS PER SHARE (EPS)

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

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Basic and Diluted EPS from Continuing operations</b>		
Profit attributable to Equity Shareholders	9,247.47	7,784.74
Weighted average number of equity shares in calculating Basic and Diluted EPS	18,683,064	18,683,064
Basic and diluted Earnings per share	49.50	41.67
<b>Basic and Diluted EPS from Discontinued operations</b>		
Profit attributable to Equity Shareholders	(448.32)	(112.23)
Weighted average number of equity shares in calculating Basic and Diluted EPS	18,683,064	18,683,064
Basic and diluted Earnings per share	(2.40)	(0.60)
<b>Basic and Diluted EPS from Continuing and Discontinued operations</b>		
Profit attributable to Equity Shareholders	8,799.15	7,672.51
Weighted average number of equity shares in calculating Basic and Diluted EPS	18,683,064	18,683,064
Basic and diluted Earnings per share	47.10	41.07

## Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

## 45 CAPITAL AND OTHER COMMITMENTS

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	13.81	3.53

## 46 ROYALTIES

The Step Down Subsidiary Company Jay Gems Inc has license agreements with various licensors in connection with the marketing, advertising, promotion and distribution of certain jewelry. The licensors require the Company to make royalty payments based on percentages of sales, as defined. The agreements expire on varying dates and require the Company to pay royalty fees at various rates of net licensed sales.

Future minimum commitments under these licenses, inclusive of common marketing fund costs, are approximately.

(₹ in Lakhs)

Year ending March 31,	
2021	1,027.22
2022	690.85
<b>Total</b>	<b>1,718.07</b>

## 47 CONTINGENT LIABILITIES

Claims against the RJL Group not acknowledged as debts:

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Claims against the Company not acknowledged as debts:</b>		
Sales Tax and VAT	134.19	251.24
Custom, Excise and Service Tax	16,775.15	16,961.28
Income Tax	176.19	176.19
Other Litigations	584.96	584.96
<b>Bank Guarantees</b>	<b>14.99</b>	<b>14.99</b>

## Provident Fund

The Honourable Supreme Court, has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

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

# Notes to Consolidated Financial Statements (Contd..)

For the year ended March 31, 2020

## 48 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT 2006 \*

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	0.24	1.60
Interest due on above	-	-
b The amount of interest paid by the buyer in terms of section 16 of the Micro and Small enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprise Development Act, 2006.	-	-
d The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
e The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section	-	-

\* The RJL Group has initiated the process of identification of suppliers registered under Micro and Small Enterprise Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received as at balance sheet date.

## 49 SCHEME OF MERGER BY ABSORPTION OF THE SUBSIDIARIES COMPANY'S (EFFECT GIVEN IN PREVIOUS YEAR)

In terms of the Scheme of Merger ("Scheme") pursuant to Section 230 read with Section 232 of the Companies Act, 2013 sanctioned by Order dated April 22, 2019 by National Company Law Tribunal (NCLT) Mumbai Bench, the 100% subsidiary company Housefull International Ltd and N. Kumar diamond exports Ltd. ("Transferor Companies") of Renaissance Global Ltd. ("the Company") ("Transferee Company") is merged into the Company from the Appointed date, i.e. April 01, 2017.

The merger scheme is effective from May 8, 2019 being the date on which the certified copies of the Orders of NCLT, Mumbai Bench sanctioning the Scheme are filed with the Registrar of Companies, Mumbai.

In accordance with the aforesaid Scheme and as per NCLT approval:

After the Scheme of merger the authorized share capital of the Company is increased from ₹ 27 Crore to ₹ 98.70 Crore consists of 8.87 Crore Equity shares of ₹ 10 each i.e. 88.70 crore of Equity shares and 1 crore Preference shares of ₹ 10 each i.e. ₹ 10 crore of Preference shares.

All the Assets amounting to ₹ 35 Crore and liabilities (including reserves) amounting to ₹ 4 Crore of the transferor companies as appearing in the books of transferor Companies are recorded in the books of the Company at their respective book values as on April 01, 2017.

The Company's investment amounting to ₹ 68 crore in the transferor Companies has been cancelled.

The difference between the investment made by the Company in transferor Companies and the amount of issued, subscribed and paid-up share capital (equity as well as preference) standing credited in the books of account of the Transferor Companies have been adjusted in the Reserve and Surplus account of the Transferee Companies.

## 50 ADVERTISING AND PROMOTIONAL EXPENSES

Advertising and promotional expenses are expensed during the year in which they are incurred. For the year ended March 31, 2020, advertising and promotional expenses amounted to approximately \$326,000 and is reflected in general and administrative expenses on the consolidated statement of operations. The Company also participates in the co-op advertising program with certain customers. For the year ended March 31, 2020, co-op advertising expense amounted to approximately \$9,438,000 and was netted against sales.

## Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

- 51 The outbreak of COVID 19 across the globe and in India has resulted in pandemic requiring unprecedented steps to combat it. Consequent to the nation-wide lockdown imposed by the Central Government from March 23, 2020 to prevent the spread thereof, the Group had to shut down its factories /stores and all its operational activities across its locations , impacting the business during the quarter.

Significant decline in the economic activity of the whole nation and the disruption created across the businesses have affected the operations of the Group as well, the impact whereof would evolve around the developments taking place in forthcoming months.

The operations of the Group have resumed in a partial manner at manufacturing locations at Bhavnagar, Gujarat from April 25, 2020 and at SEEPZ, Mumbai from May 14, 2020 taking cognizance of the Governments' views around resuming manufacturing activities with controlled entry and exit facilities , maintaining appropriate distancing and following other directives of the regulatory authorities.

In the case of inventory, the management has performed year end inventory verification procedures at each of its locations and also performed alternative procedures after year end .

Further, the Group expects to recover the carrying amount of all its assets including inventory, receivables and loans in the ordinary course of business based on information available on current economic conditions. The Group is continuously monitoring any material changes in future economic conditions for taking prompt corrective actions within its purview and would keep assessing the impact for taking appropriate cognizance in financial reporting in the forthcoming quarters.

The statutory auditors given Emphasis of Matter in their Audit report in respect of above matter."

- 52 In financial year 2018-19, the Company had recognised gain of INR 930.04 Crore on Bargain purchase on acquisition of Jay Gems Inc. and Essar Capital LLC as "other income" in the consolidated statement of Profit and Loss Account instead of component of other equity as " Capital Reserve " as per the accounting treatment referred in Ind AS 103 "Business Combinations". Being error in recognition and presentation of Bargain Purchase, the company's management have made corrections in the financial year 2019-20 as per the guidelines referred in Ind AS 8 - Accounting policies, changes in accounting estimates and errors". The following tables show the amount of correction for each consolidated financial statements line item affected for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	March 31, 2019 Previously Reported	Restatement	March 31, 2019 Restated Figures
<b>A) Consolidated Statement of Profit and Loss Account</b>			
<b>Other Income</b>			
Gain on bargain purchase	930.04	(930.04)	-
<b>Profit before tax</b>	<b>3,399.26</b>	<b>(930.04)</b>	<b>2,469.22</b>
Tax expenses	718.62	(232.51)	486.11
<b>Profit after tax for the year</b>	<b>2,680.65</b>	<b>(697.53)</b>	<b>1,983.12</b>
Earnings per share (EPS)	14.89	(3.88)	11.02
<b>Other Comprehensive Income</b>			
Item that will not be reclassified to profit and loss			
Gain on bargain purchase	-	930.04	930.04
Income tax effect on above	-	232.51	232.51
<b>Total other Comprehensive Income for the year</b>	<b>-</b>	<b>697.53</b>	<b>697.53</b>
<b>B) Consolidated Balance Sheet</b>			
<b>Other Equity</b>			
Retained Earnings	7,062.39	(697.53)	6,364.86
Capital Reserve	-	697.53	697.53
<b>Total other equity</b>	<b>7,062.39</b>	<b>-</b>	<b>7,062.39</b>

## Notes to Consolidated Financial Statements (Contd..)

For the year ended March 31, 2020

### 53 EMPLOYEE STOCK PURCHASE SCHEME ("ESPS 2008") - PARENT COMPANY

Company's Shareholders has approved the Employee Stock Option Plan 2018 Scheme (ESOP-2018) in Annual General Meeting by passing special resolution, company is in the process of implementing the scheme and the Company has not made any grant to the employees during the financial year.

### 54 RJL-EMPLOYEE WELFARE TRUST FOR INVESTMENT IN SHARES

The Parent company through employee welfare trust ("Trust"), offered Employee Stock Purchase Scheme (ESPS) and 720,000 numbers of equity shares were issued to the Trust in F.Y. 2008-2009 at fair value then for onward offering to the recommended employees. During the F.Y. from 2011-12 to 2015-16 the trust issued 73,624 equity shares to its employees under ESPS and in the F.Y. 2017-18, the trust further issued 4,50,000 shares to its employees. Presently the Trust holds 1,96,376 equity shares as on March 31, 2019. To the extent of the face value of the shares held by the Trust, the same has been reduced from the Paid up Share capital of the RJL Group and the balance has been reduced from Other Equity under a separate reserve. Accordingly, the income received from the Trust has been recognised directly under Other Equity of the RJL Group.

### 55 CSR EXPENDITURE

Gross amount required to be spent during the year ₹ 79 Lakhs (March 31, 2019 : ₹ 75 Lakhs) as detailed hereunder. as detailed hereunder:

(₹ in Lakhs)		
Nature of Activity	Year ended March 31, 2020	Year ended March 31, 2019
Medical, health care and social welfare	18.32	29.00
Education	22.84	21.33
Humanitarian	21.00	13.00
Enviornental/Animal Welfare/Cultural/Religious	18.16	37.72
<b>Total</b>	<b>80.32</b>	<b>101.05</b>

### 56 ASSETS HELD FOR SALE - RENAISSANCE JEWELLERY BANGLADESH PRIVATE LIMITED (RJBPL)

- A. The RJL Group, in principle, having regard to the prevalent condition, has decided to exit out of its operation in Bangladesh (Wholly owned Subsidiary) and is pursuing appropriate steps in this direction either through divestment of its stake in RJBPL or sale of the entire operation as slump sale. In the opinion of the management, the RJL Group expects to realise to the extent of carrying amount of net assets of RJBPL.
- B. During the previous year, consequent to discontinuance of business, the following assets have been classified as Assets held for Sale and recorded at lower of carrying amount and fair value less cost to sell. Accordingly in line with IND-105 "Non Current Assets held for sale & discontinued operations", Assets held for sale and discontinued operation shown separately.

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Financial Perfomance</b>		
Income		
Revenue from Operations	-	-
Other Income	54.19	2.53
<b>Total Income</b>	<b>54.19</b>	<b>2.53</b>
<b>Expenses</b>		
Cost Of Materials Consumed	-	-
Employee Benefit Expenses	41.81	47.05
Finance Costs	-	-
Depreciation, Impairment and Amortisation	409.98	-
Sales and General Administrative Expenses	50.39	67.71
<b>Total Expenses</b>	<b>502.18</b>	<b>114.76</b>

## Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Profit/(Loss) before exceptional items and tax from discontinued operations</b>	<b>(447.99)</b>	<b>(112.23)</b>
<b>Cashflow from</b>		
- Operating activities	(40.39)	(120.57)
- Investing activities	-	7.71
- Financing activities	-	-

During the year, the following assets have been classified as Assets held for Sale.

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Property, Plant and Equipment	341.56	723.12
Other financial assets	2.41	33.31
Other Assets	44.01	3.00
Current Tax liabilities	(4.54)	(10.49)
Other liabilities	(19.11)	(21.99)
<b>Total</b>	<b>364.33</b>	<b>726.95</b>

### 57 DISCLOSURES AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT 2013 WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Name of the Entity	Net Assets i.e. Total assets minus Total liabilities		Share in Profit or Loss		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated Net Assets	Amount	As % of consolidated Profit/(Loss)	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated profit or loss	Amount
<b>Parent:</b>								
Renaissance Jewellery Limited	66.23%	46,314.08	36.14%	3,180.23	59.04%	(3,176.45)	0.11%	3.78
<b>Foreign Subsidiaries:</b>								
Renaissance Jewelry N.Y Inc. *	37.51%	26,227.22	15.24%	1,340.91	0.00%	-	39.21%	1,340.91
Verigold Jewellery (UK) Limited	2.19%	1,530.06	0.07%	5.92	0.00%	-	0.17%	5.92
Renaissance Jewellery Bangladesh Pvt.Ltd	0.53%	367.90	-5.09%	(448.32)	0.00%	-	-13.11%	(448.32)
Verigold Jewellery DMCC #	22.82%	15,959.65	39.45%	3,471.12	7.27%	(390.88)	90.08%	3,080.24
<b>Minority Interest</b>	-0.01%	(5.32)	0.28%	24.23	0.00%		0.71%	24.23
<b>Sub Total</b>	<b>129.27%</b>	<b>90,393.59</b>	<b>86.09%</b>	<b>7,574.09</b>	<b>66.31%</b>	<b>(3,567.33)</b>	<b>117.17%</b>	<b>4,006.76</b>
<b>Total Elimination</b>	<b>-29.27%</b>	<b>(20,466.86)</b>	<b>13.93%</b>	<b>1,225.38</b>	<b>33.69%</b>	<b>(1,812.51)</b>	<b>-17.18%</b>	<b>(587.13)</b>
<b>Grand Total</b>	<b>100.00%</b>	<b>69,926.72</b>	<b>100.00%</b>	<b>8,799.47</b>	<b>100.00%</b>	<b>(5,379.84)</b>	<b>100.00%</b>	<b>3,419.63</b>

\* Figures are after consolidation with its subsidiaries "Jay Gems Inc" and "Essar Capital LLC".

# Figures are after consolidation with its subsidiaries "Renaissance Jewellery - DMCC" and "Verigold Jewellery LLC".

## Notes to Consolidated Financial Statements (Contd...)

For the year ended March 31, 2020

### 58 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

### 59 PREVIOUS YEAR FIGURES

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

(₹ in Lakhs)

Previous Year Grouping		Current Year Grouping	
Description	Note No.		Note No.
<b>Financials Assets - Loans</b>	15	<b>Other Current Assets</b>	16
Loans to Related Party		Advance recoverable in cash or in Kind	34.88
<b>Non Current Financial Assets- Others</b>	7	<b>Current Financial Assets- Others</b>	16
Security Deposits		Security Deposits	8.14
<b>Other Current Assets</b>	17	<b>Current Financial Assets- Others</b>	16
Security Deposits		Security Deposits	77.62
<b>Current Financial Liabilities- Borrowings</b>	23	<b>Non Current Financial Liabilities- Others</b>	21
Unsecured- Others		Notes Payable	8,815.16
<b>Current Financial Liabilities- Borrowings</b>	23	<b>Current Financial Liabilities- Others</b>	25
Unsecured- Others		Current maturities of Long term debt- Others	527.79

As per our report of even date  
For **Chaturvedi & Shah LLP**  
Chartered Accountants  
Firm Registration No. 1017220W/W100355

**Lalit R. Mhalsekar**  
Partner  
Membership No. 103418

Place: Mumbai  
Date : June 29, 2020

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

**Niranjan A. Shah**  
Executive Chairman  
DIN No. 00036439

**Ghanashyam M. Walavalkar**  
Company Secretary

Place: Mumbai  
Date : June 29, 2020

**Hitesh M. Shah**  
Managing Director  
DIN No. 00036338

**Dilip B. Joshi**  
Chief Financial Officer