

ANNUAL REPORT

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DELIVERING  
VALUE  
SINCE 1864

**tboz**®  
The original since 1864

TRIBHOVANDAS BHIMJI ZAVERI  
SHRIKANT ZAVERI GROUP

TRIBHOVANDAS BHIMJI ZAVERI LIMITED

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# CORPORATE INFORMATION

## Board of Directors

### Shrikant Zaveri

*Chairman & Managing Director*

### Binaisha Zaveri

*Whole-time Director*

### Raashi Zaveri

*Whole-time Director*

### Kamlesh Vikamsey

*Independent Director*

### Ajay Mehta

*Independent Director*

### Sanjay Asher

*Independent Director*

## Auditors

B S R & Co. LLP

Lodha Excelus, 1<sup>st</sup> Floor,

Apollo Mills Compound,

N. M. Joshi Marg,

Mahalakshmi, Mumbai – 400 011.

## Chief Financial Officer

Saurav Banerjee

## Head - Legal & Company Secretary

Niraj Oza

## Bankers

State Bank of India

HDFC Bank Limited

ICICI Bank Limited

Kotak Mahindra Bank Limited

Union Bank of India

Central Bank of India

Axis Bank Limited

## Registrar & Share Transfer Agent

### Karvy Computershare Private Limited

Unit: Tribhovandas Bhimji Zaveri Limited

Karvy Selenium Tower B, Plot 31-32,

Gachibowli, Financial District,

Nanakramguda, Hyderabad – 500 032.

Tel. No. (040) 6716 1606

Fax No. (040) 6716 1791

Toll Free No. 1800 345 4001

Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

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

## Registered Office

241/43, Zaveri Bazar,

Mumbai – 400 002.

CIN No.: L27205MH2007PLC172598

Tel. No. (022) 39565001/ 40465000/ 01

Fax No. (022) 39565056

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

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

## Corporate Office

1106 to 1121, 11<sup>th</sup> Floor,

West Wing, Tulsiani Chambers,

212, Backbay Reclamation,

Free Press Journal Road,

Nariman Point, Mumbai – 400 021.

Tel. No. (022) 30735000/ 49255000

Fax No. (022) 30735088

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

**Day & Date:** Tuesday,  
31<sup>st</sup> July, 2018

**Time:** 3.30 p.m.

**Venue:** M.C. Ghia Hall,  
4<sup>th</sup> Floor, Bhogilal  
Hargovindas Building,  
18/20, K. Dubash Marg,  
Kala Ghoda,  
Mumbai – 400 001.

## ABOUT US

TBZ – The Original is a brand that is coveted for its promise of innovative designs, exemplary quality of workmanship and trust that spans over 154 years. Our brand has been synonymous with jewellery for weddings, celebrations and festive occasions as well for everyday wear for young India that has eclectic taste and seeks jewellery that is aspirational. Our enduring collection of aesthetically designed pieces epitomises the spirit of femininity, elegance and grace.

Inspired by our legacy and by staying true to the values of trust, quality and craftsmanship that we have inherited, we have carved a niche for ourselves. We have been at the forefront of designing traditional as well as

contemporary collections and are trend-setters setting benchmarks of excellence in all that we do.

Every jewellery piece comes with a buyback guarantee. We were the first in India to promote the concept of lightweight precious jewellery, offer lifetime buyback on gold and diamond jewellery, provide certified solitaire diamonds and introduce 100% BIS hallmarked 22 karat gold jewellery. Our pioneering focus is also reflected in the overall professional working environment in our Company and is visible in the high standards of corporate governance, transparency in reporting and ethical business practices we adopt.

1<sup>st</sup>

Jeweller to offer  
buyback guarantee

37

Retail stores

26

Cities

11

States

35

Designers

16

CAD Designers

8-10

New jewellery  
lines/year

80%

Average  
Conversion Rate of  
Customer Footfalls



~1,10,666 sq. ft.  
Retail space spread

From a family-owned chain of stores, we became a publicly-held company. Our journey of trust is underpinned with our enterprise and venture, which continues to grow and expand charting new territories.

**Number of Stores**

Large Format (> 2000 sq. ft.)	28
Small Format (<=2000 sq. ft.)	9
<b>Total Stores</b>	<b>37</b>



# JEWELLERY FOR EVERY OCCASION

For over 154 years, we have cultivated the beautiful artistry of adding definitive and unmatched style to the substantial value that gold and precious metals and diamonds represent. Created with passion and precision, our success in unveiling exquisite collections, season after season, is driven by the definite and confident creative excellence of our designers, craftsmen and our state-of-the-art integrated manufacturing facilities.





### **Our Product**

- Pendants
- Earrings
- Necklaces
- Bracelets
- Rings
- Chains
- Bangles

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### **Our Styles**

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

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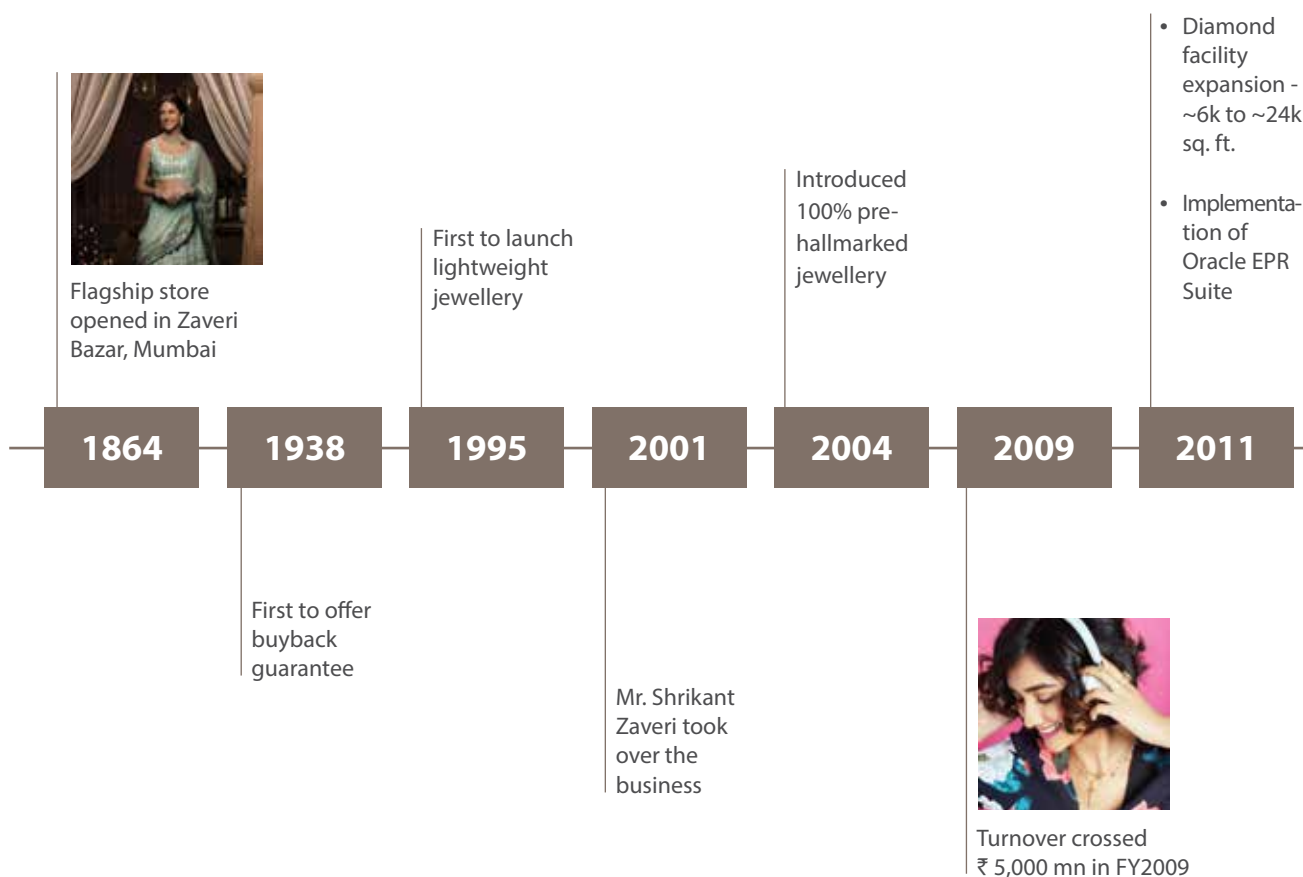
### **Jewellery for Every Occasion**

- Wedding jewellery
- Festival jewellery
- Lightweight and trendy jewellery
- Everyday wear jewellery
- Contemporary jewellery
- Traditional jewellery

# DELIVERING VALUE SINCE 1864

From delivering value to our customers by offering exceptional designs, quality and customer service across gold and diamond jewellery, from increasing our customer base from largely wedding shoppers to the new millennials and fashion shoppers, to delivering a superior business model to our shareholders by continuously evolving and taking TBZ – The Original across India.

Our products are both a fashion statement and an investment. And we are proud to have been delivering value (and trust) for over 154 years. TBZ – The Original resonates with trust that is nurtured for over five generations. Our lasting legacy in the jewellery business has earned us the reputation of being the “jeweller whom India trusts”.





Listed on BSE & NSE with IPO of ₹ 2,000 mn



Recommended special dividend of 7.5% on the special occasion of 150<sup>th</sup> year of the company

2<sup>nd</sup> Franchise store opened at Patna, Bihar in Aug-16

4<sup>th</sup> mall store opened in Phoenix Marketcity Mall, Pune in Mar-18

2012

2013

2014

2015

2016

2017

2018

- Retail footprint crosses 84k sq. ft. across 20 cities
- Sales crossed ₹16,000 mn, PAT of ₹ 850 mn



1<sup>st</sup> Franchise store opened at Dhanbad, Jharkhand in Nov-15

- 3 Franchise stores opened at Ranchi, Jharkhand in Mar-17, Jamnagar, Gujarat in Apr-17, Bhopal, Madhya Pradesh in Oct-17
- 3 Exclusive Brand Outlets opened in malls – R-City, Seawoods in Sept-17 and High Street Phoenix in Mumbai in Nov -17

## CHAIRMAN'S LETTER



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**TBZ – The Original, has been one of the oldest brands not only in jewellery, but amongst all other consumer brands in India. With a rich and rare legacy of over 154 years, the brand today is deeply embedded in the hearts of our customers.**

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## Dear Shareholders,

It is my pleasure to present before you our Annual Report for FY 2017-18.

The year will be remembered for India's bold GST reform that has ushered in the era of a unified market with the one-nation, one-tax principle. This is a reform that has significant long-term benefits. The economy picked up growth as the effect of demonetisation faded with the GDP registering a growth of near 7%. Consumer and investor sentiment remained positive, particularly in the latter half of the fiscal year.

TBZ – The Original, has been one of the oldest brands not only in jewellery, but amongst all other consumer brands in India. With a rich and rare legacy of over 154 years, the brand today is deeply embedded in the hearts of our customers. What has endured and endeared TBZ – The Original over five generations has been lasting trust. This trust emanates from value: a piece of jewellery purchased from TBZ – The Original is not just fashion, beauty and aesthetics, but also sound investment and lifelong asset. We have always been at the forefront introducing many industry-first initiatives that have re-defined the industry. These include our pioneering lifetime buyback on gold

and diamond jewellery, certified solitaire diamonds as well as introducing 100% BIS hallmarked jewellery. We were the first to offer lifetime guarantee for every single jewellery sold, something that is a rarity even today.

It was a satisfactory year for the Company. The total operating revenue for the year was ₹ 1,75,568.51 lakhs, a significant rise of 3.4 per cent. The rise is significant considering various challenges like increasing price of gold, depreciating Indian rupee as well as disruptive operating environment. While the growth in top-line was significant, the improvement in our margin was much more impressive. EBITDA for the year increased to ₹ 7,309.87 lakhs from ₹ 7,053.18 lakhs and PAT for the year was ₹ 2,105.48 lakhs against ₹ 1,674.22 lakhs in the previous year. This was achieved through a focus on driving cost-efficiency. Another key factor during the year was better inventory management which resulted in finance cost declining by 20.9 per cent. Increase in sales of diamond jewellery, manufactured in-house, also contributed to margin improvement.

Looking ahead, we shall continue with our expansion plan to increase our retail footprint. Our growth strategy is to increase our footprint and widen

our reach across Tier 2 and Tier 3 cities through a mix of own-stores as well as franchisee stores. We also continue to invest judiciously in marketing and brand building as we increase our presence across the country.

Even as we pursue an aggressive expansion strategy, at the heart of our business model is DELIVERING VALUE – to our shareholders as well as all other stakeholders.

Our consistent and relentless focus on DELIVERING VALUE has today brought us to an inflection point. We have the right combination of people and proposition, design and brand, reach and presence that will propel our next phase of growth and expansion. As a young and confident India takes bigger strides into affluence and aspirations, we are convinced that this is just the beginning of a fruitful and rewarding journey. Thank you for your continuous faith and trust in TBZ – The Original.

Yours sincerely,

**Shrikant Zaveri**

*Chairman & Managing Director*

# BOARD OF DIRECTORS

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

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

## **Mr. Shrikant Zaveri**

*Chairman & Managing Director*

Mr. Shrikant Zaveri is a doyen of the Indian Gems and Jewellery Industry and is one of the most respected personalities of the Gems and Jewellery Industry in India. He has a rich experience of more than thirty six years in the Gems and Jewellery Industry. He has completed his education up to matriculation. He took over as the managing partner of the business in 2001. He continued his forefather's business with one flagship showroom at Zaveri Bazar, and given his immense efforts, your Company presently has thirty seven showrooms, out of which thirty two are Company's own showrooms and five are franchisee showrooms, in twenty six cities and eleven states across India.

During the current financial year, with his vision, your Company has started its fourth and fifth franchise showrooms at Jamnagar (Gujarat) and at Bhopal (Madhya Pradesh), respectively. He is discharging the additional responsibility of Chief Executive Officer of your Company.

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

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

## **Ms. Binaisha Zaveri**

*Whole-time Director*

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

## **Ms. Raashi Zaveri**

*Whole-time Director*

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

## **Mr. Kamlesh Vikamsey**

*Independent Director*

Mr. Kamlesh Vikamsey has a bachelor's degree in commerce from the University of Mumbai and is a qualified chartered accountant. He has more than thirty five years of experience in Accounting and Finance, Taxation, Corporate and Advisory services. He is Chairperson of the External Audit Committee (EAC) of International Monetary Fund (IMF),

Washington D.C., United States of America, Deputy Chairperson of the Audit Advisory Committee of United Nations Children's Fund (UNICEF), New York, United States of America and Member of the Independent Management Advisory Committee (IMAC) of International Telecommunication Union (ITU), Geneva, Switzerland. He is also a member of the Appellate Authority constituted under Section 22A of the Chartered Accountants Act, 1949 & Income Computation Disclosure Standards Committee of Central Board of Direct Taxes (CBDT).

He was the Chairperson of the Audit Advisory Committee of the United Nations Development Programme (UNDP) and a member of the Indian Advisory Board at Intuit. He was the President of the Confederation of Asian and Pacific Accountants (CAPA) 2007-2009 and was the Deputy President of CAPA during 2005-2007. He was a Board Member of the International Federation of Accountants (IFAC) from 2005 until 2008. He was the President of the Institute of Chartered Accountants of India (ICAI) during 2005-06. He has served as a member of various advisory and expert committees at national and international levels, including as a member of the expert committee constituted by the Central Government for the promotion of the Gems and Jewellery Industry in 2007 and was a member of the Accounting Standards Committee of SEBI during 2005-2006.

Mr. Vikamsey joined the TBZ Board on 26<sup>th</sup> August, 2010 and has given valued

contribution to the Board of Directors. He is Chairman of the Audit Committee and member of the Nomination and Remuneration Committee. He has brought to bear upon these Committees, his vast and varied experience gained from his profession and as Director on the numerous companies on whose Board he serves.

### **Mr. Ajay Mehta**

*Independent Director*

Mr. Ajay Mehta has a bachelor's degree in science from University of Mumbai and a master's degree in chemical engineering from the University of Texas. He has over thirty three years of experience with chemical, petrochemical, fertiliser, manufacturing and investment companies. He is presently a non-Executive Director in Deepak Nitrite

Limited and a Managing Director of Deepak Novochem Technologies Limited. He is a member of the Executive Committee of Mahratta Chamber of Commerce, Industries and Agriculture and various other developmental institutions and social organisations.

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

and as Director on the numerous companies on whose Board he serves.

### **Mr. Sanjay Asher**

*Independent Director*

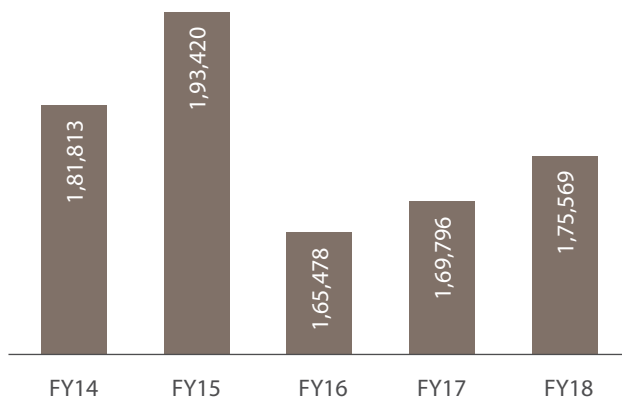
Mr. Sanjay Asher has a bachelor's degree in commerce and a bachelor's degree in law from the University of Bombay. He is also a qualified chartered accountant and a solicitor. He has over twenty eight years of experience in the field of law and corporate matters. He is presently a senior partner at M/s. Crawford Bayley and Co., and deals with corporate laws, mergers and acquisitions and capital market transactions.

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

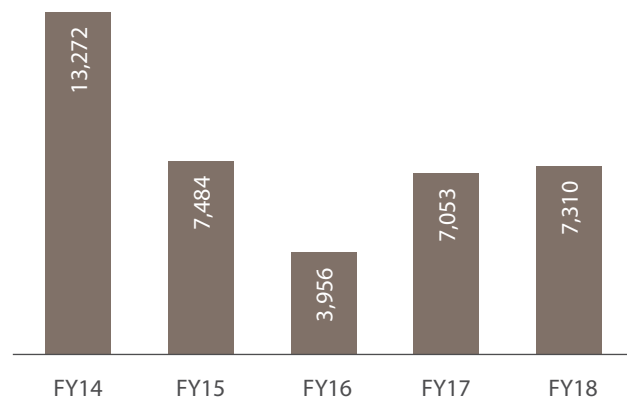


# FINANCIAL HIGHLIGHTS

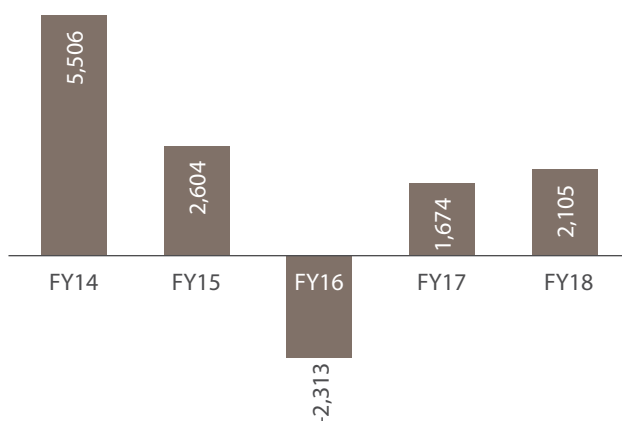
## Operating Income (₹ Lakhs)



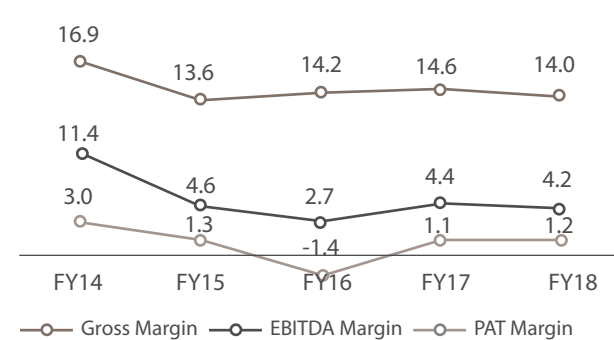
## EBITDA (₹ Lakhs)



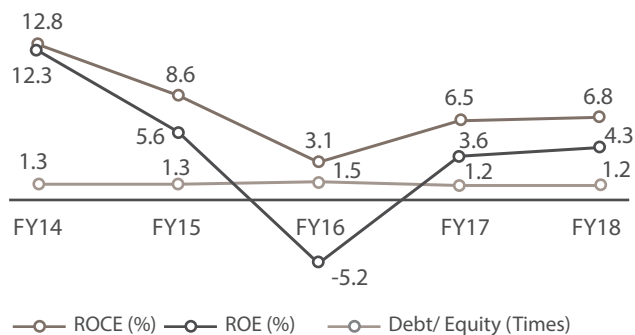
## PAT (₹ Lakhs)



## Margins (%)



## Leverage & Returns





# CORPORATE SOCIAL RESPONSIBILITY

## Director's Foreword

For us at TBZ, there's an inherent connection between achieving our core mission and contributing to a better world. Discovering new opportunities in the human service world means never being satisfied with what we've achieved. It demands determination to overcome failure and find solutions, no matter the odds. And it requires uniting our expertise with the creativity of NGOs and collaborative social work agencies around the nation.

At TBZ, we hold steadfast to our long-standing values of integrity,

excellence, and respect for people. We strive to create a culture that fosters engagement and teamwork, rewards diligence and ethical action, and inspires creativity.

This same vision and resolve drive all our efforts to improve life for the people we touch. We're increasingly using our assets, expertise, and passion to find sustainable solutions to women empowerment challenges, expand access for women who are in distress and need rehabilitative services, and strengthen communities.

It has been an exceptionally rewarding year as we were able to expand our flagship project PANKHI to the state of Gujarat and with the help of our partners extend services to other parts of Maharashtra too. Also, we have been able to foster a positive attitude of employee giving and it's great to see that corporate social responsibility and personal social responsibility go hand in hand at our Company.

### Binaisha Zaveri

Whole-time Director  
TBZ Ltd.

## Project Pankhi

The project aims at providing counselling and rehabilitation to the women victims of domestic violence through a central helpline (PANKHI) counselling and face-to-face counselling services in accordance with The Protection of Women from Domestic Violence Act, 2005.

Our partners for implementation were Stree Mukti Sanghatana (Parel and Chembur), Bharatiya Stree Shakti (Santacruz and Borivali), TBZ Pankhi Centre (Kandivali), Women's Action Group (Ahmedabad) and Baroda Citizens Council (Baroda).



### Achievements of FY 2017-18 were:

- 21% increase in the number of cases registered at the Community Centres (853 cases in April 2016 – March 2017 increased to 1,080 cases in April 2017 – March 2018);
- Through the campaigns and events held at various communities and TBZ showrooms across Mumbai, the project's impact reached approximately to 4,000 people;
- 104 survivors of violence received support through the Pankhi helpline out of which 23 women also received face-to-face counselling;
- A full-fledged TBZ helpline service 8767000000 is now in place, apart from that a new toll free number was also launched to provide victims with telephonic counselling, pan-India;
- To scale up the operations of the project, Project Pankhi was launched in Gujarat and two NGOs each from Vadodara and Ahmedabad are empanelled for providing counselling and awareness regarding Domestic Violence;

- Project Pankhi got covered in print media of all languages. Also various radio channels promoted snippets of the project.

### 1. Running the Community Centres in four vicinities of Mumbai & Expansion in Gujarat

*Data of our crisis intervention and counselling services*

### A. Clientele:

In this year in the six vicinities that we had our project implementation, we were able to reach out to 1,080 clients. Of these, 920 cases (86%) were referred by the community leaders. The other 160 cases were referred by staff of NGOs, former clients, self, helpline, campaigns, etc.

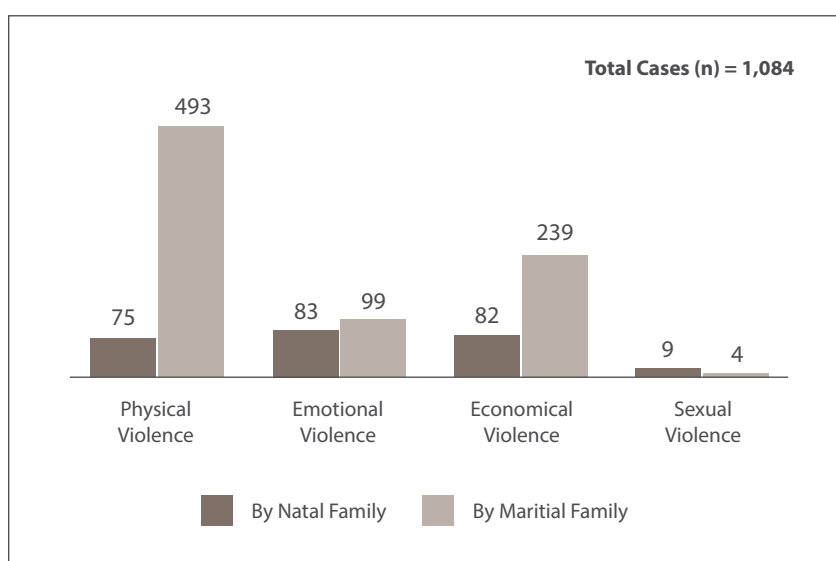


Diagram showcasing the forms of violence on women counselled

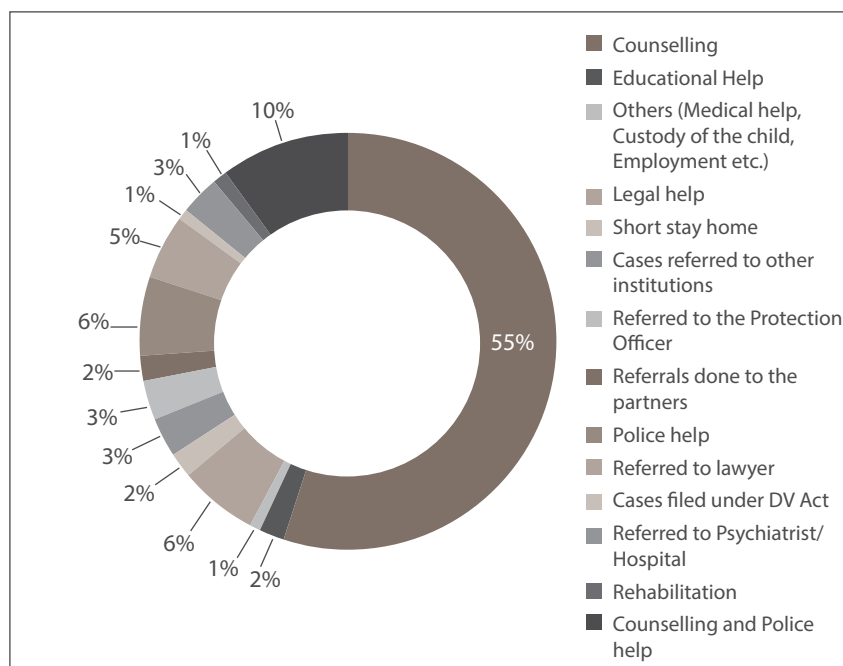


Diagram showcasing the services provided by the Counsellors in Community Centres

### B. Intervention Provided:

1,512 individual sessions were conducted in total. In some cases, women required more than one counselling session. 760 joint counselling sessions were held between survivors of violence and the perpetrators (their spouses or marital/natal family members) to help the woman negotiate what she wanted as an outcome, whether it was reconciliation, separation, alimony, legal processes, etc. 540 sessions were devoted to the follow up of other on-going cases.



## 2. Sessions with Partner Organisations

We had conducted training for our Partner Organizations Baroda Citizens Council and Ahmedabad Women's Action Group in the month of Feb-18 in Baroda and Ahmedabad respectively. The topic for the training was counselling. We had the staff and the counsellors of the Organizations that were present for the training.

## 3. Awareness-raising Events and Campaigns

Awareness programmes were conducted in the schools, society, communities, offices, community centres on gender-based violence and the help that is available through these sessions. Awareness sessions were also conducted at the TBZ showrooms with the customers in Mumbai. TBZ Showroom staff in Mumbai & Gujarat, was also made equipped to handle queries of women approaching to seek help through helpline.

Helpline number was promoted through press releases also in regional and English language dailies. Pankhi has been promoted on Facebook and Instagram page. Apart from the social media promotion, Tent Cards have been placed at every TBZ Showroom and a Pankhi leaflet is attached with every bill card that is been issued to customers.

The project outreach has been able to target women, children, men, students of schools and colleges for 63 in sessions in total.

The table below shows the number of people we have been able to reach through our project.

### Women's Day Campaign

Under the awareness campaigns, we conducted a Women's Day Campaign on

the 8<sup>th</sup> March, 2018 to celebrate the event. We conducted a session on Domestic Violence at the Community Centre at Nallasopara where 81 women were present and we also conducted a session at the Nariman Point Office with the TBZ Staff where 40 Women were present and our Domestic Violence Survivors were called to share their story. It was a very moving session for everyone.

## 4. Pankhi Helpline

In FY 2017-18, total calls received were 483 in total. The Table below

shows the calls of 104 women received from April-17 to Feb-18. The assistance that has been provided varies from the client to client as they were given telephonic counselling, police and legal help, rehabilitation and so on.

The phone number was promoted through TBZ Marketing Channels & Partners' website. Many clients were comfortable with approaching an organisation for help through it.

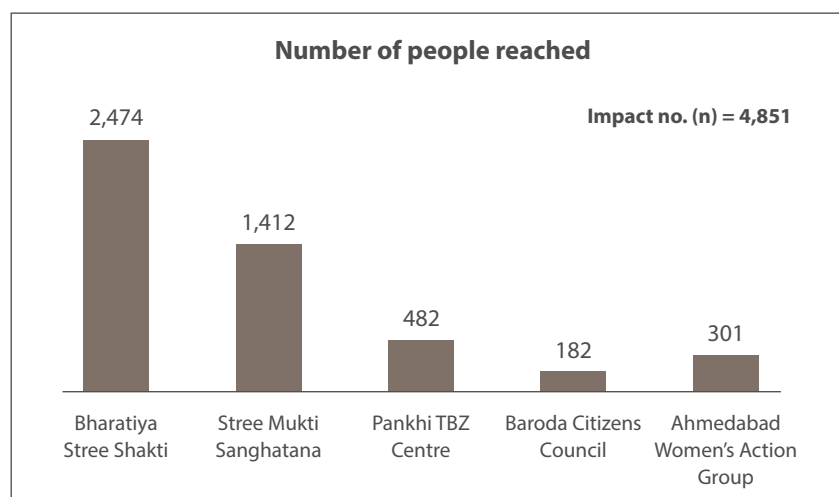


Diagram showcasing the people reached through awareness sessions, Centre-wise

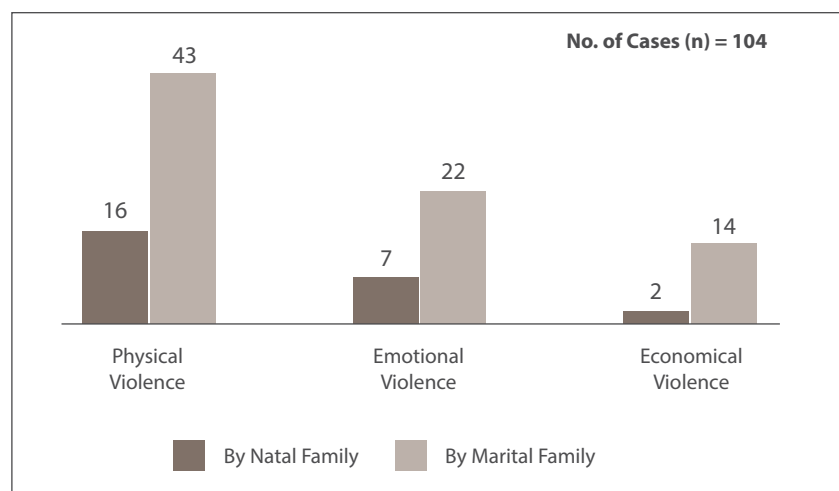


Diagram showcasing the forms of violence reported through helpline



## Paper Boat

The Paper Boat Project, started in FY 2016-17, is an in-house mentorship programme, which gives individuals an opportunity to design the future of young children as their mentor, teacher and a playful friend. As a part of the same, a CSR Day was conducted at TBZ Ltd. corporate office and the employees of the Company were motivated to volunteer and be mentors of children studying in municipal school of Worli area & Colaba area of Mumbai district, and belonging to underprivileged sections of the society. Total 25 employees took part in this initiative. So far, five sessions of the same has been conducted in FY 2017-18.

### Testimony by the Company's CFO & Paper Boat Volunteer: Mr. Saurav Banerjee

*"TBZ's noteworthy effort of actively participating in the PAPERBOAT PROJECT, is conceptualised around a voluntary involvement of its employees. I am privileged to be one of several of us, who are mentoring some very bright and knowledge-hungry children, who are the future of our country, in fact the future of humanity – by moulding a child's thoughts and subtly giving it a sense of direction along the path of righteousness. Children and their minds are vulnerable and delicate and it helps immensely when a mentor and a mentee are given an environment to build a bond of trust, friendship & affection. The uniqueness of the Paper Boat project is that the giver (i.e. the mentor) is also a receiver, because the experience of guiding a child, more so a hitherto unknown child, is something that outlasts all other experiences – it's a blessing".*



# 25

No. of employees who have been an active part of the Paper Boat initiative



## Project Breast Cancer Awareness and Aid Programme

TBZ Ltd. collaborated with Cancer Patients Aid Association - Mumbai & Pune, which works on the concept of Total Management - from the time the cancer is diagnosed, through treatment and family support and finally rehabilitation.

1. As a part of the same, TBZ Ltd. adopted Breast Cancer Awareness and Aid Programme which aimed at financial assistance towards medical treatment.

2. Interpreted and imparted education about the illness to the patient and patient's family members.

3. Extended guidance, counselling and emotional support to the patients to help them come to terms with the illness and to infuse hope and an optimistic attitude.

4. Institutional, hospital and home visits.

5. Conducted five Cancer Detection camps in underprivileged areas of Pune & Mumbai districts.

6. Made arrangements for prosthesis, ambulance etc.

7. Social rehabilitation of the patient was also looked into by the partner organisations.

Around 200 women were impacted directly through this project.

# 200

Women lives impacted through Project Breast Cancer Awareness and Aid Programme





## Employee Giving & Other Initiatives

Employees of the Company showcased personal social responsibility and gave back to the society:

1. They contributed to the environment on 5<sup>th</sup> June - World Environment Day by planting trees and cleaning the vicinity through pan India showrooms across the country.
2. A blood donation drive was conducted on 14<sup>th</sup> June - International Blood Donor's Day for those in need. In total 43 employees donated blood.
3. The joy of giving week was celebrated from 19<sup>th</sup>-22<sup>nd</sup> December, at the corporate office and NGOs like Akansha, Aseema and Kshitij, were welcomed to set up stalls showcasing merchandise made by their clientele and the employees purchased to make a difference.
4. As part of the joy of giving week, employees also collected various toys, stationery and food items to donate to Wishing Well and to contribute to make lives better for those who are less privileged. Wishing Well distributed the collected items to the Paediatric Ward at GT Hospital, Bal Jeevan Trust & Apunka Club in Mumbai district.
5. On 18<sup>th</sup> January, TBZ employees conducted an anti-tobacco session at Beggars Home for Men and distributed old unused uniforms of TBZ. Total 100 men were present at the session and received new clothes.



## AWARDS



# MANAGEMENT DISCUSSION AND ANALYSIS

## GLOBAL ECONOMY

FY2018, can be described as a year of paradox. It was good on the economic front but rising geo-political risks, fears of protectionism, trade-wars and mounting uncertainties, clouded the outlook. In CY2017, more than 2/3<sup>rd</sup> of the countries around the globe witnessed a higher GDP growth, increasing the overall global growth rate to 3.8 per cent, according to IMF. This synchronous recovery was responsible for the global economy posting its highest growth rate since the last decade. A decade marred by the financial crisis erupting in the wake of the US sub-prime crises, sovereign defaults in EU, and more recently Brexit and the post exit problems. Aggregate demand across the globe had dipped in this decade, as investment-led demand remained muted and consumption growth had contracted. US led the growth amongst the advanced economies in FY2017.

However, America First policies announced by President Trump within weeks of assuming office in January 2017 saw fears of protectionism engulfing the globe. Many of his administration led policies did not go down well with several other countries. In the latter half of FY2018, rise in tariffs, in certain commodities spurred fears of retaliation by other countries and protectionism started becoming a real threat. Civil strife in Syria continued with problems accentuated in South China Sea. Sabre-rattling by North Korea and US also caused anxiety all around.

A rebound in global trade along with higher capital investments in developed countries, led by the US was responsible for the higher global growth in FY2017. South and East Asia continued to show firm trends. While the short-term growth prospects continue to remain good, the rising economic risks, including a rise in the probability of trade wars between major countries could reverse recent developments. IMF has pegged the global growth around 3.9 per cent for FY2018.

## INDIAN ECONOMY

Indian economy continued to remain amongst the top three fastest growing economies. This was despite the fact that GDP growth in FY2018 slipped to 6.6 per cent in FY2018 as compared to 7.7 per cent reported in the earlier year. This lower growth was attributed to a host of factors, including stretched balance-sheets of India Inc., increasing non-performance assets housed by Indian Banks and muted investment demand, especially in the first nine months of the year. The last few months, in the second half of the year, saw crude prices rising steadily.

Reforms, however, continued in full swing. Goods and Services Tax (GST), ushered in 1<sup>st</sup> July, 2017 was the biggest change brought about in the Indian economy in FY2018. The Insolvency and Banking Code 2017 was amended in FY2018 to deal with

the NPA problems and strengthen the balance sheet of banks. RBI, the Government continued with its initiatives of bank recapitalisation. For the property sector, RERA was implemented across states. For the first time in 14 years, the Sovereign rating of the country was upgraded. Moody's Investors Services raised the credit rating from Baa3 to Baa2. India also leapt 30 ranks to be rated at 100 out of 180 as per World Bank group's flagship report, 'Doing Business 2018'. The Government also simplified online application for industrial licence.

The coming year is expected to be better. Index of Industrial Production for the first 11 months of FY2018 is estimated to have recorded a 4.3 per cent rise over the same period in the earlier year. What is noteworthy is the sharp rise witnessed in the capital goods sector in January and February, indicating a revival in investments in the economy. The IMF has forecast a GDP growth of 7.4 per cent in FY2018. The prediction of a normal monsoon, third time in the row is expected to boost consumption demand which will also be aided by the Government's thrust on galvanising the rural sector. Commodity cycle is improving with metal prices showing a firm trend. Investment demand is expected to pick up more projects being announced by the public sector companies. The improved results of Corporate India during the period Jan-March FY2018 augurs well for the economy. The resolution of some of the large NPAs may free capital in the banking sector which in turn could see a pickup in credit growth.

Factors of concern are the strengthening of the US dollar against the Rupee since the last few months in FY2018, rising crude prices, which are hovering between USD 65-70 per barrel, geo-political tensions and the widening trade deficit which has been witnessed from the beginning of FY2018.

## GEMS & JEWELLERY INDUSTRY REVIEW

Indian Gems and Jewellery is one of the largest in the world with a market size of USD 60 billion in FY2017 as per ICRA's estimate. Currently accounting for nearly 29 per cent of the global jewellery consumption, it is also one of the fastest growing industry and is expected to reach USD 100-110 billion by FY2021-22. The Indian Gems and Jewellery industry accounts for nearly 7.4 per cent of the GDP and 15.4 per cent of the total merchandise exports.

One of the fastest growing industry, it provides employment to nearly 4.6 million people. This is more than twice the number of 2.08 million employees estimated in FY2012. The industry is a major forex earner for the country contributing to USD 32.71 billion in FY2018. India is also the world's largest cutting and polishing centre for diamonds, ranking amongst the top three. According to ICRA, the industry exports nearly 93 per cent of the cut and polished diamonds.



The industry is fragmented having an estimated 3,00,000 players of which the majority are small players.

## DOMESTIC JEWELLERY INDUSTRY UPDATE

### Demand

Gold jewellery in the first three quarter of FY2018 registered a healthy higher single digit growth in the wake of higher days in the marriage season, stock up before the roll-out of GST and pent-up demand. According to ICRA, gold jewellery in CY2017 grew by 9 per cent in value terms and 12 per cent in value. However, in the last quarter of FY2018, January-March, demand was tepid. Tighter bank credit, higher scrutiny of borrowers in the wake of rise in banking frauds saw a drop in demand. Sales during Akshaya Tritiya, in April 2018 were lower than last year. Earlier in the year, Dhanteras sales did not pick up despite relaxation of KYC norms and laws of Prevention of Money Laundering (PMLA) applicability rescinded. Government new policies also impacted sales and jewellers in face of uncertainties did not import as much gold as was expected. The rise in stock market prices as also a record number of IPOs in FY2018 saw investment demand remaining muted. ICRA has forecast a drop in 2-4 per cent in CY2018.

FY2019 indeed may be a challenging year for gold and diamond jewellery. Higher farm products due to a normal monsoon, leaving higher surplus in rural side will provide a positive thrust to demand. Higher liquidity following better minimum support prices announced by the Government, rural thrust and rising income of Government employees following the wage hike for central government employees and pensioners. The sustained economic growth in the country aided by a rise in working population with more savings is expected to ensure a longer term demand.

### Exports and Imports

This was not one of the best years for Gems and Jewellery exporters. Lower offtake following demand shrinkage in UAE, Hong Kong and the US saw a dip in overall exports. Hong Kong and UAE accounts for more than 30 per cent of the total exports with US accounting for nearly a fourth. Import duty levied in Middle East, topped by a 3 per cent GST levied in Dubai in a bid to increase manufacturing, were the contributory causes. The net exports of Gems and Jewellery, as estimated by Gem Jewellery Export Promotion Council (GJEPC) in FY2018 was USD 32.71 billion which was lower by 11.29 per cent in USD terms.

Drop in the exports of gold medallion and coins and silver jewellery impacted the overall exports of the sector. Gold medallion and coins exports, saw a massive dip to USD 1.97 billion as against USD 5.4 billion mirroring a decline of 64 per cent.

Cut and polished diamonds which contributes to the bulk of the exports (USD 23.37 billion) showed a marginal increase of 4 per cent. This is one sector which has shown a consistent rise in the last four years. Gold jewellery on a gross level was close

to USD 10 billion, showing a double digit rise of 10.9 per cent, compared to FY2017.

(Source: GJEPC)

### Gems & Jewellery Exports and Imports

(USD Billion)		
Year	Exports	Imports
2012-13	39.1	37.3
2013-14	34.9	30.9
2014-15	36.2	31.2
2015-16	32.6	24.2
2016-17	35.5	28.7
2017-18	32.7	31.5

(Source: GJEPC/CMIE)

### Imports

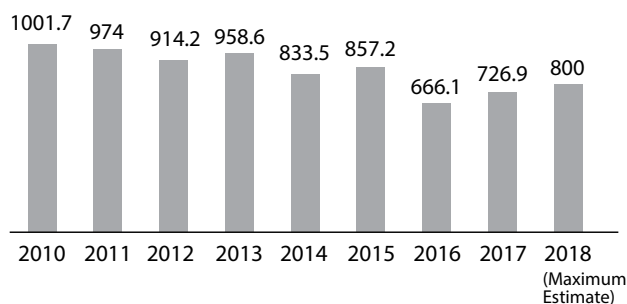
Soft prices of diamonds saw the Indians import higher level of rough diamonds. Imports in FY2018 was in fact the highest in the last 10 years. While the quantity imported was higher at 23.5 per cent, the total import bill was higher by just 6.35 per cent. The total imports of roughs was higher at ₹ 1,21,746.85 crore compared to ₹ 1,14,476.40 crore. In dollar terms, the imports were higher by 10.5 per cent at USD18.88 billion.

The overall imports of gold, rough diamonds, polished diamonds and others as per GJEPC's estimates were USD 31.516 billion, a near double-digit rise in dollar terms.

## DOMESTIC JEWELLERY

The Indian Gems and Jewellery market comprises gold and silver jewellery, diamonds, coloured stones and pearls, among others. Gold jewellery demand continues to dominate the market, followed by diamond jewellery and platinum jewellery. The shifting trend of customers seeking product diversity, value for money, quality assurance and differentiated buying experience has led to organised players expanding their retail presence to widen reach.

### Indian Consumer Gold Demand (In Tonnes)



(Source: World Gold Council / Bloomberg Quint)

<https://www.bloombergquint.com/business/2018/02/06/indias-gold-demand-expected-to-stay-below-average-in-2018>

## DOMESTIC REGULATORY SCENARIO

### MAJOR POLICY CHANGES

July 2017	Implementation of GST across the country
August 2017	Prevention of Money Laundering Act (PMLA) made applicable to the sector. Imports of coins from South Korea at zero duty banned.
October 2017	PMLA rescinded. KYC norms for buying jewellery relaxed.
March 2018	Supreme Court extends deadline for linking Aadhaar card indefinitely.
March 2018	BIS rules on hallmarking to be rolled out across the country.

### Domestic Gold Prices\*

	*Approximate rates
	₹/10 gm
April 2017	₹ 28,463
May 2017	₹ 28,825
June 2017	₹ 28,622
July 2017	₹ 28,439
August 2017	₹ 28,480
September 2017	₹ 29,783
October 2017	₹ 29,557
November 2017	₹ 29,242
December 2017	₹ 29,076
January 2018	₹ 29,123
February 2018	₹ 30,451
March 2018	₹ 30,193

(Source: <https://www.goldpriceindia.com>)

### OPPORTUNITIES & THREATS

The affinity for gold by Indians particularly women, is legendary. Sales of jewellery in India, particularly gold has traditionally been resilient to other economic factors. 60 per cent of the demand emanates from the rural markets where gold is seen as an effective means of savings. Its easy liquidity in times of need and the flourishing business of gold loan companies bears testimony. Sales are only effected as a measure of distress.

#### Major Growth Drivers

##### Rise of Woman Power

With more and more women now vying with men in various sectors, the increase for regular wear, office wear, designer wear and occasional party wear jewellery is on the rise. This is more so in the urban centres. Branded jewellery is being favoured though in quantity terms it is estimated at around 5 per cent.

Hallmarking has aided the purchases where ornaments are seen as a means of self-expression especially in case of economic independent ladies. In case of rural segment, gold is still seen as a traditional investment and hoarded for a crisis period. A good monsoon and higher rural income sees better demand for rural jewellery.

#### Emotional and Cultural

Fascination for gold and jewellery and its regular purchase runs through centuries and is almost an integral part of the Indian lifestyle. Even amongst the poor, it is a tradition to give some gold to the daughter and son-in-law. Buying gold on auspicious occasion, festivals and gifting on memorable days is very much in vogue.

#### Stable Asset Class

Gold has historically proved to be a stable asset class, an inflation beater providing comparable returns provider over a longer period of time despite the fact that there is no regular income generated by investing in this class. ETFs and Gold bonds have not really taken off.

#### E-commerce

E-commerce is slowly but steadily increasing its penetration. Casual wear jewellery is often bought online. Buying brands has boosted the trust amongst the upwardly mobile class. Discounts and access to wider designs in a shorter period of time has helped. While on-line sales are still nothing to talk about, it will be making an impact over the next few years as youngsters with credit cards will catch the fancy of on-line, relatively high value shopping.

#### Digital Gold

Globally block-chains using gold bitcoins has been experimented. Given that the gold trading is quite high trading on London OTC market which accounts for nearly three-fourths of the global trade and averages around 400 ounce bars. US Commex and Shanghai are the other markets where gold is traded.

While this trend has yet to take off like the stock market or debt market trading, having digital gold in a bank, akin to that of a demat shares is likely to become popular once it meets Central Banks of various countries approval.

#### Government Support

Government's various initiatives to treat jewellery exports as a focussed area for promotion is helping the industry. Especially its measures like Make in India, Design India, and Brand India. Besides investing in promoting investments, it is also doing its mite in upgrading technology and skills to promote Indian jewellery in the global markets.

### THREATS

#### Liquidity Crunch

Two defaults by major jewellery chains and increased frauds in the banks is likely to see a higher oversight on working capital funding. Being a highly capital intensive business, higher

interests is expected to erode margins and loans from Banks taken for conversion will result in longer conversion time. Loss of jobs in the industry has become a grim reality.

### **Synthetic Diamonds**

The threat of synthetic manufactured diamonds is becoming serious with discerning customers raising questions of the authenticity and origin of the diamonds.

### **Fast-changing fashion trends**

Often seen as a fashion and lifestyle statement, jewellery trends are susceptible to changes. Global trends often play a role in influencing demand. 14k and 18k gold jewellery once shunned are increasingly finding fashion amongst urban purchasers. Globally also more money is increasingly being spent on electronic gadgets like mobile phones, which are used to convey lifestyle statements. The me-too syndrome has resulted in lesser money being spent on diamond jewellery.

These changing trends require the players to be more agile and responsive to the constantly evolving trends and consumer preferences. Imitation and artificial jewellery is also being favoured albeit by a small class, especially office-goers in view of the increased level of crimes.

### **Regulatory Framework**

New policies often tend to unsettle industry and cause a blip in the trade. Increased surveillance by banks in wake of the frauds in the system may impact working capital to exporters and impact exports in the coming year.

## **COMPANY OVERVIEW**

Tribhovandas Bhimji Zaveri Ltd (TBZ – The Original, hereinafter also referred to as the Company or TBZ) is a leading player in the organised jewellery markets with a legacy of dating back over 150 years. It was the first jeweller to offer buy-back guarantees for jewellery purchased through their stores in 1938. Backed by a strong pedigree, exclusive designs, innovative offerings, strong retail presence, focus on brand building and marketing and a committed team, the Company has emerged as one of the leading premium jewellery brands in the country.

With a combination of skilled craftsmen, world-class manufacturing facility and technology and strong focus on innovation, the Company manufactures unique high quality products, meeting highest quality standards.

The Company leverages its strong team of creative designers and skilled craftsmanship along with the modern research and computer-aided design to deliver products matching the latest trends and consumer preferences. The Company invests in training designers, mapping international trends and evolving global styles. TBZ also sources designs from international markets where required to complement its own collections. This ensures designers are well informed about the world trends and local tastes and preferences before introducing new styles and continue to launch new collections ahead of the market trends, year-on-year.

As a retail organisation, the Company is focussed on translating footfall into wallet share. Retail staff is well trained, highly motivated and sensitised to customer requirements and make every effort to ensure jewellery purchasing is a unique experience for customers.

The Company's operations are spread across 26 cities in 11 Indian states with a retail space of 1,10,666 lakh sq.ft. It has a total of 37 showrooms including 5 'franchise owned franchisee operated' stores.

As a public limited entity, the Company's focus is on good corporate governance, infusing high level of transparency in reporting, undertaking stakeholder focussed initiatives and imbibing ethical business practices.

### **Product Portfolio**

TBZ has an unparalleled design team which has a strong pulse on the consumers changing preferences. They are well versed with the global trends and have capabilities of making unique designs which combines with the best of traditions and contemporary tastes. The Company is a design trend-setter in the market. TBZ – The Original creates jewellery that appeals to the hearts and has instant emotional bonding. A wide product range appeals to consumers with varied taste, across age and occasions.

### **Differentiating Capabilities**

#### **Brand Name**

With a legacy of over a century and half, the Company has built a strong brand which has over the years become a household name. TBZ resonates with weddings and is the 1<sup>st</sup> port of call for jewellery amongst traditional households. Relevant marketing and branding efforts and focussed customer engagements through various promotional activities has increased the brand recall and has built strong emotional bonding with customers. The Company is also leveraging its digital media presence to expand reach on social media.

#### **Asset-light Model of Expansion**

TBZ has placed a strong focus on asset-light expansion through franchise model. It currently has 5 franchise stores and will continue to explore more opportunities by targeting to open new franchise stores in future.

#### **Exclusive and aspirational designs and stringent quality**

TBZ – The Original stands for the endurance of an enterprise that is built on customer-centricity. Design, exquisite craftsmanship and unparalleled precision is the bedrock of its offerings. The Company is reputed for its designs which are captivating, striking and inimitable. Designs are customised to suit the local taste in different regions of the country along with the introduction of 8-10 new jewellery designs every year to meet the fast-changing trends in the jewellery space. The Company also ensures that stringent quality check to ensure the purity, value and finish of the product. The Company boasts of a well trained and experienced team of 35 designers, that includes 16 specialised CAD engineers.

In-house production capabilities of high value diamond jewellery ensures highest quality standards and global benchmarks are followed which has ensured customer loyalty over generations.

### Wedding Jewellery

Indian weddings without jewellery is unimaginable. The strong affinity of the brand build over the years makes TBZ the first destination of choice for families. Many of whom have been patronising for generations. Nearly 65% of the total sales of TBZ are wedding related. This is an advantage as wedding jewellery purchases are non-discretionary in nature and not directly co-related to the economy. This allows the Company to be in a sweet spot and given its strong brand allows premium pricing.

### Manufacturing Capabilities

The Company has a state-of-the-art manufacturing facility in Kandivali, Mumbai. It has annual capacity of processing around 2,00,000 carats of diamond jewellery (double shift), refine 4,000 kg of gold and manufacture 4,500 kg of gold jewellery components. The testing facilities allows it to maintain stringent quality standards and attain high levels of productivity and operational efficiency.

### Ethical Sourcing

We procure diamonds from conflict-free sources and adhere to the guidelines of Responsible Jewellery Council (RJC).

### Unique Shopping Experience

Just as every piece of jewellery created by TBZ – The Original is a striking symbol of aesthetic appeal, the highest quality standards and excellence, its stores are also instrumental in enhancing the aura of the brand. The large and modern stores match the best of global standards and the jewellery is carefully displayed to bedazzle the eye and entice the heart. The Company has an uncompromising commitment of providing its customers a unique experience through its warm and personalised attention. The Company follows a customer-centric business philosophy across the value chain which is aimed at driving maximum value for all stakeholders.

### Efficient Inventory Management

Besides innovative collections, exquisite designs, manufacturing excellence, extraordinary appeal, extraordinary store experience, ensuring freshness and managing the inventory is pivotal. A number of initiatives are taken to right size inventory for both gold and diamond jewellery to ensure that the designs are fresh, new and match the expectations of customers. Inventory management also plays an important role in management of its working capital requirement.

### Research and Development

Design, service and quality form the core of success in any consumer-centric retail business. More so in jewellery business. Being a large and respected jewellery brand, the Company houses a good R&D centre. Absorption of new technologies

and constant emphasis on knowledge management, enables the Company to differentiate itself from competitors in terms of design, service and quality.

### Growth Strategy

The management is consciously trying to increase its footprints on a pan India basis to target new customers beyond the metros and Tier 1 cities. It is working on a strategy to attract higher store foot-falls and increase share of diamond jewellery and focus on same-store sales growth. It plans to aggressively pursue a strategy of opening new stores through a mix of own and franchisee stores. The Company's own store will be a mix of large format stores and small format stores. Franchisee stores will be in Tier 2 and Tier 3 cities. The objective is to take the retail outreach to 1,50,000 sq. ft. from the existing 1,10,000 sq. ft. across 37 retail stores in 26 cities, by touching all price points in the jewellery business.

**Increased focus on sustained high margin products:** This is being done by optimising cost on one hand and improving productivity and efficiencies on the other.

**Inventory rationalisation:** The Company focusses on optimisation and rationalisation of inventories to enhance profitability through improved working capital.

**'Kalpavruksha' Easy Pay Plan:** 'Kalpavruksha' has proven to be a great success for the Company, as it not only ensures purchases in the form of redemption but increases purchase value as customers generally tend to purchase 50-60% higher than the scheme investment value at the time of redemption.

### MANAGEMENT OUTLOOK

India is a largely untapped market for aspirational brands and the Company foresees an upsurge in demand trends particularly in Tier 2, Tier 3 cities, as also in larger cities, particularly in the Northern parts of the country. With significant changes in the regulatory scenario, GST and other statutory changes, the preference for the organised sector and particularly reputed brands which are trustworthy is likely to improve.

The improving macroeconomic scenario and encouraging consumer demand is likely to improve the demand in future. The Company will continue to work on its retail strategy to attract higher store footfalls, focus on same-store sales and increase the sales of diamonds jewellery.

Strict compliance in a dynamic regulatory landscape remains the key.

The Company remains confident and optimistic of the market potential and plans to aggressively open new stores through a mix of own and franchisee stores. This will enable greater pan-India penetration and allow the Company to tap into the latent pockets of demand in the hinterland and achieve profitable growth in the coming years. The asset-light model of growth by the Company along with the focus on cost optimisation and enhanced productivity of the existing stores will help improve the profit margins and increase shareholders' value.

### Operating Revenue

The Company's total operating revenue in FY2018 was higher by 3.4 per cent to ₹ 1,75,568.51 lakhs as against ₹ 1,69,769.20 lakhs in FY2017. The growth has to be seen in light of the rise in gold prices, depreciating rupee and the not-so-favourable environment including the agitations by trade following the Government's new policy initiatives.

In ₹ Lakhs	FY2017	FY2018
Net sales	1,69,754.05	1,75,507.20
Total income from operations	1,69,769.20	1,75,568.51
Gross profit	23,677.60	24,609.98
EBITDA	7,053.18	7,309.87
Depreciation	870.61	849.35
Finance costs	5,022.11	3,974.34
PBT	1,566.89	3,190.45
Tax	(107.33)	1,084.97
PAT	1,674.22	2,105.48
Gross margin	13.9%	14.0%
EBITDA margin	4.2%	4.2%
Basic earnings per share (EPS)	2.51	3.16
Dividend per share (Rupees)	NIL	0.75
Networth	46,598.04	48,667.11
Short-term borrowings (including working capital loans)	54,880.01	56,856.88
Borrowings	54,891.34	56,864.78
Inventory	1,02,721.58	1,02,180.79
Debtors	221.17	2,296.19
Net block	10,108.04	10,009.07
Cash and Bank balance	3,056.98	3,742.34

### Gross Profit

Gross profit improved marginally by nearly 3.9 per cent to ₹ 24,609.98 lakhs as compared to ₹ 23,677.60 lakhs in FY2017. In a challenging year, the Company was able to retain its gross margins at 14 per cent. A better product mix with higher sales of diamond jewellery contributed to this rise.

### EBITDA

After a massive jump in EBITDA margins in FY2017, the management was successful in retaining the EBITDA margins at 4.2 per cent. This resulted in the overall EBITDA increasing to ₹ 7,309.87 lakhs in FY2018 as against ₹ 7,053.18 lakhs in FY2017.

### Profit After Tax

The profit at the net levels improved significantly to ₹ 2,105.48 lakhs as against ₹ 1,674.22 lakhs mirroring a rise of 25.8 per cent. Tight control on cost, better inventory management saw the overall finance cost being capped at ₹ 3,974.34 lakhs as against ₹ 5,022.11 lakhs, a 20.9 per cent decline.

### Net Worth

The Company's Net Worth increased from ₹ 46,598.04 lakhs as on 31<sup>st</sup> March, 2017 to ₹ 48,667.11 as on 31<sup>st</sup> March, 2018.

### Reserves

The Company's Total Reserves increased from ₹ 39,924.98 lakhs as on 31<sup>st</sup> March, 2017 to ₹ 41,994.05 lakhs as on 31<sup>st</sup> March, 2018. It comprises Securities Premium, General Reserve, Surplus in Profit and Loss and other comprehensive income.

### Borrowings

Total Debt witnessed an increase of 3.6% from ₹ 54,891.34 lakhs as on 31<sup>st</sup> March 2017 to ₹ 56,864.78 lakhs as on 31<sup>st</sup> March 2018. Debt/ Equity ratio improved/ from 1.18 as on 31<sup>st</sup> March, 2017 to 1.17 as on 31<sup>st</sup> March, 2018.

## RISKS AND CONCERNS

### Economic Risks

A slowdown in general economic scenario, rising interest rates impacts the overall performance of the jewellery business.

### Mitigation Measures

The management is of the view that the strong rebound in the GDP predicted for FY2019 will favour the jewellery markets. Prediction of a normal monsoon, with expected rise in the farm income should result in better demand for jewellery from the rural side. However, the risks from drop in overall sales of gold jewellery due to higher gold prices and the resistance of customers to defer discretionary spends may neutralise the expected surge of rural demand.

### Margin Mitigations

Volatility in the commodity prices and constant changes effected in the overall regulatory framework affects planning and pose a risk to the Company's margins.

### Mitigation Measures

Enhancing the stakeholders' value is one of the top priorities of the management. Towards this end, the Company continues to hold a tight control on costs, including overheads. Pursuing a multi-pronged strategy, the Company is laying a sharp focus on growth through a judicious mix of own and franchisee stores. Long-term relationships with major suppliers and economies of scale resulting from bulk purchases and leveraging the gold loan schemes to procure a significant part of its inventory has helped the Company in effectively countering the vicissitudes of a volatile commodity market.

### Competition Risks

The jewellery sector attracts huge competition owing to significant presence of unorganised players.

### Mitigation Measures

The Company's brand goodwill, wide and unique product portfolio, quality assurance and ability to constantly control costs enables it to enjoy significant brand loyalty. To attract



prospective buyers, the Company undertakes significant promotional activities and launches attractive offers. Customer-centric initiatives and customisation further assists in higher sales conversion.

#### Raw Material Risks

Unavailability of raw materials on time and at a low cost may impact production and profitability.

#### Mitigation Measure

The Company's robust central procurement policy and professional team facilitate efficient inventory management. Long-term relationships with major suppliers and procurement in bulk secures supply at guaranteed rates. In addition to this, the Company leverages the gold loan scheme to procure a significant part of its requirements.

#### HUMAN RESOURCES

Exquisite and extraordinary designs, modern technology, intricate craftsmanship and innovative collections that spell class provide our brand seeped in legacy of trust an unrivalled touch. The Company has a diverse employee base with unique creative talent, craftsmen, technical knowledge and functional proficiency. The strong talent pool enables the Company to stay ahead of competition as we cater to the evolving and aspirational desires of the new-age consumers.

The Company's business also involves dealing with diverse high-end customers, many of whom are visiting our stores to purchase high value jewellery that will add a sparkle to the most treasured moments of their lives. The retail teams are trained to deal with customers in a professional manner yet ensure that the warm personal touch is not lost. Extensive training is provided to ensure that the customer's visit to any TBZ – The Original store remains a pleasant and memorable experience.

Our talented human capital is an integral contributor to the success of the Company. The HR department, therefore plays a vital role in various aspects of organisational functioning

from policy formulation and setting up systems and processes. The well-defined HR policies take care of both personal and professional growth of our employees. Policies nurture a culture that leads to alignment of employee goals with that of the Company. The Company conducts regular training seminars / workshops for the employees to ensure skill upgradation and personnel development. As on 31<sup>st</sup> March, 2018, the Company had a total of 1,261 employees.

#### 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

*This document contains forward-looking statements about expected future events, financial and operating results of the Company. These forward-looking statements are based on assumptions and the Company does not guarantee the fulfilment of the same. These statements may be subject to risks and uncertainties. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of TBZ Limited's Annual Report, 2017-18.*

# NOTICE

**Notice is hereby given that the Eleventh Annual General Meeting of the Members of Tribhovandas Bhimji Zaveri Limited will be held at M. C. Ghia Hall, 4<sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001, on Tuesday, 31<sup>st</sup> July, 2018 at 3.30 p.m. to transact the following Business:**

## ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2018, including audited Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2018.
3. To appoint a Director in place of Ms. Raashi Zaveri (DIN: 00713688), who retires by rotation and being eligible, offers herself for re-appointment.
4. To Appoint Statutory Auditors of the Company from conclusion of ensuing 11<sup>th</sup> Annual General Meeting till the conclusion of the 16<sup>th</sup> Annual General Meeting and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to provisions of Sections 139, 142 and all other applicable provisions of the Companies Act, 2013 read with the applicable rules of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration No. 324982E / E300003), be and are hereby appointed as the Statutory Auditors of the Company in place of B S R & Co. LLP, Chartered Accountants, Mumbai for a continuous term of 5 (five) consecutive years to hold office from the conclusion of ensuing 11<sup>th</sup> Annual General Meeting till the conclusion of the 16<sup>th</sup> Annual General Meeting and subject to ratification of appointment at every Annual General Meeting, at a remuneration as may be mutually agreed to, between the Board of Directors and M/s. S R B C & CO LLP, plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them.”

## SPECIAL BUSINESS:

5. To fix the commission payable to Non-Executive Directors / Independent Directors, 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 provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013, consent of the Company be and is hereby accorded for payment of Annual Commission for the period of five years commencing from **1<sup>st</sup> April, 2018** (i.e. from **1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023**), to one or more of the Non-Executive Directors / Independent Directors of the Company excluding the Managing Director(s) and/or Whole-time Director(s) and/or Executive Director(s) as may be decided by the Board from time to time, provided that the total commission payable to the Non-Executive Directors / Independent Directors per annum shall not exceed **One (1%) percent** of the net profits of the Company for that year as computed in the manner referred to under Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013, with the authority to the Board to determine, from time to time, the manner and proportion in which the amount to be distributed among the Non-Executive Directors / Independent Directors.

**RESOLVED FURTHER THAT** Mr. Shrikant Zaveri, Chairman & Managing Director or Ms. Binaisha Zaveri, Whole-time Director or Ms. Raashi Zaveri, Whole-time Director of the Company be and is hereby severally authorized to file requisite form with the Registrar of Companies, Mumbai for and on behalf of the Board and to do all such acts, deeds, matters and things as may be necessary, expedient and usual to implement this resolution.”

6. To re-appoint Mr. Kamlesh Vikamsey (DIN: 00059620), as a Non-Executive Independent Director of the Company for further term of five consecutive years, i.e. from 1<sup>st</sup> April, 2019 up to 31<sup>st</sup> March, 2024 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 149, 152 and other applicable provisions read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Kamlesh Vikamsey (DIN: 00059620), an Independent Director (Non-Executive Director) of the Company, who is eligible for re-appointment and in respect to whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company to hold office for the further term of five consecutive years

w.e.f. 1<sup>st</sup> April, 2019 up to 31<sup>st</sup> March, 2024 and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013.”

7. To re-appoint Mr. Sanjay Asher (DIN:00008221), as a Non-Executive Independent Director of the Company for further term of five consecutive years, i.e. from 1<sup>st</sup> April, 2019 up to 31<sup>st</sup> March, 2024 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 149, 152 and other applicable provisions read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Sanjay Asher (DIN: 00008221), an Independent Director (Non-Executive Director) of the Company, who is eligible for re-appointment and in respect to whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company to hold office for the further term of five consecutive years w.e.f. 1<sup>st</sup> April, 2019 up to 31<sup>st</sup> March, 2024 and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013.”

8. To reappoint Mr. Ajay Mehta (DIN: 00028405), as a Non-Executive Independent Director of the Company for further term of five consecutive years, i.e. from 1<sup>st</sup> April, 2019 up to 31<sup>st</sup> March, 2024 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 149, 152 and other applicable provisions read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ajay Mehta (DIN: 00028405), an Independent Director (Non-Executive Director) of the Company, who is eligible for re-appointment and in respect to whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company to hold office for the further term of five consecutive years w.e.f. 1<sup>st</sup> April, 2019 up to 31<sup>st</sup> March, 2024 and shall not be

liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013.”

9. To fix remuneration payable to Mr. Shrikant Zaveri (DIN: 00263725), Chairman & Managing Director of the Company for the balance period of two years of his appointment, i.e. from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020 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** subject to the provisions of Sections 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to approval of the Central Government, if required, approval of the Members of the Company be and is hereby accorded for fixing of remuneration payable to Mr. Shrikant Zaveri (DIN: 00263725), Chairman & Managing Director of the Company who is not liable to retire by rotation, for the balance period of two years of his appointment, i.e. from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020, as contained in the amendment Agreement to be entered into by and between the Company and Mr. Shrikant Zaveri (DIN: 00263725), the draft whereof is placed before the meeting and for the purpose of identification initialed by the Company Secretary of the Company, with the liberty and authority to the Board of Directors to alter and vary salary structure and the terms and conditions of the said fixation of salary and / or salary agreement in such manner as may be agreed to between the Board of Directors and Mr. Shrikant Zaveri (DIN: 00263725).

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

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

10. To fix remuneration payable to Ms. Binaisha Zaveri (DIN: 00263657), Whole-time Director of the Company for the balance period of two years of her appointment, i.e. from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020 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** subject to the provisions of Sections 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to approval of the Central Government, if required, approval of the Members of the Company be and is hereby accorded for fixing of remuneration payable to Ms. Binaisha Zaveri (DIN: 00263657), Whole-time Director of the Company who is liable to retire by rotation, for the balance period of two years of her appointment, i.e. from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020, as contained in the amendment Agreement to be entered into by and between the Company and Ms. Binaisha Zaveri (DIN: 00263657), the draft whereof is placed before the meeting and for the purpose of identification initialed by the Company Secretary of the Company, with the liberty and authority to the Board of Directors to alter and vary salary structure and the terms and conditions of the said fixation of salary and / or salary amendment agreement in such manner as may be agreed to between the Board of Directors and Ms. Binaisha Zaveri (DIN: 00263657).

**RESOLVED FURTHER THAT** the remuneration payable to Ms. Binaisha Zaveri (DIN: 00263657), shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 read with Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time and all other applicable provisions of the Companies Act, 2013, or any amendment thereto or any re-enactment thereof.

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

11. To fix remuneration payable to Ms. Raashi Zaveri (DIN: 00713688), Whole-time Director of the Company for the balance period of two years of her appointment, i.e. from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020 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** subject to the provisions of Sections 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to approval of the Central Government, if required, approval of the Members of the Company be and is hereby accorded for fixing of remuneration payable to Ms. Raashi Zaveri (DIN: 00713688), Whole-time Director of the Company who is liable to retire by rotation, for the balance period of two years of her appointment, i.e. from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020, as contained in the amendment

Agreement to be entered into by and between the Company and Ms. Raashi Zaveri (DIN: 00713688), the draft whereof is placed before the meeting and for the purpose of identification initialed by the Company Secretary of the Company, with the liberty and authority to the Board of Directors to alter and vary salary structure and the terms and conditions of the said fixation of salary and / or salary amendment agreement in such manner as may be agreed to between the Board of Directors and Ms. Raashi Zaveri (DIN: 00713688).

**RESOLVED FURTHER THAT** the remuneration payable to Ms. Raashi Zaveri (DIN: 00713688), shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 read with Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time and all other applicable provisions of the Companies Act, 2013, or any amendment thereto or any re-enactment thereof.

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

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

Date: 2<sup>nd</sup> May, 2018  
Place: Mumbai

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

**Registered Office:**  
241 / 43, Zaveri Bazar,  
Mumbai - 400 002, India.  
CIN: L27205MH2007PLC172598  
Tel. No. 022 - 39565001 / 40465000/ 01  
Fax. No. 022 - 39565056  
Email: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com)  
Web: [www.tbztheoriginal.com](http://www.tbztheoriginal.com)

**NOTES:**

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- Pursuant to provision of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of total share capital of the Company may appoint a single person as proxy who shall not act as proxy for any other person or Member. A proxy is not entitled to vote



except on a poll. The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than forty-eight hours before the commencement of the meeting. A proxy form is annexed to this Report. Proxies submitted on behalf of the limited companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable.

3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the business in respect of the Ordinary and Special Business to be transacted at the Annual General Meeting as set out in item nos. 4 to 11 of the Notice, is annexed hereto. Details under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Director retiring by rotation and seeking re-appointment, fixing commission payable to Non-Executive / Independent Directors for period of five years, re-appointment of Mr. Kamlesh Vikamsey, Mr. Ajay Mehta, Mr. Sanjay Asher, all three Independent Directors for further second term of five consecutive years, and to fix the remuneration for the balance period of the appointment of Mr. Shrikant Zaveri, Chairman & Managing Director, Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors of the Company at the ensuing Annual General Meeting as set out in item nos. 3, 5 to 11 of the Notice, is also annexed.
4. Corporate Members intending to send their authorized representative to attend the Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company a certified copy of the relevant Board Resolution together with specimen signatures of their authorized representatives to attend and vote at the Meeting.
5. The documents referred to in the proposed resolution(s) are available for inspection at the Corporate Office of the Company situated at 1106 to 1121, 11<sup>th</sup> Floor, West Wing, Tulsiani Chambers, 212, Backbay Reclamation, Free Press Journal Road, Nariman Point, Mumbai - 400021 between 11.00 am to 1.00 pm on any working days except Saturdays, Sundays and Public Holidays up to the date of Annual General Meeting.
6. Members are requested to note that for the convenience of the Members and proper conduct of the meeting, entry to the meeting hall/ venue will be regulated by Attendance Slips, which is enclosed with this Annual Report. Members/ Beneficial Owners holding duly filled in and signed attendance slips and proxies holding valid proxy forms are requested to hand it over at the Registration Counter at the venue.
7. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, 25<sup>th</sup> July, 2018 to Tuesday, 31<sup>st</sup> July, 2018** (both days inclusive).
8. Share transfer documents and all other correspondence relating thereto, should be addressed to the Registrar and Share Transfer Agent (R & T Agent) of the Company, Karvy Computershare Private Limited at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel No: +91 (040) 6716 1606; Fax No: +91 (040) 6716 1791 or a toll free number 1800 3454 001. E-Mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com). Website Add.: [www.karvycomputershare.com](http://www.karvycomputershare.com).
9. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, changes of address, change of name, email address, contact numbers etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Share Transfer Agents, Karvy Computershare Private Limited (Karvy) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Karvy.
10. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desired to avail of this facility may send their nomination in the prescribed Form No. SH.13 duly filled in to the office of Karvy Computershare Private Limited, Registrar and Share Transfer Agent of the Company. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, required to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
12. The Equity Shares of the Company are listed on the following Stock Exchanges in India w.e.f. 9<sup>th</sup> May, 2012:
 

BSE Limited  
25, Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai – 400 001.

National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra Kurla Complex, Bandra (East),  
Mumbai – 400 051.

The Company has paid the applicable annual listing fees to each of the above Stock Exchanges for the financial year 2018–19.

13. Non-Resident Members are requested to inform the Company immediately about:
    - (a) The Change in the Residential Status on return to India for permanent settlement;
    - (b) The Particulars of NRE Bank Account maintained in India with complete name and address of the bank, if not furnished earlier.
  14. The Company has designated an exclusive e-mail ID called [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com) for redressal of Members' complaint/ grievances. In case you have any queries/ complaints or grievances, then please write to us at [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com).
  15. Members are requested to intimate to the Company, queries if any, regarding the accounts at least 10 days before the Annual General Meeting to enable the Management to keep the information ready at the Meeting. The queries may be addressed to: Company Secretary, Tribhovandas Bhimji Zaveri Limited, 1106 to 1121, 11<sup>th</sup> Floor, West Wing, Tulsiani Chambers, 212, Backbay Reclamation, Free Press Journal Road, Nariman Point, Mumbai - 400 021. (Email: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com)).
  16. As a matter of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
  17. Pursuant to Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, the Annual Report for 2017-18 is being sent through electronic mode to all the Members whose E-mail IDs are registered with the Company / Depository Participants for communication purposes, unless any member has requested for physical copy of the same. For Members who have not registered their E-mail IDs with the Company/ Depository Participants, a physical copy of the Annual Report 2017-18 is being sent by the permitted mode. Please note that as a Member you will be entitled to receive physical copies of all notices and documents free of cost, upon specific request to the Company. Members holding shares in physical mode and wishing to register / update their E-mail ID to receive the Annual Report and other documents in electronic mode are requested to fill the form "Consent for Receiving Documents in Electronic Form" (which is forming part of this Annual Report and also available on website of the Company ([www.tbztheoriginal.com](http://www.tbztheoriginal.com))) and send the same to our Registrar and Share Transfer Agents viz., Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032.
- To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with Karvy Computershare Private Limited/ their respective Depository Participants.
18. In case of joint holders, attending the meeting, only such joint holder, who is higher in the order of names, will be entitled to vote at the meeting.
  19. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the Annual General Meeting.
  20. Members are requested to note that as per Section 124(5) of the Companies Act, 2013, dividends not encashed/ claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against the Company.
  21. Members are requested to contact M/s. Karvy Computershare Private Limited/ Secretarial Department of the Company for encashing the unclaimed dividends standing to the credit of their account. The detailed dividend history and due dates for transfer to IEPF are available on 'Investor Folder' on the website of the Company at [www.tbztheoriginal.com](http://www.tbztheoriginal.com).
  22. Members may utilize the facility extended by the Registrar and Share Transfer Agent for redressal of queries. Members may visit <https://evoting.karvy.com> and click on Members option for query registration through free identity registration process.
  23. Electronic copy of the Notice of the 11<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes, unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Notice of the 11<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
  24. Members may also note that the Notice of the 11<sup>th</sup> Annual General Meeting and the Annual Report 2017-18 will also be available on the Company's website [www.tbztheoriginal.com](http://www.tbztheoriginal.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Corporate Office for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For

any communication, the Members may also send request to the Company's investor email id: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com).

## 25. Voting Instruction:

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

A Member can opt only one mode to vote either through remote e-voting or through poll paper at AGM. If Member casts vote through both modes, then only vote cast through remote e-voting will prevail. Members who have not cast their vote through remote e-voting shall be allowed to vote at the 11<sup>th</sup> AGM, through poll paper.

The Members who have cast their vote by remote e-voting shall not be entitled to cast their vote again at the 11<sup>th</sup> AGM, however, such Members will be entitled to attend the AGM.

Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 [(including any statutory modification(s) or re-enactment thereof for the time being in force), as amended by the Companies (Management and Administration) Amendment Rules, 2015] and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Members can exercise right to vote at the 11<sup>th</sup> AGM by electronic means and the business may be transacted through remote e-voting facility made available by Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited ('KCPL' or 'Karvy'). The remote e-voting facility is available at the link <https://evoting.karvy.com>.

The instructions for remote e-voting are as under:

- A. Members whose e-mail ID(s) are registered with the Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited ('KCPL' or 'Karvy')/ Depository Participants (NSDL/CDSL). The procedure to vote electronically is as under:
  - (I) Click on the PDF file sent to you in the e-mail by the Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited (Karvy). The file will prompt for a password. Kindly input your Client ID or Folio No. as may be applicable in the box prompted for password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that this password is an initial password and for security purpose needs to be changed while doing first time login.
  - (II) Launch internet browser by typing the following URL: <https://evoting.karvy.com>.

- (III) Click on Shareholder – Login.
- (IV) Enter user ID and password as initial password /PIN noted in step (I) above. Click login.
- (V) The Password Change Menu will appear on your screen. Change the password/ PIN with new password of your choice with minimum 8 digits/characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (VI) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
- (VII) Select the "EVEN" (e-voting Event Number) of Tribhovandas Bhimji Zaveri Limited.
- (VIII) Now you are ready for e-voting as Cast Vote page opens.
- (IX) Cast your vote by selecting an appropriate option and click on "Submit" and also "Confirm" when prompted.
- (X) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (XI) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (XII) Corporate/ Institutional shareholders (i.e. other than individuals, HUFs, NRIs etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [pramodshah361@gmail.com](mailto:pramodshah361@gmail.com), with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com).
- (XIII) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of <https://evoting.karvy.com>. Alternatively, you can also contact on [evoting@karvy.com](mailto:evoting@karvy.com) for any queries or grievances connected with remote e-voting service.
- B. In case Member receive physical copy of the Notice of AGM (i.e. the Members whose e-mail ID(s) are not registered with the Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited (Karvy)/ Depositories or request for a physical copy), the procedure to vote electronically is as under:
  - (i) Initial password is provided in the following format in the E-voting instruction letter sent along with the Annual Report:

EVEN	USER ID	PASSWORD/PIN
<b>(E-voting Event Number)</b>		

- (ii) Please follow all steps from Sr. No. (II) to Sr. No. (XIII) of note 25(A) above, to cast vote.

C. Other Instructions:

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

- (i) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- (ii) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. **Tuesday, 24<sup>th</sup> July, 2018** only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through poll paper.
- (iii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of poll paper for all those Members who are present at the AGM but have not cast their votes by availing remote e-voting facility.
- (iv) Members who have acquired shares after the dispatch of Notice of AGM and holding shares as on cut-off date i.e. **Tuesday, 24<sup>th</sup> July, 2018**, may obtain the user ID and Password by sending a request at [evoting@karvy.com](mailto:evoting@karvy.com).

However, if you are already registered with Karvy Computershare Private Limited for remote e-voting, then you can use your existing user ID and Password /PIN for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details/ Password" option available on <https://evoting.karvy.com> or contact Karvy at Tel No: +91 (040) 6716 1606, Fax No: +91 (040) 6716 1791 or at toll free number 1800 3454 001. Alternatively, you can also contact on [evoting@karvy.com](mailto:evoting@karvy.com) for any queries or grievances connected with remote e-voting service.

- (v) The remote e-voting period shall commence on **Thursday, 26<sup>th</sup> July, 2018 (9.00 a.m. IST) and ends on Monday, 30<sup>th</sup> July, 2018 (5.00 p.m. IST)**. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of **Tuesday, 24<sup>th</sup> July, 2018**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by Karvy Computershare Private Limited for voting thereafter. Once the vote on a resolution is cast by the shareholder, Member shall not be allowed to change it subsequently. Electronic voting shall not be allowed beyond the said date and time.

- (vi) The voting rights of the Members (for voting through remote e-voting or by Poll Paper at the Meeting) shall be in proportion to their shares of the paid up Equity Shares capital of the Company as on the cut-off date of **Tuesday, 24<sup>th</sup> July, 2018**.

- (vii) Mr. Pramod Shah, Partner of M/s. Pramod S. Shah & Associates, Practicing Company Secretaries (Membership No. FCS 334) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process is conducted in a fair and transparent manner.

- (viii) The scrutinizer shall, immediately after the conclusion of voting at the 11<sup>th</sup> AGM, first count the votes casted at the meeting and thereafter unblock the votes cast through remote e-voting in presence of at least two (2) witnesses not in the employment of the Company and make within a period not exceeding three (3) days from conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman & Managing Director of the Company or person authorized by him of the Company.

- (ix) The results shall be declared after receiving consolidated Scrutinizer's Report from the Scrutinizer. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.tbztheoriginal.com](http://www.tbztheoriginal.com) and on the websites of Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited (Karvy) <https://evoting.karvy.com> immediately after the declaration of the results by the Chairman & Managing Director or person authorized by him and forwarded to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

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

26. The route map showing direction to reach the venue of 11<sup>th</sup> AGM is annexed at the end of Notice, as per the requirement of 'Secretarial Standard 2' (SS-2) for general meeting.

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

Date: 2<sup>nd</sup> May, 2018  
Place: Mumbai

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

**Registered Office:**

241 / 43, Zaveri Bazar,  
Mumbai - 400 002, India.  
CIN: L27205MH2007PLC172598  
Tel. No. 022 - 39565001 / 40465000/ 01  
Fax. No. 022 - 39565056  
Email: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com)  
Web: [www.tbztheoriginal.com](http://www.tbztheoriginal.com)



## EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 (THE 'ACT')

### Item No. 4

#### To appoint Statutory Auditors and to fix their remuneration

This explanatory statement is provided though strictly not required as per Section 102 of the Companies Act, 2013.

M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), who were Statutory Auditors of the Company till the conclusion of 11<sup>th</sup> Annual General Meeting of the Company along with their group firms have completed their continuous term of ten years as statutory auditors of the Company and as per the provisions of Section 139 of the Companies Act, 2013, are not eligible for re-appointment as Statutory Auditors of the Company.

Accordingly, in compliance with provisions of Sections 139, 142 and all other applicable provisions of the Companies Act, 2013 read with the applicable rules of the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors of the Company, at their Meeting held on 2<sup>nd</sup> May, 2018, on the recommendation of the Audit Committee, have recommended appointment of M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration No. 324982E / E300003), as the Statutory Auditors of the Company, for a term of consecutive five years commencing from the conclusion of 11<sup>th</sup> Annual General Meeting of the Company upto the conclusion of 16<sup>th</sup> Annual General Meeting of the Company, subject to ratification by shareholders annually at every Annual General Meeting, at a remuneration as may be mutually agreed to, between the Board of Directors and M/s. S R B C & CO LLP, plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them.

The Company has received letter of eligibility to be appointed as auditors under the relevant provisions of Chapter X of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 from M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration No. 324982E / E300003). In terms of Rule 4(1)(d) of the Companies (Audit and Auditors) Rules, 2014, the auditors have confirmed that in the items related to professional matters of conduct as per 'Annexure - A' forming part of the above stated letter, there is only one matter of professional misconduct in respect of a partner of the firm, where proceedings with the Disciplinary Committee of the Institute of Chartered Accountants of India are currently going on. Other than the above, there are no proceedings pending against the firm or any of its partners, as of 27<sup>th</sup> April, 2018, the date of letter, with respect to professional matters of conduct.

The Ministry of Law and Justice (Legislative Department) on 3<sup>rd</sup> January, 2018 published the Companies (Amendment) Act, 2017, No. 1 of 2018, an Act further to amend the Companies Act, 2013, in specific relation to amendment to Section 139 of the Companies Act, 2013, which state that in Section 139 (1), the first proviso shall be omitted. The first proviso state that "provided that the Company shall place the matter relating

to such appointment for ratification by members at every Annual General Meeting". The proposed Amendment is yet not notified as on the date of signing of this Directors' Report and hence the Company has considered the requirement of such appointment of Statutory Auditor for ratification by members at every Annual General Meeting. Once the specific amendment is Notified by the Ministry of Corporate Affairs the requirement of ratification by members at every Annual General Meeting will be done away by the Company.

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

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

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

### Item No. 5

#### Commission to Non-Executive / Independent Directors:

The terms of remuneration by way of Commission related to the net profits of the Company payable to the Non-Executive Directors / Independent Directors other than Managing Director or Whole-time Director(s) or Executive Director(s) for a period of five years commencing from **1<sup>st</sup> April, 2018** (i.e. from **1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023**) subject to the overall managerial remuneration laid down in Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013. Pursuant to Section 197 of the Companies Act, 2013, the approval conveyed by the aforesaid Special Resolution will be for the period of five years commencing from **1<sup>st</sup> April, 2018** and will expire on **31<sup>st</sup> March, 2023**.

In the said Special Resolution it is proposed to pay to the Non-Executive Directors / Independent Directors of the Company (resident in India), but excluding Managing Director or Whole-time Director(s) or Executive Director(s), such remuneration by way of commission related to the net profits of the Company for that financial year as may be decided by the Board of Directors, from time to time not exceeding in the aggregate **one percent (1%) per annum** of the net profits of the Company computed in the manner laid down in Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013, for each of the five financial years of the Company commencing from **1<sup>st</sup> April, 2018** and will expire on **31<sup>st</sup> March, 2023**.

The manner and the proportion in which distribution of Commission amongst the Non-Executive Directors / Independent Directors will be determined by the Board of Directors of the Company, from time to time. The Company also pays sitting fees to its Independent Directors. The Special Resolution is necessary having regard to the provisions of Section 197, 198 and all other applicable provisions of the Companies Act, 2013.

Except Independent Directors since it relates to remuneration/ commission which may become payable to them, no other Directors, Key Managerial Personnel of the Company and their relatives, are concerned or interested financially or otherwise, in this resolution.

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

#### **Item Nos. 6 to 8**

**To re-appoint three Non-Executive Independent Directors, namely, Mr. Kamlesh Vikamsey (DIN: 00059620), Mr. Sanjay Asher (DIN:00008221) and Mr. Ajay Mehta (DIN: 00028405) for the further term of five consecutive years, i.e. from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024**

The current tenure, i.e. the first term of five consecutive years of appointment of all three Non-Executive Independent Directors, namely, Mr. Kamlesh Vikamsey (DIN: 00059620), Mr. Sanjay Asher (DIN:00008221) and Mr. Ajay Mehta (DIN: 00028405) is for the period from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2019. The first term of appointment of all three Independent Directors will be expiring on 31<sup>st</sup> March, 2019. The terms of appointment of all three Independent Directors are not expiring at this Annual General Meeting.

All three Non-Executive Independent Directors, namely, Mr. Kamlesh Vikamsey (DIN: 00059620), Mr. Sanjay Asher (DIN:00008221) and Mr. Ajay Mehta (DIN: 00028405), are eligible for re-appointment subject to the approval of Members by way of Special Resolution at ensuing 11<sup>th</sup> Annual General Meeting of the Company, pursuant to the provisions of Sections 149, 152 and other applicable provisions read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The members of the Nomination and Remuneration Committee in their meeting held on 2<sup>nd</sup> May, 2018, have reviewed and evaluated the performance of all three Independent Directors for the current and past few years and have approved and recommended to the Board for the re-appointment of all three Non-Executive Independent Directors, namely, Mr. Kamlesh Vikamsey (DIN: 00059620), Mr. Sanjay Asher (DIN:00008221) and Mr. Ajay Mehta (DIN: 00028405), as per the requirement of provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

Based on the approval and recommendation of the members of the Nomination and Remuneration Committee, the Board has reviewed and evaluated the performance of current as well as past few years of all three Independent Directors and based on evaluation of performance, the Board considered that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of all three Independent Directors, namely, Mr. Kamlesh Vikamsey (DIN: 00059620), Mr. Sanjay Asher (DIN:00008221) and Mr. Ajay Mehta (DIN: 00028405), as Non-Executive Independent

Directors. Accordingly, the Board has approved and recommends the re-appointment of Mr. Kamlesh Vikamsey (DIN: 00059620), Mr. Sanjay Asher (DIN:00008221) and Mr. Ajay Mehta (DIN: 00028405), as an Independent Directors (Non-Executive) for a further / second term of five consecutive years, with effect from 1<sup>st</sup> April, 2019; i.e. from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024 as per provision of Section 149(10) of the Companies Act, 2013 and these Independent Directors shall not be liable to retire by rotation at every Annual General Meeting of the Company, pursuant to provision of Section 149(13) read with Section 152 of the Act, subject to approval of the Members by way of Special Resolution at ensuing 11<sup>th</sup> Annual General Meeting.

The Board of Directors has received notice from Member proposing candidature of the above Directors for the office of Independent Director of the Company as per requirement of Section 160 of the Companies Act, 2013 and their re-appointment is approved and recommended to the Board by the members of the Nomination and Remuneration Committee. In the opinion of the Board Mr. Kamlesh Vikamsey (DIN: 00059620), Mr. Sanjay Asher (DIN:00008221) and Mr. Ajay Mehta (DIN: 00028405) fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder and applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for their re-appointment for further/ second term of consecutive five years as an Independent Directors of the Company and are independent of the Management. The Company has received declaration of independence from aforesaid Independent Directors as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (LODR), Regulations, 2015. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment is available for inspection without any fees by the Members at the Corporate Office of the Company during normal business hours on any working day, excluding Saturdays and Sundays and is also available on the website of the Company at [www.tbztheoriginal.com](http://www.tbztheoriginal.com).

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the re-appointment of the above Directors as Independent Directors is now being placed before the Members in Annual General Meeting for their approval by way of Special Resolution.

Brief profile of Mr. Kamlesh Vikamsey (DIN: 00059620), Mr. Sanjay Asher (DIN:00008221) and Mr. Ajay Mehta (DIN: 00028405) together with other details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is forming part of this Notice as well as stated below:

#### **Mr. Kamlesh Vikamsey (DIN: 00059620)**

Mr. Kamlesh Vikamsey (DIN: 00059620) has a bachelor's degree in commerce from the University of Mumbai and is a qualified Chartered Accountant. He has more than thirty five years of experience in Accounting and Finance, Taxation, Corporate and Advisory services. He is a Member of the Independent

Management Advisory Committee (IMAC) of International Telecommunication Union (ITU), Geneva, Switzerland, the External Audit Committee (EAC) of International Monetary Fund (IMF), Washington D.C., United States of America and the Audit Advisory Committee of United Nations Children's Fund (UNICEF), New York, United States of America. He is also a member of the Appellate Authority constituted under section 22A of the Chartered Accountants Act, 1949 & Income Computation Disclosure Standards Committee of Central Board of Direct Taxes (CBDT).

Mr. Kamlesh Vikamsey (DIN: 00059620) was the Chairperson of the Audit Advisory Committee of the United Nations Development Programme (UNDP) and a member of the Indian Advisory Board at Intuit. He was the President of the Confederation of Asian and Pacific Accountants (CAPA) 2007-2009 and was the Deputy President of CAPA during 2005-2007. He was a Board Member of the International Federation of Accountants (IFAC) from 2005 until 2008. He was the President of the Institute of Chartered Accountants of India (ICAI) during 2005-06. He has served as a member of various advisory and expert committees at national and international levels, including as a member of the expert committee constituted by the Central Government for the promotion of the Gems and Jewellery industry in 2007 and was a member of the Accounting Standards Committee of SEBI during 2005-2006.

#### **Mr. Sanjay Asher (DIN:00008221)**

Mr. Sanjay Asher (DIN:00008221) has a bachelor's degree in commerce and a bachelor's degree in law from the University of Bombay. He is also a qualified Chartered Accountant and a Solicitor. He has over twenty eight years of experience in the field of law and corporate matters. He is presently a senior partner at M/s. Crawford Bayley and Co., and deals with corporate laws, mergers and acquisitions and capital market transactions.

#### **Mr. Ajay Mehta (DIN: 00028405)**

Mr. Ajay Mehta (DIN: 00028405) has a bachelor's degree in science from University of Mumbai and a master's degree in chemical engineering from the University of Texas. He has over thirty three years of experience with chemical, petrochemical, fertiliser, manufacturing and investment companies. He is presently a non-Executive Director in Deepak Nitrite Limited and a Managing Director of Deepak Novochem Technologies Limited. He is a member of the executive Committee of Mahratta Chamber of Commerce, Industries and Agriculture and various other developmental institutions and social organisations.

Except Independent Directors for their respective re-appointment, no other Directors, Key Managerial Personnel of the Company and their relatives, are concerned or interested financially or otherwise, in these resolutions.

The Board recommends the Special Resolutions set out at the Item Nos. 6 to 8 of the Notice for the approval of the Members.

#### **Item No. 9**

#### **To Fix Remuneration payable to Mr. Shrikant Zaveri (DIN: 00263725), Chairman & Managing Director of the Company from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020**

The present term of re-appointment of Mr. Shrikant Zaveri (DIN: 00263725), Chairman & Managing Director of the Company as per the approval of Members by way of Special Resolution at the ninth Annual General Meeting dated 19<sup>th</sup> September, 2016 was for the period of five years from 1<sup>st</sup> January, 2016 up to 31<sup>st</sup> December, 2020 and the remuneration was fixed for the period of three years i.e. from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2018.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members by way of Special Resolution at the eleventh Annual General Meeting of the Company has fixed the following monthly remuneration which was fixed from the period 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020 with the authority to Board to decide the increment, if any, for the balance period of the re-appointment of Mr. Shrikant Zaveri (DIN: 00263725), Chairman & Managing Director of the Company.

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

**1. Period of Remuneration:** From 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020 (2 years)

#### **2. Remuneration:**

##### **a) Basic Salary:**

From 1<sup>st</sup> January, 2019 to 31<sup>st</sup> March, 2019 - ₹ **60,50,000 (Rupees Sixty Lakhs Fifty Thousand only)** per month.

₹ 60,50,000 (Rupees Sixty Lakhs Fifty Thousand only) per month starting from 1<sup>st</sup> January, 2019 with an annual increment upto 20% from 1<sup>st</sup> April, 2019, as may be decided by the Board of Directors of the Company from time to time.

##### **b) Commission:**

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

##### **c) Reimbursement:**

The Company shall reimburse Mr. Shrikant Zaveri, (DIN: 00263725) Chairman & Managing Director of the

Company all actual expenses incurred by him wholly, necessarily and exclusively for and on behalf of the Company and / or incurred in performance of the duties of the Company.

### 3. Minimum Remuneration:

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

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Sections 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013, as amended and as in force from time to time, or if the same is not within limits, the same will be subject to approval of Central Government or as may be prescribed by the Central Government from time to time.

All other terms and conditions of his appointment which have been approved by the Members at the ninth Annual General Meeting of the Company held on 19<sup>th</sup> September, 2016, and forming part of Agreement dated 20<sup>th</sup> September, 2016 entered into by and between the Company and Mr. Shrikant Zaveri, Chairman & Managing Director of the Company, will remain the same.

The draft amendment Agreement to be entered into by and between the Company and Mr. Shrikant Zaveri, Chairman & Managing Director of the Company, initialed by the Company Secretary for the purpose of identification, incorporating the said amendments, and the executed Salary Agreement dated 20<sup>th</sup> September, 2016 along with all applicable Special Resolution(s) passed in this regards are available for inspection by the Members of the Company at its Registered Office of the Company situated at 241/43, Zaveri Bazar, Mumbai – 400 002 as well as the Corporate Office of the Company situated at 1106 to 1121, 11<sup>th</sup> Floor, West Wing, Tulsiani Chambers, 212, Backbay Reclamation, Free Press Journal Road, Nariman Point, Mumbai - 400 021, between 11.00 am to 1.00 pm on any working day of the Company.

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

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for the approval of the Members.

### Item No. 10

**To Fix Remuneration payable to Ms. Binaisha Zaveri (DIN: 00263657), Whole-time Director of the Company from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020**

The present term of re-appointment of Ms. Binaisha Zaveri (DIN: 00263657), Whole-time Director of the Company as per the approval of Members by way of Special Resolution at the ninth Annual General Meeting dated 19<sup>th</sup> September, 2016 was for the period of five years from 1<sup>st</sup> January, 2016 upto 31<sup>st</sup> December, 2020 and the remuneration was fixed for the period of three years i.e. from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2018.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members by way of Special Resolution at the eleventh Annual General Meeting of the Company has fixed the following monthly remuneration which was fixed from the period 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020 with the authority to Board to decide the increment, if any, for the balance period of the re-appointment of Ms. Binaisha Zaveri (DIN: 00263657), Whole-time Director of the Company.

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

1. **Period of Remuneration:** From 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020 (2 years)

#### 2. Remuneration:

##### a) Basic Salary:

From 1<sup>st</sup> January, 2019 to 31<sup>st</sup> March, 2019 - ₹ **31,10,400 (Rupees Thirty One Lakhs Ten Thousand Four Hundred only)** per month.

₹ 31,10,400 (Rupees Thirty One Lakhs Ten Thousand Four Hundred only) per month starting from 1<sup>st</sup> January, 2019 with an annual increment upto 20% from 1<sup>st</sup> April, 2019, as may be decided by the Board of Directors of the Company from time to time.

##### b) Commission:

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

##### c) Reimbursement:

The Company shall reimburse Ms. Binaisha Zaveri (DIN: 00263657), Whole-time Director of the Company all actual expenses incurred by her wholly, necessarily and



exclusively for and on behalf of the Company and / or incurred in performance of the duties of the Company.

### 3. Minimum Remuneration:

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

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Sections 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013, as amended and as in force from time to time, or if the same is not within limits, the same will be subject to approval of Central Government or as may be prescribed by the Central Government from time to time.

All other terms and conditions of her appointment which have been approved by the Members at the ninth Annual General Meeting of the Company held on 19<sup>th</sup> September, 2016, and forming part of Agreement dated 20<sup>th</sup> September, 2016 entered into by and between the Company and Ms. Binaisha Zaveri, Whole-time Director of the Company, will remain the same.

The draft amendment Agreement to be entered into by and between the Company and Ms. Binaisha Zaveri, Whole-time Director of the Company, initialed by the Company Secretary for the purpose of identification, incorporating the said amendments, and the executed Salary Agreement dated 20<sup>th</sup> September, 2016 along with all applicable Special Resolution(s) passed in this regards are available for inspection by the Members of the Company at its Registered Office of the Company situated at 241/43, Zaveri Bazar, Mumbai – 400 002 as well as the Corporate Office of the Company situated at 1106 to 1121, 11<sup>th</sup> Floor, West Wing, Tulsiani Chambers, 212, Backbay Reclamation, Free Press Journal Road, Nariman Point, Mumbai - 400 021, between 11.00 am to 1.00 pm on any working day of the Company.

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

The Board recommends the Special Resolution set out at Item No. 10 of the Notice for the approval of the Members.

### Item No. 11

**To Fix Remuneration payable to Ms. Raashi Zaveri (DIN: 00713688), Whole-time Director of the Company from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020**

The present term of re-appointment of Ms. Raashi Zaveri (DIN: 00713688), Whole-time Director of the Company as per the approval of Members by way of Special Resolution at the ninth Annual General Meeting dated 19<sup>th</sup> September, 2016 was for the period of five years from 1<sup>st</sup> January, 2016 upto 31<sup>st</sup> December, 2020 and the remuneration was fixed for the period of three years i.e. from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2018.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members by way of Special Resolution at the eleventh Annual General Meeting of the Company has fixed the following monthly remuneration which was fixed from the period 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020 with the authority to Board to decide the increment, if any, for the balance period of the re-appointment of Ms. Raashi Zaveri (DIN: 00713688), Whole-time Director of the Company.

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

1. **Period of Remuneration:** From 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020 (2 years)

#### 2. Remuneration:

##### a) Basic Salary:

From 1<sup>st</sup> January, 2019 to 31<sup>st</sup> March, 2019 - ₹ **31,10,400 (Rupees Thirty One Lakhs Ten Thousand Four Hundred only)** per month.

₹ 31,10,400 (Rupees Thirty One Lakhs Ten Thousand Four Hundred only) per month starting from 1<sup>st</sup> January, 2019 with an annual increment upto 20% from 1<sup>st</sup> April, 2019, as may be decided by the Board of Directors of the Company from time to time.

##### b) Commission:

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

##### c) Reimbursement:

The Company shall reimburse Ms. Raashi Zaveri (DIN: 00713688), Whole-time Director of the Company all

actual expenses incurred by her wholly, necessarily and exclusively for and on behalf of the Company and / or incurred in performance of the duties of the Company.

### 3. Minimum Remuneration:

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

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Sections 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013, as amended and as in force from time to time, or if the same is not within limits, the same will be subject to approval of Central Government or as may be prescribed by the Central Government from time to time.

All other terms and conditions of her appointment which have been approved by the Members at the ninth Annual General Meeting of the Company held on 19<sup>th</sup> September, 2016, and forming part of Agreement dated 20<sup>th</sup> September, 2016 entered into by and between the Company and Ms. Raashi Zaveri, Whole-time Director of the Company, will remain the same.

The draft amendment Agreement to be entered into by and between the Company and Ms. Raashi Zaveri, Whole-time Director of the Company, initialed by the Company Secretary for the purpose of identification, incorporating the said amendments, and the executed Salary Agreement dated 20<sup>th</sup> September, 2016 along with all applicable Special Resolution(s) passed in this regards are available for inspection by the Members of the Company at its Registered Office of the Company situated at 241/43, Zaveri Bazar, Mumbai – 400 002 as well as the Corporate Office of the Company situated at 1106 to 1121, 11<sup>th</sup> Floor, West Wing, Tulsiani Chambers, 212, Backbay Reclamation, Free Press Journal Road, Nariman Point, Mumbai - 400 021, between 11.00 am to 1.00 pm on any working day of the Company.

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

The Board recommends the Special Resolution set out at Item No. 11 of the Notice for the approval of the Members.

## Statement as required under Schedule V of the Companies Act, 2013 forming part of Item Nos. 9 to 11:

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

#### I General Information:

##### 1. Nature of Industry:

**Tribhovandas Bhimji Zaveri** is an established and iconic brand since 1864 and is in the business of retail jewellery business over a period of 152 years, with a flagship showroom at Zaveri Bazar, Mumbai. As on date of signing of the annual accounts for the financial year ended 31<sup>st</sup> March, 2018, the Company has thirty seven (37) showrooms spread across India, in twenty six (26) cities across eleven (11) states. The Company has thirty two (32) own showrooms and five (05) franchise showroom. The Company primarily sells gold jewellery and diamond-studded jewellery, apart from that the Company also sells platinum jewellery, jadau jewellery and silverware. The design and manufacture of our products are done either in-house or by third parties.

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

Our 152 years' history is proof of our sustainability in diverse conditions and the trust that the customers have in the quality and purity of our products. This is enhanced by the fact that we offer a buy-back guarantee on our jewellery, subject to certain conditions. This buy-back guarantee was introduced way back in 1931 and we were the first retail jeweller in India to do so.

We have a dedicated design team who can create the finest and most exquisite pieces of jewellery to suit any occasion, be it a grand wedding or the numerous festive occasions that are celebrated in India or an everyday wear jewellery piece that complements the working or business woman. We have a range of men's jewellery collections to cater to their preferences. All our designers are focused on developing new products and designs that meet customers' requirements as design uniqueness and differentiation distinguishes TBZ – The Original as a brand from other players in the industry.

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

Tribhovandas Bhimji Zaveri Limited, was formed as private limited company on 24<sup>th</sup> July, 2007 by conversion of the partnership firm Tribhovandas Bhimji Zaveri under Part IX of the Companies Act, 1956 whereby the partners of the partnership firm became shareholders with the shareholdings as agreed amongst the partners. The Company has been converted to a public limited company w.e.f. 3<sup>rd</sup> December, 2010. The Company

successfully completed its Initial Public Offer (IPO) during the Financial Year 2012 – 2013 of ₹ 20,000 Lakhs by fresh issue of 16,666,667 Equity Shares.

### 3. Financial performance based on given indicators:

#### Financial performance for last three years:

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
Revenue	176,272.78	170,202.63	165,431.05	193,372.52	181,773.98
Gross Profit (GP)	24,609.98	23,677.60	23,480.63	26,363.58	30,809.77
Gross Profit in %	14.02%	13.94%	14.19%	13.63%	16.95%
(Loss)/Profit Before Tax (PBT)	3,190.45	1,566.89	(2,159.60)	3,948.95	8,299.42
(Loss)/ Profit After Tax (PAT)	2,105.48	1,674.22	(2,312.98)	2,604.09	5,505.90
Shareholder Funds	48,667.11	46,598.04	44,243.31	46,555.19	44,766.90

### 4. Export performance and net foreign collaborations:

The Company does not have foreign collaboration agreement.

#### The export turnover/ performance of the Company as follows:

Year	Total Value (₹ in Lakhs)
2013-14	NIL
2014-15	NIL
2015-16	443.42
2016-17	NIL
2017-18	144.04

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

The Company does not have any foreign investments or collaborations.

## II Information about the Appointee:

### 1. Background Details-

#### Shrikant Zaveri, Chairman & Managing Director

Mr. Shrikant Zaveri is a doyen of the Indian Gems and Jewellery Industry and is one of the most respected personalities of the Gems and Jewellery Industry in India. He has a rich experience of more than thirty six years in the Gems and Jewellery industry. He has completed his education upto matriculation. He took over as the managing partner of the business in 2001. He continued his forefather's business with one flagship showroom at Zaveri Bazar, and given his immense efforts, the Company presently has thirty seven showrooms, out of which thirty two are Company's own showrooms and five are franchisee showrooms, in twenty six cities and eleven states across India.

During the current financial year, with his vision, the Company has started its fourth and fifth franchise showrooms at Jamnagar (Gujarat) and at Bhopal (Madhya Pradesh), respectively. He is discharging the additional responsibility of Chief Executive Officer of the Company.

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

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

#### Binaisha Zaveri, Whole-time Director

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

#### Raashi Zaveri, Whole-time Director

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

**2. Past remuneration:**

Particulars	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
<b>Salary including commission</b>					
Mr. Shrikant Zaveri	₹ 24,000,000	₹ 18,000,000	₹ 12,000,000	₹ 16,426,897	₹ 39,794,832
Ms. Binaisha Zaveri	₹ 24,000,000	₹ 18,000,000	₹ 3,600,000	₹ 8,177,900	₹ 20,515,500
Ms. Raashi Zaveri	₹ 24,000,000	₹ 18,000,000	₹ 3,600,000	₹ 8,177,900	₹ 20,515,500

**3. Recognition or Awards:**

During the year under review none of the Directors have won any award.

During the year under review the Company has won the following Award:

'India's most preferred jewellery brand' award given by UBM India in year 2017.

**4. Job profile and suitability****Shrikant Zaveri, Chairman & Managing Director**

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

**Binaisha Zaveri, Whole-time Director**

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

**Raashi Zaveri, Whole-time Director**

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

& accounting, designing, merchandising and general corporate management. She is a Graduate Gemologist from GIA, thus have a requisite qualification to hold the position of the director of a Gem & Jewellery Company.

**5. Remuneration proposed:****Mr. Shrikant Zaveri, Chairman & Managing Director:**

For details of remuneration refer to Item No. 9 of the Explanatory Statement under Section 102 of the Companies Act, 2013 forming part of this Notice of this Annual General Meeting.

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

For details of remuneration refer to Item No. 10 of the Explanatory Statement under Section 102 of the Companies Act, 2013 forming part of this Notice of this Annual General Meeting.

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

For details of remuneration refer to Item No. 11 of the Explanatory Statement under Section 102 of the Companies Act, 2013 forming part of this Notice of this Annual General Meeting.

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

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

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

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

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



### III. Other information:

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

There was a slow-down in the jewellery industry in India during the current financial year due to frequent volatility in the gold price as well as lower customer sentiment and due to the regulatory changes effected by the Central Government, for example, no cash purchases above ₹ 2 Lakhs which impacted jewellery industry.

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

The Company is continuously working on retail sales strategy to attract higher store footfalls, increase the share of diamond jewellery and focus on same store sales growth. The Company plan to aggressively open new stores in the coming financial year through a mix of own and franchise stores. Own stores will be a mix of large format stores and mall stores in Metros and Tier I cities, while franchise stores will be opened in Tier II and tier III cities. This will help the Company to expand pan India presence and achieve profitable growth over coming years. The Company is also offering to the net savvy generation of online shoppers and customers daily wear, light weight lower price point jewellery on the E-commerce marketplace platforms through reputed players like Amazon, Flipkart and Snapdeal.

The Company has taken adequate steps to rationalize its inventory in terms of right sizing it and the benefits of the same shall accrue over the

current financial year and beyond. It has maintained strict control on its operating expenses. It has taken measures to reduce the debt cost by procuring its Gold requirements through the Gold on Loan model. This measure also ensures that the metal is protected from price volatility by way of a natural hedge process.

The above statement annexed with the notice is disclosed pursuant to the provisions of Sections 196, 197 and all other applicable provisions of the Companies Act, 2013 ('the Act') and Rules made thereunder read with Part II of Schedule V of the Companies Act, 2013 forming part of Item Nos. 9 to 11 of the Notice.

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

Date: 2<sup>nd</sup> May, 2018  
 Place: Mumbai

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

#### Registered Office:

241 / 43, Zaveri Bazar,  
 Mumbai - 400 002, India.  
 CIN: L27205MH2007PLC172598  
 Tel. No. 022 - 39565001 / 40465000/ 01  
 Fax. No. 022 - 39565056  
 Email: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com)  
 Web: [www.tbztheoriginal.com](http://www.tbztheoriginal.com)

**Disclosure pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to provisions of Secretarial Standard 2 (SS 2) on General Meeting**

Details of Directors retiring by rotation, seeking Re-appointment and change in term of appointment at 11<sup>th</sup> Annual General Meeting pursuant to Regulation 36(3) of SEBI(LODR), Regulations, 2015 and pursuant to provision of SS 2 on General Meeting:

<b>Name of the Director</b>	<b>Mr. Shrikant Zaveri</b>	<b>Ms. Binaisha Zaveri</b>	<b>Ms. Raashi Zaveri</b>
Category	Chairman & Managing Director	Whole-time Director	Whole-time Director
Date of Birth	07.12.1959	28.12.1982	26.12.1986
Date of first Appointment on the Board	24.07.2007	24.07.2007	01.07.2008
Qualification	Matriculation	Bachelor's degree in Marketing and Finance from Stern School of Business, New York.	Bachelor's degree in Finance and entrepreneurship from Kelly School of Business, Indiana University and is a Graduate Gemologist from Gemological Institute of America
Expertise in specific functional area	Rich experience of more than 36 years in Retail Jewellery Business	Experience in human capital management, operations, finance, business development.	Company's marketing, Enterprise Resource Planning Systems and actively engaged in accounting, designing, merchandising & general corporate management.
No. of Meeting of the Board attended during the year	5 of 5	4 of 5	5 of 5
Directorships held in other Public Companies as on 31 <sup>st</sup> March, 2018 (excluding foreign Companies and Section 8 companies)	Tribhovandas Bhimji Zaveri (Bombay) Limited (wholly owned subsidiary of the Company)	Tribhovandas Bhimji Zaveri (Bombay) Limited (wholly owned subsidiary of the Company)	Tribhovandas Bhimji Zaveri (Bombay) Limited (wholly owned subsidiary of the Company)
Chairmanships/ Memberships of the Committees of the Board of Directors of the Company as on 31 <sup>st</sup> March, 2018	Audit Committee - Member Stakeholders Relationship Committee – Member	Stakeholders Relationship Committee - Member	Stakeholders Relationship Committee - Member
Chairmanships/ Memberships of the Committees of other Public Companies as on 31 <sup>st</sup> March, 2018			
a) Audit Committee	NIL	NIL	NIL
b) Stakeholders Relationship Committee	NIL	NIL	NIL
Disclosure of Relationship between Directors inter-se & Key Managerial Personnel	Ms. Binaisha Zaveri & Ms. Raashi Zaveri both are daughters	Mr. Shrikant Zaveri is father and Ms. Raashi Zaveri is sister	Mr. Shrikant Zaveri is father and Ms. Binaisha Zaveri is sister
Nos. of Shares held in the Company	33,402,275	5,285,000	4,572,500

<b>Name of the Director</b>	<b>Mr. Kamlesh Vikamsey</b>	<b>Mr. Ajay Mehta</b>	<b>Mr. Sanjay Asher</b>
Category	Independent Director	Independent Director	Independent Director
Date of Birth	06.12.1960	28.07.1959	26.11.1963
Date of first Appointment on the Board	26.08.2010	14.12.2010	14.12.2010
Qualification	Bachelor's degree in Commerce from Mumbai University & is a chartered accountant.	Bachelor's degree of Science from Mumbai University & Master degree in Chemical engineering from the University of Texas.	Bachelor's degree in Commerce & law from Mumbai University, also he is a chartered accountant and a Solicitor.

Expertise in specific functional area	Accounting and Finance, Taxation, Corporate and Advisory services.	Chemical, petrochemical, fertiliser, manufacturing and investment companies.	law and corporate matters.
No. of Meeting of the Board attended during the year	5 of 5	5 of 5	4 of 5
Directorships held in other Public Companies as on 31 <sup>st</sup> March, 2018 (excluding foreign Companies and Section 8 companies)	Navneet Education Limited Man Infraconstruction Limited Apcotex Industries Limited GIC Housing Finance Limited Container Corporation of India Limited (CONCOR) List of Subsidiary of Public Cos.: Palace Solar Energy Private Limited Electrotherm Renewables Private Limited	Deepak Nitrite Limited Pune Restoration and Navigation Company Limited Deepak Novochem Technologies Limited	Ashok Leyland Limited Bajaj Allianz General Insurance Company Limited Bajaj Allianz Life Insurance Company Limited Balkrishna Industries Limited Finolex Cables Limited Finolex Industries Limited Sahyadri Hospitals Limited Shree Renuka Sugars Limited Sudharshan Chemicals Industries Limited
Chairmanships/ Memberships of the Committees of the Board of Directors of the Company as on 31 <sup>st</sup> March, 2018	Audit Committee - Chairman	Stakeholders Relationship Committee - Chairman	NIL
Chairmanships/ Memberships of the Committees of other Public Companies as on 31 <sup>st</sup> March, 2018	Audit Committee Container Corporation of India Limited (CONCOR) –Chairman Apcotex Industries Limited- Chairman Man Infraconstruction Limited- Member GIC Housing Finance Limited- Member Palace Solar Energy Private Limited- Member	Audit Committee NIL	Audit Committee Ashok Leyland Limited– Chairman Shree Renuka Sugars Limited– Chairman Finolex Cables Limited- Member Bajaj Allianz Life Insurance Company Limited- Member Bajaj Allianz General Insurance Company Limited- Member Sudarshan Chemicals Industries Limited- Member
a) Audit Committee			
b) Stakeholders Relationship Committee	Stakeholders Relationship Committee NIL	Stakeholders Relationship Committee Deepak Nitrite Limited- Member	Stakeholders Relationship Committee Ashok Leyland Limited– Chairman Shree Renuka Sugars Limited– Chairman Sudarshan Chemicals Industries Limited- Chairman Finolex Cables Limited- Member
Disclosure of Relationship between Directors inter-se & Key Managerial Personnel	N.A.	N.A.	N.A.
Nos. of Shares held in the Company	NIL	NIL	6,300

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

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

Day & Date: Tuesday, 31<sup>st</sup> July, 2018

Time: 3.30 p.m.

Venue:

**M.C. Ghia Hall**, 4<sup>th</sup> Floor, Bhogilal Hargovindas Building,  
18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001.

#### Route Map to the venue of the AGM





# DIRECTORS' REPORT

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

Your Directors are pleased to present the Eleventh Annual Report on the business and operations of your Company together with the audited financial statements and Auditor's Report for the financial year ended 31<sup>st</sup> March, 2018:

## Financial Results:

The financial performance of your Company for the financial year ended 31<sup>st</sup> March, 2018 is summarized below:

Particulars	Standalone Financials	
	31-Mar-18	31-Mar-17
	(₹ in Lakhs)	(₹ in Lakhs)
Revenue from operations	175,568.51	169,796.20
Earnings before Finance Cost, Depreciation and Amortization	7,309.87	7,053.18
Add: Other Income	704.27	406.43
Less: Finance Cost	3,974.34	5,022.11
Less: Depreciation and Amortization expenses	849.35	870.61
<b>Net Profit before Exceptional items &amp; Taxes</b>	<b>3,190.45</b>	<b>1,566.89</b>
Add: Exceptional items	-	-
<b>Net Profit for the year before Taxes</b>	<b>3,190.45</b>	<b>1,566.89</b>
<b>Less: Provision for Taxes</b>		
Current Tax / MAT	981.00	165.27
MAT Credit	-	(165.27)
Deferred Tax Charge	103.97	83.02
Provision pertaining to earlier years	-	(190.35)
<b>Profit for the year</b>	<b>2,105.48</b>	<b>1,674.22</b>
Add: Other Comprehensive income	(36.42)	(25.41)
<b>Total Comprehensive income for the year</b>	<b>2,069.06</b>	<b>1,648.81</b>
Add: Balance Brought Forward from Previous Year	21,732.16	20,083.35
<b>Surplus Available for Appropriation</b>	<b>23,801.23</b>	<b>21,732.16</b>
<b>Appropriations:</b>		
Transfer to General Reserve	-	-
<b>Total Appropriations</b>	<b>-</b>	<b>-</b>
<b>Surplus Available after Appropriation</b>	<b>23,801.23</b>	<b>21,732.16</b>
Add: Balance in Security Premium Account	16,791.35	16,791.35
Add: Balance General Reserve	1,401.47	1,401.47
Add: Balance Capital Reserve	-	-
<b>Balance carried forward to Balance Sheet</b>	<b>41,994.05</b>	<b>39,924.98</b>

**Financial Performance:**

Your Company has reported revenue profit during the financial year 2017-18. Total income increased to ₹ 176,272.78 Lakhs from ₹ 170,202.63 Lakhs in the previous financial year, at an increased rate of 3.57%. The profit before tax increased to ₹ 3,190.45 Lakhs, up by 103.62% while net profit after tax increased to ₹ 2,105.48 Lakhs, up by 25.76%.

The Gross Profit Margin for the financial year 2017-18 has increased to 14.02% as compared to 13.94% in the previous financial year. In the absolute term the Gross Profit has increased to ₹ 24,609.98 Lakhs as compared to ₹ 23,677.60 Lakhs during the previous financial year.

The EBITDA for the financial year 2017-18 has increased to 4.16% as compared to 4.15% in the previous financial year.

During the current financial year, your Company has opened four owned mall stores at Sea Woods Mall, Navi Mumbai, R-City Mall, Ghatkopar (West), Phoenix Mall, Lower Parel and Phoenix Mall, Pune and shut down one store at Aurangabad, Maharashtra. Your Company has also opened two new franchisee stores at Jamnagar, Gujarat and Bhopal, Madhya Pradesh totaling the number of showrooms to thirty seven in twenty six cities and eleven states.

**Dividend:**

Your Directors are pleased to recommend the dividend of 7.50%, i.e. dividend of ₹ 0.75 (Seventy Five Paise only) per equity share of face value of ₹ 10 each for the financial year ended 31<sup>st</sup> March, 2018, subject to the approval of the Members at the ensuing Annual General Meeting, against the dividend of ₹ NIL per equity share of face value of ₹ 10 each, i.e. NIL% for the previous financial year ended 31<sup>st</sup> March, 2017. Your Company will pay the tax on dividend as per the provisions of the Income Tax Act, 1961. It is not proposed to transfer any amount to General Reserve for the year under review.

The total outgo for the current financial year amounts to ₹ 60,335,471 (Rupees Six Crores Three Lakhs Thirty Five Thousand Four Hundred Seventy One only) including dividend distribution tax of ₹ 10,287,506 (Rupees One Crore Two Lakhs Eighty Seven Thousand Five Hundred Six only) for the current financial year ended 31<sup>st</sup> March, 2018, as compared to the dividend of ₹ NIL for the previous financial year ended 31<sup>st</sup> March, 2017.

**Changes in Nature of Business, if any:**

During the financial year 2017-18 there was no change in nature of business of your Company.

**Material Changes and Commitments:**

There have been no material changes and commitments since the close of the financial year i.e. 31<sup>st</sup> March, 2018 till the date of signing of this Director's Report, affecting the financial position of your Company.

**Changes in Authorised Share Capital:**

During the financial year 2017-18 there was no change in the Authorised Share Capital of your Company.

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

During the financial year 2017-18 there was no change in the Paid-up Share Capital of your Company.

**Wholly Owned Subsidiary Company:**

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

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

For the year under review your Company has two wholly owned subsidiaries namely; (i) Tribhovandas Bhimji Zaveri (Bombay) Limited and (ii) Konfiaance Jewellery Private Limited. But as on 31<sup>st</sup> March, 2018 your Company has only one subsidiary company namely; Tribhovandas Bhimji Zaveri (Bombay) Limited.

Konfiaance Jewellery Private Limited was a non-operational company and has no turnover in previous years and the Company was also not planning to do any business in that Company and due to that reason, it was decided to Liquidate the affairs (winding-up) of this wholly-owned subsidiary company as Voluntary Liquidation. To give effect to this the Board of Directors of holding company as well as wholly-owned subsidiary company at its Board Meeting dated 2<sup>nd</sup> August, 2017, have approved to Liquidate the affairs (winding-up) of Konfiaance Jewellery Private Limited, Wholly Owned Subsidiary of your Company under Voluntary Liquidation Process. At the Extra Ordinary General Meeting of Konfiaance Jewellery Private Limited held on 28<sup>th</sup> August, 2017 the members have approved by way of Special Resolution, the winding up of the affairs of the company by Members' Voluntary Liquidation Process. Your Company has voluntarily given intimation under the outcome of the Board Meeting to Stock Exchanges (NSE & BSE) on 2<sup>nd</sup> August, 2017 to follow a good corporate governance; as Konfiaance Jewellery Private Limited, is not a material wholly owned subsidiary company and not falling under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Konfiaance Jewellery Private Limited, which was wholly owned subsidiary company of your Company is under the process of Voluntary Liquidation. The Voluntary Liquidation process has begun on 28<sup>th</sup> August, 2017 in pursuance of provisions

of Section 59 of the Insolvency and Bankruptcy Code, 2016 and Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 and the process of voluntary liquidation has been completed on 31<sup>st</sup> March, 2018. As required under Regulation 38 (2) and (3) of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017, the liquidator has prepared and submitted the final report to the Insolvency and Bankruptcy Board of India and the Registrar of Companies and the application for dissolution of the company is being filed with the National Company Law Tribunal as required by Section 59 (7) and all other applicable provisions of the Insolvency and Bankruptcy Code, 2016.

Your Company has constituted "Policy on Determining Material Subsidiaries" in accordance with the Regulation 16(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy will be used to determine the material subsidiaries of your Company and to provide governance framework for such subsidiaries. As per the Policy and as per the requirements of the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 none of the wholly owned subsidiary companies are material subsidiary company of your Company. The Policy on determining material subsidiaries is available on your Company's website at the link: <http://www.tbztheoriginal.com/pdf/TBZ-Material%20Subsidiary%20Policy.pdf>.

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

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

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

Tribhovandas Bhimji Zaveri (Bombay) Limited, during the financial year 2017-18, has reported a total revenue of ₹ 2,028.83 Lakhs and has incurred profit before tax of ₹ 14.17 Lakhs and profit after tax of ₹ 11.46 Lakhs.

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

As on 31<sup>st</sup> March, 2018, your Company was operating from thirty seven showrooms in twenty six cities and eleven states out of which thirty two showrooms are its own showrooms and five franchise showrooms and your Company has one Corporate Office at Tulsiani Chambers, Nariman Point.

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

During the current financial year, your Company has opened four owned mall stores at Sea Woods Mall, Navi Mumbai, R-City Mall, Ghatkopar (West), Phoenix Mall, Lower Parel and

Phoenix Mall, Pune and shut down one store at Aurangabad, Maharashtra. Your Company has also opened two new franchisee stores at Jamnagar, Gujarat and Bhopal, Madhya Pradesh totaling the number of showrooms to thirty seven in twenty six cities and eleven states.

#### **Awards & Recognition:**

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

Year	Awards
2017	'India's most preferred jewellery brand' award given by UBM India

#### **New Product Launch:**

**Wedding Collection:** Every year your Company is coming out with new 'Wedding Collection' as the iconic jewellery brand with a legacy of over 152 year introduced its new collection of diamond and gold jewellery to mark the beginning of the festive and wedding season. No Two Brides are the Same was the theme of this year's wedding TVC & Collection. As it celebrated the unique spirit of each bride with specially crafted jewellery to suit the different personalities. The TVC encouraged the bride to be exactly what she has always dreamt to be however crazy it is.

#### **Credit Rating**

During the year under review, CRISIL has reviewed the Credit Rating on the long-term bank facilities of your Company at 'CRISIL BBB+/ Stable' (Reaffirmed) vide letter Ref. No. TBZPL/18209/BLR/061717651 dated 21<sup>st</sup> June, 2017 which is stated as follows:

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

#### **Decrease in Inventories:**

The inventory of your Company as on 31<sup>st</sup> March, 2018 has decreased by ₹ 540.80 Lakhs as compared to the inventory on 31<sup>st</sup> March, 2017. The decrease in inventory is due to inventory rationalisation.

#### **Operations:**

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

#### **Hedge Accounting / Derivative Financial Instruments:**

##### **Embedded Derivative:**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified variable. Your Company enters into purchase gold contract, in which the amount payable is not fixed based on gold price on the date of purchase, but instead is affected by changes in gold

prices in future. Such transactions are entered into to protect against the risk of gold price movement in the purchased gold. Accordingly, such unfixed payables (gold loan) are considered to have an embedded derivative. Your Company designates the gold price risk in such instruments as hedging instruments, with gold inventory considered to be the hedged item. The hedged risk is gold prices movement.

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

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

Commodity forward contract of NIL is outstanding as on 31<sup>st</sup> March, 2018 (31<sup>st</sup> March, 2017: 20 kgs was outstanding). Hedging loss is ₹ 9.99 Lakhs as on 31<sup>st</sup> March, 2018 (31<sup>st</sup> March, 2017: Mark to market loss of ₹ 1.16 Lakhs) is accounted in other expenses.

#### **Related Party Transactions:**

All contracts/ arrangements/ transactions entered by your 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, there are no materially significant related party transactions entered by your Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of your Company at large.

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

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

The policy on Materiality on Related Party Transactions and manner of dealing with Related Party Transactions as approved by the Board is uploaded on your Company's website at the link: <http://www.tbztheoriginal.com/pdf/Policy%20on%20Materiality%20of%20Related%20Party%20Transactions%20&%20Dealing%20with%20RPT.pdf>.

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

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

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

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

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

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

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

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

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

#### **Insurance:**

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

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

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

The CSR Policy may be accessed on your Company's website at the link: <http://www.tbztheoriginal.com/pdf/TBZ-%20CSR%20Policy%20-%2004.08.2014.pdf>.

Your Company is committed towards the "Corporate Social Responsibility (CSR)" initiatives as per the requirement of Section 135 of the Companies Act, 2013 ("Act"). The details of



the composition of the Corporate Social Responsibility (CSR) Committee are disclosed in the Corporate Governance Report forming part of this Annual Report.

As part of initiatives under "Corporate Social Responsibility (CSR)", for the financial year 2017-18, your Company has shortlisted the specific activities/ projects in the area of (a) 'Promoting Healthcare including Preventive Healthcare', which is falling under item (i) of Schedule VII of the Act; (b) 'Promoting Education' which is falling under item (ii) of Schedule VII of the Act and (c) 'Promoting gender equality and women's empowerment which is falling under item (iii) of Schedule VII of the Act. Your Company will also undertake other need based initiatives in compliance with Schedule VII to the Act.

As per Section 135 of the Companies Act, 2013, the total amount of CSR contribution is coming to ₹ 2,301,402 (Rupees Twenty Three Lakhs One Thousand Four Hundred and Two Only) for the financial year 2017-18. You Company has made total CSR contribution of ₹ 2,303,200 (Rupees Twenty Three Lakhs Three Thousand Two Hundred Only) for the financial year 2017-18. The prescribed CSR Expenditure required to be done by your Company has been spend as CSR activities for the financial year 2017-18. During the financial year 2017-18 there is no amount left unspent for the financial year 2017-18.

The total CSR contribution of ₹ 2,303,200 (Rupees Twenty Three Lakhs Three Thousand Two Hundred Only) were contributed to (1) Cancer Patient Aid Association (CPAA) of ₹ 360,000 for Promoting Healthcare including Preventive Healthcare; (2) West Wind Association of ₹ 50,000 for Promotion of Education Activities; (3) Under CSR Activity of your Company carries out CSR Activities for promoting gender equality and women's empowerment under its main project known as "Pankhi Project". Your Company has made total CSR Contribution of ₹ 1,893,200 for the financial year 2017-18 and out of which ₹ 60,000 was incurred towards administrative expenses and balance ₹ 1,833,200 made to various organisations such as: (a) Baroda Citizen Council (BCC) of ₹ 396,000 for providing family counseling; (b) Ahmedabad Women's Action Group (AWAG) of ₹ 396,000 for providing family counseling; (c) Stree Mukti Sangathan of ₹ 506,200; (d) Bharatiya Stree Shakti of ₹ 535,000. These NGO'S/ organization carry out projects which are largely in accordance with Schedule VII of the Companies Act, 2013.

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

The Annual Report on CSR activities is annexed herewith as "Annexure - A"

#### Business Risk Management:

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

of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 shall be applicable to top 100 companies by market capitalization as at the end of the immediate previous financial year.

Accordingly, constitution of Risk Management Committee is not compulsory for your Company. To follow Corporate Governance in the right spirit, your Company has voluntarily constituted the Risk Management Committee of the Board. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Annual Report.

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

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

The Key Business Risks Identified by Your Company and its Mitigation Plan are as under:

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

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

#### (ii) Competition Risks:

The jewellery industry is becoming intensely competitive with few organized sectors and majority of unorganized sectors in local area, with the foray of new entrants and many of the existing unorganized players adopting inorganic growth strategies. To mitigate this risk, your Company is leveraging on its expertise, experience and its created capacities to increase market share, enhance brand equity/ visibility and enlarge product portfolio and various tactical offers.

#### Disclosure under Section 164(2):

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

**Directors:**

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

Ms. Raashi Zaveri (DIN: 00713688), Whole-time Director of your Company, retires by rotation at the 11<sup>th</sup> Annual General Meeting of your Company, and being eligible, offers herself for re-appointment.

Members at 9<sup>th</sup> Annual General Meeting of your Company held on 19<sup>th</sup> September, 2016, have re-appointed Mr. Shrikant Zaveri (DIN: 00263725), Chairman & Managing Director and Ms. Binaisha Zaveri (DIN: 00263657) and Ms. Raashi Zaveri (DIN: 00713688), Whole-time Directors of your Company for the period of five years from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2020 and fixed their remuneration for the period of three years, i.e. from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2018. Your Company proposes to fix the remuneration payable to Mr. Shrikant Zaveri (DIN: 00263725), Chairman & Managing Director and Ms. Binaisha Zaveri (DIN: 00263657) and Ms. Raashi Zaveri (DIN: 00713688), Whole-time Directors of your Company for the balance period of two years of their term, i.e. from 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020 subject to the approval of Members by way of Special Resolution at the ensuing 11<sup>th</sup> Annual General Meeting of your Company and the details of the same will be available in the Notice of Annual General Meeting forming part of the Annual Report.

Pursuant to Sections 149, 152 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 along with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the Independent Directors can hold office for a first term of five consecutive years on the Board of Directors of your Company. Mr. Kamlesh Vikamsey (DIN: 00059620), Mr. Ajay Mehta (DIN: 00028405) and Mr. Sanjay Asher (DIN: 00008221); Independent Directors of your Company were appointed to hold office for the period of first term of five consecutive years upto 31<sup>st</sup> March, 2019, in the 7<sup>th</sup> Annual General Meeting of your Company held on 24<sup>th</sup> September, 2014. As per provisions of the Companies Act, 2013, Independent Directors shall not be liable to retire by rotation.

The current tenure, i.e. the first term of five consecutive years of appointment of all three Non-Executive Independent Directors, namely, Mr. Kamlesh Vikamsey (DIN: 00059620), Mr. Ajay Mehta (DIN: 00028405) and Mr. Sanjay Asher (DIN: 00008221); is expiring on 31<sup>st</sup> March, 2019. The terms of appointment of all three Independent Directors are not expiring at this Annual General Meeting. As per the requirement of Sections

149, 152 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 along with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors are eligible for re-appointment for the further / second term of five consecutive years subject to approval of Members by way of Special Resolution at the ensuing 11<sup>th</sup> Annual General Meeting.

The members of the Nomination and Remuneration Committee in their meeting held on 2<sup>nd</sup> May, 2018, have reviewed and evaluated the performance of all three Independent Directors for the current and past few years and have approved and recommended to the Board for the re-appointment of all three Non-Executive Independent Directors, namely, Mr. Kamlesh Vikamsey (DIN: 00059620), Mr. Sanjay Asher (DIN: 00008221) and Mr. Ajay Mehta (DIN: 00028405), as per the requirement of provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

Based on the approval and recommendation of the members of the Nomination and Remuneration Committee, the Board has reviewed and evaluated the performance of current as well as past few years of all three Independent Directors and based on evaluation of performance, the Board considered that their continued association would be of immense benefit to your Company and it is desirable to continue to avail services of all three Independent Directors, namely, Mr. Kamlesh Vikamsey (DIN: 00059620), Mr. Sanjay Asher (DIN: 00008221) and Mr. Ajay Mehta (DIN: 00028405), as Non-Executive Independent Directors. Accordingly, the Board has approved and recommends to re-appointment of Mr. Kamlesh Vikamsey (DIN: 00059620), Mr. Sanjay Asher (DIN: 00008221) and Mr. Ajay Mehta (DIN: 00028405), as an Independent Directors (Non-Executive) for a further / second term of five consecutive years, with effect from 1<sup>st</sup> April, 2019; i.e. from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024 as per provision of Section 149(10) of the Companies Act, 2013 and these Independent Directors shall not be liable to retire by rotation at every Annual General Meeting of your Company, pursuant to provision of Section 149(13) read with Section 152 of the Act, subject to approval of the Members by way of Special Resolution at ensuing 11<sup>th</sup> Annual General Meeting.

Your Company has received the Notice from a Member proposing candidature of all three Independent Directors, namely, Mr. Kamlesh Vikamsey (DIN: 00059620), Mr. Sanjay Asher (DIN: 00008221) and Mr. Ajay Mehta (DIN: 00028405), for the office of Independent Director of your Company as per requirement of Section 160 of the Companies Act, 2013 and their re-appointment is approved and recommended to the Board by the members of the Nomination and Remuneration Committee. In the opinion of the Board Mr. Kamlesh Vikamsey (DIN: 00059620), Mr. Sanjay Asher (DIN: 00008221) and Mr. Ajay Mehta (DIN: 00028405) fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder and applicable Regulations of SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015 for their re-appointment for further/ second term of consecutive five years as an Independent Directors of your Company and are independent of the Management. Your Company has received declaration of independence from aforesaid Independent Directors as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI(LODR), Regulations, 2015.

Your Company has a program to familiarize Independent Directors with regard to their roles, rights, responsibilities in your Company, nature of the industry in which your Company operates, the business model of your Company, etc. The purpose of Familiarization Programme for Independent Directors is to provide insights into your Company to enable the Independent Directors to understand its business in depth and contribute significantly to your Company. Your Company has already carried out the familiarization programme for Independent Directors. The Familiarization Programme Imparted to Independent Directors in terms of Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is available on the website of your Company at link: [http://www.tbztheoriginal.com/pdf/TBZ-Familiarisation%20Program\(17-18\).pdf](http://www.tbztheoriginal.com/pdf/TBZ-Familiarisation%20Program(17-18).pdf).

#### **Statement of Declaration given by Independent Directors under Section 149(7) of the Companies Act, 2013:**

All the Independent Directors have given declarations under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

#### **Key Managerial Personnel:**

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

Mr. Shrikant Zaveri, Chairman & Managing Director, Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors and Mr. Saurav Banerjee, Chief Financial Officer (CFO) and Mr. Niraj Oza, Head - Legal & Company Secretary of your Company are the Key Managerial Personnel of your Company.

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

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

Your Company believes that systematic evaluation contributes significantly to improved performance at the three levels; organizational, Board and Individual Board Member. It encourages the leadership, team work, accountability, decision making, communication and efficiency of the Board. Evaluation also ensures teamwork by creating better understanding of Board dynamics, management relations and thinking as a

group within the Board. The process includes multi layered evaluation based on well-defined criteria consisting of relevant parameters.

Pursuant to the applicable provisions of the Companies Act, 2013 and Regulations 17(10), 25(4) and all other applicable Regulation(s) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, and of its Directors individually, Chairperson of your Company as well as the evaluation of the working of its Committees. The manner in which evaluation has been carried out has been explained in detail in the Corporate Governance Report, which forms part of this Annual Report.

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

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management, their remuneration and their evaluation. In compliance with the provision of Section 178 of the Companies Act, 2013 and the Listing Regulations Nomination, Remuneration and Evaluation Policy is forming a part of Director's Report as **"Annexure – D"**.

#### **Number of Meetings:**

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

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

During the financial year 2017-18, five Board Meetings were convened and held on 3<sup>rd</sup> May, 2017, 2<sup>nd</sup> August, 2017, 19<sup>th</sup> September, 2017, 29<sup>th</sup> November, 2017 and 5<sup>th</sup> February, 2018. Total four Audit Committee Meetings were convened and held on 3<sup>rd</sup> May, 2017, 2<sup>nd</sup> August, 2017, 29<sup>th</sup> November, 2017 and 5<sup>th</sup> February, 2018. The details of the meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

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

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

- that in preparation of the annual accounts, the applicable Indian Accounting Standards (Ind-AS) have been followed and there are no material departures;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent; so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit and loss of your Company for that period;

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

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

Financials of your Company for the financial year ended 31<sup>st</sup> March, 2018 were reviewed by the Audit Committee before being placed before the Board.

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

The particulars as required under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, are as under:

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

Earnings	-	₹ 144.04 Lakhs
Outflow	-	₹ 150.18 Lakhs

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

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

#### **Audit Committee:**

The Audit Committee comprises of two Independent Directors namely Mr. Kamlesh Vikamsey as Chairman of the Committee and Mr. Ajay Mehta as member of the Committee and Mr. Shrikant Zaveri, Chairman & Managing Director of your Company as member of the Committee. All the recommendations made by the Audit Committee were accepted by the Board.

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

#### **Vigil Mechanism / Whistle Blower Policy:**

Your Company has adopted and established a vigil mechanism named "Whistle Blower Policy (WBP)" for directors and employees to report genuine concerns and to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of your Company's website at the link: [http:// www.tbztheoriginal.com/pdf/TBZ-Whistle%20Blower%20Policy.pdf](http://www.tbztheoriginal.com/pdf/TBZ-Whistle%20Blower%20Policy.pdf).

#### **Human Resources and Employee Relations:**

Attracting, retaining and developing talent continued to be a focus area for your Company. The increased focus on capability enhancement and employee engagement had a positive impact on talent retention as reflected in the lower attrition levels. Your Company has total employee strength of 1,253 as on 31<sup>st</sup> March, 2018. Employee Relations continued to be cordial at all levels.

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

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

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. {There was no complaint received from any employee during the financial year 2017-18 and hence no complaint is outstanding as on 31<sup>st</sup> March, 2018 for redressal}.

#### **Particulars of Employees:**

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



(Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report. **(Refer “Annexure – F”)**.

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

#### **Extract of Annual Return:**

In accordance with Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in the prescribed format (in form MGT 9) is annexed herewith as **“Annexure – C”**.

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

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

#### **Corporate Governance:**

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

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

#### **General Shareholder Information:**

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

#### **Listing Fees:**

The Equity Shares of your Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). Your Company has paid the applicable listing fees to the above Stock Exchanges for the financial year 2018-19. Your Company’s shares are traded in dematerialized segment for all investors compulsorily and your Company had entered into agreements with the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for custodial services.

#### **Listing Agreement:**

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

#### **Adequacy of Internal Financial Controls with reference to Financial Statements:**

Based on the framework of internal financial controls and compliance systems established and maintained by your Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the Audit Committee, the Board is of the opinion that your Company’s internal financial controls were adequate and effective with reference to the financial statements for the financial year ended 31<sup>st</sup> March, 2018.

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

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

Internal Control Systems are implemented to safeguard your Company’s assets from loss or damage, to keep constant check on the cost structure, to prevent revenue leakages, to provide adequate financial and accounting controls and to implement Indian Accounting Standards (Ind AS).

#### **Stakeholders Relationship:**

Stakeholders’ relations have been cordial during the year. As a part of compliance, your Company has Stakeholders Relationship Committee to consider and resolve the grievances

of security holders of your Company. There were no investors' grievances pending as on 31<sup>st</sup> March, 2018. A confirmation to this effect has been received from your Company's Registrar and Share Transfer Agent.

#### **Enhancing Shareholders Value:**

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

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

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

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

For the current financial year 2017-18, your Company do not have any open Employee Stock Option Scheme (ESOP) nor granted any fresh stock option to its employees.

#### **Consolidated Financial Statements:**

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

#### **Reporting of Fraud by Auditors {Section 134 (3)(ca)}:**

Pursuant to Section 143 (12) of the Companies Act, 2013, there are no instance(s) of fraud reported by the Auditors during the Financial Year 2017-18.

#### **Auditors' Report:**

The observations made in the Auditors' Report, read together with the relevant notes thereon are self-explanatory and hence, do not call for any comment under Section 134 of the Companies Act, 2013.

The Auditors' Report to the Members does not contain any qualification.

#### **Statutory Auditors:**

The term of appointment of M/s. B S R & Co. LLP (Firm Registration No. 101248W/W-100022), Chartered Accountants, Mumbai as Statutory Auditors of your Company to audit financial accounts for the balance four financial years from 2014-15 to 2017-18 is expiring at ensuing 11<sup>th</sup> Annual General Meeting of your Company and their group is completing ten years' terms of appointment as the Statutory Auditors as per the requirement of Section 139 of the Companies Act, 2013.

As per the provisions of Sections 139, 141, 142 and all other applicable provisions of the Companies Act, 2013 read with the applicable rules of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and as per the approval and recommendation of the members of the Audit Committee to the Board, the Board of Directors of your Company, subject to the approval of Members by way of Ordinary Resolution at the ensuing 11<sup>th</sup> Annual General Meeting of your Company, is proposing appointment of M/s. S R B C & CO LLP (Firm Registration No. 324982E/E300003), Chartered Accountants, as Statutory Auditors of your Company in place of M/s. B S R & Co. LLP (Firm Registration No. 101248W/W-100022), Chartered Accountants, Mumbai, retiring Statutory Auditors, for the period of first term of five consecutive years i.e. from 11<sup>th</sup> Annual General Meeting to be held in year 2018 till the conclusion of 16<sup>th</sup> Annual General Meeting of your Company to be held in year 2023, subject to ratification of appointment at every Annual General Meeting, at a remuneration as may be mutually agreed to, between the Board of Directors and M/s. S R B C & CO LLP, plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them.

A resolution proposing appointment of M/s. S R B C & CO LLP (Firm Registration No. 324982E/E300003), Chartered Accountants, as Statutory Auditors of your Company pursuant to Section 139 and all other applicable provisions of the Companies Act, 2013 forms part of the Notice.

M/s. S R B C & CO LLP, (FRN 324982E/E300003), ("the Audit Firm") is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. The Audit Firm was established in the year 2002 and is a limited liability partnership firm ("LLP") incorporated in India. It has registered office at 22, Camac Street, Kolkata and has 9 branch offices in various cities in India. The Audit Firm has valid Peer Review certificate and is part of S.R. Batliboi & Affiliates network of audit firms. It is primarily engaged in providing audit and assurance services to its clients.

Your Company has received the eligibility letter from M/s. S R B C & CO LLP (Firm Registration No. 324982E/E300003), Chartered Accountants, as the Statutory Auditors, the appointment, if made, shall be within the limits prescribed under Section 141(3) (g) of the Companies Act, 2013 and they are not disqualified in terms of Section 141 of the Companies Act, 2013 and related Rules for the appointment as the Statutory Auditors of your Company for financial year 2018-19, i.e. from 11<sup>th</sup> AGM of your

Company. As required under Regulation 33(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Your Directors propose the appointment of M/s. S R B C & CO LLP, (FRN 324982E/E300003), Chartered Accountants, as the Statutory Auditors of your Company for the period of first term of five consecutive years i.e. from 11<sup>th</sup> Annual General Meeting to be held in year 2018 till the conclusion of 16<sup>th</sup> Annual General Meeting of your Company to be held in year 2023.

M/s. B S R & Co. LLP (Firm Registration No. 101248W/W-100022), Chartered Accountants, Mumbai, existing Statutory Auditors of your Company have issued a clean report on the financials of your Company and have not issued any qualifications for the financial year ended 31<sup>st</sup> March, 2018.

#### Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. Pramod S. Shah & Associates, a firm of Company Secretaries in Practice, Mumbai to undertake the Secretarial Audit of your Company. The Report of the Secretarial Audit Report (in Form No. MR – 3) is annexed herewith as “Annexure - B”.

#### Internal Audit:

The Board of Directors has appointed M/s. Deloitte Haskins & Sells, LLP, (Firm Registration No. 117366W/W-100018), Chartered Accountants as Internal Auditors of your Company for financial year 2018–19.

#### General:

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

- Details relating to deposits covered under Chapter V of the Act.

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

#### Acknowledgement:

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment.

The Board place on record its appreciation for the support and co-operation your Company has been receiving from its investors, customers, vendors, bankers, financial institutions, business associates, Central & State Government authorities, Regulatory authorities and Stock Exchanges.

#### Cautionary Statement:

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

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

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

**Binaisha Zaveri**  
Whole-time Director  
(DIN: 00263657)

Date: 2<sup>nd</sup> May, 2018  
Place: Mumbai

# ANNEXURE 'A'

## TO DIRECTORS' REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

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

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

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

Your Company has made CSR Contribution to (1) Cancer Patient Aid Association (CPAA) of ₹ 360,000 for Promoting Healthcare including Preventive Healthcare; (2) West Wind Association of ₹ 50,000 for Promotion of Education Activities; (3) Under CSR Activity of your Company carries out CSR Activities for promoting gender equality and women's empowerment under its main project known as **"Pankhi Project"**. Your Company has made total CSR Contribution of ₹ 1,893,200 for the financial year 2017-18 and out of which ₹ 60,000 was incurred towards administrative expenses and balance ₹ 1,833,200 made to various organisations such as: (a) Baroda Citizen Council (BCC) of ₹ 396,000 for providing family counseling; (b) Ahmedabad Women's Action Group (AWAG) of ₹ 396,000 for providing family counseling; (c) Stree Mukti Sangathan of ₹ 506,200; (d) Bharatiya Stree Shakti of ₹ 535,000. These NGO'S/ organization carry out projects which are largely in accordance with Schedule VII of the Companies Act, 2013.

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

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

<http://tbztheoriginal.com/pdf/TBZ-%20CSR%20Policy%20-%2004.08.2014.pdf>

#### 2. Composition of the CSR Committee

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

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

Average net profit: ₹ 115,070,086

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

Your Company is required to spend ₹ 2,301,402 towards CSR activities.

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

- Total amount spent for the financial year: ₹ 2,303,200
- Amount unspent, if any: balance Amount ₹ NIL
- Manner in which the amount spent during the financial year 2017-18 is detailed below:



S r. No.	CSR Projects or Activities identified	Sector in which the Project is covered	Project or programs – Local area or other	Amount outlay (Budget) Project or Programs wise	Amount Spent on the project or programs		Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency*
					1.Direct Expenditure on Projects or programs	2.Overheads		
			Locations District (State)	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	
1	Cancer Patients Aid Association (CPAA) Providing medical and radiation treatment to poor cancer patient. {The CSR contribution made to 'Cancer Patients Aid Association' (CPAA) which is a registered charitable NGO, which is working towards the "Total Management of Cancer" as a disease. The CSR Contribution amount will be used by the CPAA for giving medical and radiation treatment to many poor cancer patients and for the cancer detection camps organized by NGO}.	Promoting Healthcare including Preventive Healthcare Clause (i)	Maharashtra (Mumbai & Pune)	3.60	3.60	3.60		Implementing Agency (1)
2	West Wind Association Promoting Educational Activities. {The CSR contribution made to West Wind Association will be used for the Promotion of Education including better infrastructure and amenities for the students}	Promoting Educational Activities including better infrastructure and amenities for the students Clause (ii)	Maharashtra (Mumbai)	0.50	0.50	0.50		Implementing Agency (2)
3	Pankhi Project towards prevention of domestic violence against women and children. TBZ driven helpline was initiated in Pankhi Project for counselling of victims of domestic violence.	Promoting gender equality and empowering women Clause (iii)	Maharashtra (Mumbai & Thane) Gujarat Baroda & Ahemdabad					

S r. No.	CSR Projects or Activities identified	Sector in which the Project is covered	Project or programs – Local area or other	Amount outlay (Budget) Project or Programs wise	Amount Spent on the project or programs 1.Direct Expenditure on Projects or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency*
				2.Overheads			
				Locations District (State)	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
	The activity is towards promoting gender equality and empowering women.						
	The CSR contribution made to Mumbai-based non-profit making organization Baroda Citizen Council (BCC) for Baroda city and Ahmedabad Women's Action Group (AWAG) for Ahmedabad city. The CSR contribution will be used for protection of women under domestic violence and provide family counselling to the family of the victim.						
(a)	Baroda Citizen Council (BCC);			3.96	3.96	3.96	3.96 (3)
(b)	Ahmedabad Women's Action Group (AWAG)			3.96	3.96	3.96	3.96 (4)
(c)	Stree Mukti Sangathan			5.062	5.062	5.062	5.062 (5)
(d)	Bharatiya Stree Shakti			5.35	5.35	5.35	5.35 (6)
(e)	Administrative Expenses/Overheads			(2-O) 0.60	(2-O) 0.60	(2-O) 0.60	(2-O) 0.60
				<b>18.932</b>	<b>18.932</b>	<b>18.932</b>	<b>18.932</b>
<b>Total Amount</b>				<b>23.032</b>	<b>23.032</b>	<b>23.032</b>	<b>23.032</b>

(\*) Details of Implementing Agencies:

- (1) Cancer Patient Aid Association (CPAA);
- (2) West Wind Association;
- (3) Baroda Citizen Council (BCC);
- (4) Ahmedabad Women's Action Group (AWAG);
- (5) Stree Mukti Sangathan; and
- (6) Bharatiya Stree Shakti.

During the financial year ended 31<sup>st</sup> March, 2018, your Company had spent amount in CSR activities undertaken in Mumbai, Thane and Pune in Maharashtra; and in Ahmedabad and Baroda in Gujarat where your Company's showrooms are located.

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

Your Company has made required contributions in full towards CSR activities of your Company as per the requirement of Section 135 of the Companies Act, 2013 for the financial year 2017-18.

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

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

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

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

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

**Binaisha Zaveri**  
**Whole-time Director**  
**Member- CSR Committee**  
**(DIN: 00263657)**

Date: 2<sup>nd</sup> May, 2018  
 Place: Mumbai

# ANNEXURE 'B'

## TO DIRECTORS' REPORT

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018

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

To,  
The Members,  
Tribhovandas Bhimji Zaveri Limited,

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

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

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

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

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
- (c) Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and amendments from time to time;
- (d) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

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

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

**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 Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

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

**Pramod S. Shah & Associates**  
(Practicing Company Secretaries)

Place: Mumbai  
Date: 20/04/2018

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

# ANNEXURE 'C'

## TO DIRECTORS' REPORT

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2018

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

**Form No. MGT – 9**

#### I) REGISTRATION AND OTHER DETAILS:

CIN	L27205MH2007PLC172598
Registration Date:	24 <sup>th</sup> July, 2007
Name of the Company	<b>Tribhovandas Bhimji Zaveri Limited</b>
Category / Sub-Category of the Company	Public Company / Limited by shares
Address of the Registered office and contact details	241/ 43, Zaveri Bazar, Mumbai - 400 002. Tel. No.: (022) 3956 5001/ 4046 5000 / 01 Fax No.: (022) 3956 5056 Email Add.: <a href="mailto:investors@tbzoriginal.com">investors@tbzoriginal.com</a> Website Add.: <a href="http://www.tbztheoriginal.com">www.tbztheoriginal.com</a>
Whether listed company	Yes / No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel. No. (040) 6716 1606 Fax. No. 040-67161791 Email Add.: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> Website Add.: <a href="http://www.karvycomputershare.com">www.karvycomputershare.com</a> Contact Person: Mr. V. Raghunath SEBI Registration No.: INR000000221

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

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

Name and Description of main products /services	NIC Code of the Product /service	% to total turnover of the company
Retail Sale of Jewellery (Retail Jewellery)	47733 – Retail Sale of jewellery and imitation jewellery	99.57%

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

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

## IV) SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

## i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	46,759,775	-	46,759,775	70.07	46,759,775	-	46,759,775	70.07	
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	2,700,000	-	2,700,000	4.05	2,700,000	-	2,700,000	4.05	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other.....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	49,459,775	-	49,459,775	74.12	49,459,775	-	49,459,775	74.12	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	49,459,775	-	49,459,775	74.12	49,459,775	-	49,459,775	74.12	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	67,005	-	67,005	0.10	61,234	-	61,234	0.09	-0.01
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs / Foreign Portfolio Investors	1,751,879	-	1,751,879	2.63	1,301,771	-	1,301,771	1.95	-0.68
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	1,818,884	-	1,818,884	2.73	1,363,005	-	1,363,005	2.04	-0.69
(2) Non-Institutions									
a) Bodies Corporate	4,546,512	-	4,546,512	6.81	4,794,714	-	4,794,714	7.19	+0.38
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	5,248,218	700	5,248,918	7.87	7,217,395	700	7,218,095	10.82	+2.95
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	4,832,182	-	4,832,182	7.24	2,890,425	-	2,890,425	4.33	-2.91
<b>c) NBFCs Registered with RBI</b>	4,771	-	4,771	0.01	49,285	-	49,285	0.07	+0.06
<b>d) Others (specify)</b>									
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
ii) Other Foreign Nationals	-	-	-	-	-	-	-	-	-
iii) Foreign Bodies	-	-	-	-	-	-	-	-	-
iv) NRI / OCBs	347,272	-	347,272	0.52	805,183	-	805,183	1.21	+0.69
v) Clearing Members / Clearing House	136,701	-	136,701	0.20	150,003	-	150,003	0.22	+0.02
vi) Trusts	335,470	-	335,470	0.50	-	-	-	-	-0.50
vii) Limited Liability Partnership	-	-	-	-	-	-	-	-	-
viii) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
ix) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(x) Unclaimed Suspense Account	135	-	135	0.00	135	-	135	0.00	-
<b>Sub-Total (B)(2):</b>	<b>15,451,261</b>	<b>700</b>	<b>15,451,961</b>	<b>23.15</b>	<b>15,907,140</b>	<b>700</b>	<b>15,907,840</b>	<b>23.84</b>	<b>+0.69</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>17,270,145</b>	<b>700</b>	<b>17,270,845</b>	<b>25.88</b>	<b>17,270,145</b>	<b>700</b>	<b>17,270,845</b>	<b>25.88</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>66,729,920</b>	<b>700</b>	<b>66,730,620</b>	<b>100</b>	<b>66,729,920</b>	<b>700</b>	<b>66,730,620</b>	<b>100</b>	<b>0</b>



**ii) Shareholding of Promoters:**

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

**iii) Change in Promoters' Shareholding:**

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

**iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**  
**(For details of transactions during the year refer 'Annexure - I')**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Akash Bhanshali	615,072	0.92	265,072	0.40
2	Optimum Securities Private Limited	559,233	0.84	800,000	1.20
3	Vespera Fund Limited	409,706	0.61	359,706	0.54
4	Kutir Properties LLP	375,000	0.56	500,000	0.75
5	Blue Diamond Properties Private Limited (Talma Chemical Industries Pvt Ltd)	325,000	0.49	175,000	0.26
6	Ventura Securities Limited- Collateral Account	304,700	0.46	225,988	0.34
7	Hela Holdings Pvt Ltd	200,000	0.30	400,000	0.60
8	Tradelink Exim India Pvt Ltd	NIL	NIL	207,000	0.31
9	Acadian Emerging Markets Small Cap Equity Fund LLC	NIL	NIL	375,586	0.56

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
10	Perfect Homfin Pvt	NIL	NIL	190,000	0.28
11	Lata Bhanshali	857,152	1.28	NIL	NIL
12	Keki Jimmy Unwalla	500,000	0.75	NIL	NIL
13	Madhavan Kunniyur	438,308	0.66	NIL	NIL
14	Aadi Financial Advisors LLP	420,326	0.63	NIL	NIL
15	Acacia Partners, LP	388,794	0.58	NIL	NIL
16	V E C Strategic Growth Fund	334,224	0.50	NIL	NIL
17	Morgan Stanley Asia (Singapore) PTE.	310,500	0.47	NIL	NIL

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

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

Sl. No.	For Each of the Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)	Shareholding at the beginning of the year (01.04.17)/ end of the year (31.03.18)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.17 to 31.03.18)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Akash Bhanshali	615,072	0.92	01/04/2017			615,072	0.92
				01/12/2017	(100,000)	Transfer	515,072	0.77
				12/01/2018	(50,000)	Transfer	465,072	0.70
				19/01/2018	(200,000)	Transfer	265,072	0.40
		265,072	0.40	31/03/2018				
2	Optimum Securities Private Limited	559,233	0.84	01/04/2017			559,233	0.84
				08/09/2017	18,485	Transfer	577,718	0.87
				13/10/2017	22,282	Transfer	600,000	0.90
				09/03/2018	15,000	Transfer	615,000	0.92
				16/03/2018	64,397	Transfer	679,397	1.02
				23/03/2018	20,603	Transfer	700,000	1.05
				30/03/2018	100,000	Transfer	800,000	1.20
		800,000	1.20	31/03/2018				
3	Vespera Fund Limited	409,706	0.61	01/04/2017				
				14/04/2017	409,706	Transfer	819,412	1.23
				14/04/2017	(409,706)	Transfer	409,706	0.61
				28/07/2017	(50,000)	Transfer	359,706	0.54
		359,706	0.54	31/03/2018				
4	Kutir Properties LLP	375,000	0.56	01/04/2017				
				23/02/2018	51,638	Transfer	426,638	0.64
				02/03/2018	72,380	Transfer	499,018	0.75
				09/03/2018	982	Transfer	500,000	0.75
		500,000	0.75	31/03/2018				
5	Blue Diamond Properties Private Limited (Talma Chemical Industries Pvt Ltd)	325,000	0.49	01/04/2017				
				08/12/2017	(150,000)	Transfer	175,000	0.26
		175,000	0.26	31/03/2018				
6	Ventura Securities Limited – Collateral Account	304,700	0.46	01-04-2017				
				07-04-2017	(1,444)	Transfer	303,256	0.45

Sl. No.	For Each of the Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)	Shareholding at the beginning of the year (01.04.17)/ end of the year (31.03.18)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.17 to 31.03.18)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
				14-04-2017	3,439	Transfer	306,695	0.46
				21-04-2017	(4,203)	Transfer	302,492	0.45
				28-04-2017	4,618	Transfer	307,110	0.46
				05-05-2017	2,115	Transfer	309,225	0.46
				12-05-2017	(3,598)	Transfer	305,627	0.46
				19-05-2017	(2,590)	Transfer	303,037	0.45
				26-05-2017	716	Transfer	303,753	0.46
				02-06-2017	(1,194)	Transfer	302,559	0.45
				09-06-2017	5,192	Transfer	307,751	0.46
				16-06-2017	(5,001)	Transfer	302,750	0.45
				23-06-2017	(1,230)	Transfer	301,520	0.45
				30-06-2017	2,471	Transfer	303,991	0.46
				07-07-2017	(3,686)	Transfer	300,305	0.45
				14-07-2017	395	Transfer	300,700	0.45
				21-07-2017	(518)	Transfer	300,182	0.45
				28-07-2017	5,423	Transfer	305,605	0.46
				04-08-2017	(131)	Transfer	305,474	0.46
				11-08-2017	3,998	Transfer	309,472	0.46
				18-08-2017	445	Transfer	309,917	0.46
				25-08-2017	(2,678)	Transfer	307,239	0.46
				01-09-2017	(131)	Transfer	307,108	0.46
				08-09-2017	(4,084)	Transfer	303,024	0.45
				15-09-2017	9,853	Transfer	312,877	0.47
				22-09-2017	(7,332)	Transfer	305,545	0.46
				29-09-2017	11,683	Transfer	317,228	0.48
				06-10-2017	(9,021)	Transfer	308,207	0.46
				13-10-2017	6,359	Transfer	314,566	0.47
				13-10-2017	(75,000)	Transfer	239,566	0.36
				20-10-2017	(3,184)	Transfer	236,382	0.35
				27-10-2017	(2,781)	Transfer	233,601	0.35
				31-10-2017	(1,254)	Transfer	232,347	0.35
				03-11-2017	(2,055)	Transfer	230,292	0.35
				10-11-2017	(437)	Transfer	229,855	0.34
				17-11-2017	1,864	Transfer	231,719	0.35
				24-11-2017	(4,103)	Transfer	227,616	0.34
				01-12-2017	6,231	Transfer	233,847	0.35
				08-12-2017	8,524	Transfer	242,371	0.36
				15-12-2017	(2,230)	Transfer	240,141	0.36
				22-12-2017	(11,748)	Transfer	228,393	0.34
				29-12-2017	(256)	Transfer	228,137	0.34
				05-01-2018	3,096	Transfer	231,233	0.35
				12-01-2018	17,145	Transfer	248,378	0.37
				19-01-2018	(8,753)	Transfer	239,625	0.36
				26-01-2018	(443)	Transfer	239,182	0.36
				02-02-2018	(10,216)	Transfer	228,966	0.34
				09-02-2018	(3,127)	Transfer	225,839	0.34

Sl. No.	For Each of the Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)	Shareholding at the beginning of the year (01.04.17)/ end of the year (31.03.18)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.17 to 31.03.18)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
				16-02-2018	5,943	Transfer	231,782	0.35
				23-02-2018	5,373	Transfer	226,409	0.34
				02-03-2018	2,972	Transfer	229,381	0.34
				09-03-2018	400	Transfer	229,781	0.34
				16-03-2018	(237)	Transfer	229,544	0.34
				23-03-2018	(2,151)	Transfer	227,393	0.34
				30-03-2018	(1,405)	Transfer	225,988	0.34
		225,988	0.34	31-03-2018				
8	Hela Holdings Pvt Ltd	200,000	0.30	01/04/2017				
				05/05/2017	(100,000)	Transfer	100,000	0.15
				16/06/2017	(22,843)	Transfer	77,157	0.12
				23/06/2017	(77,157)	Transfer	0	0.00
				15/09/2017	100,000	Transfer	100,000	0.15
				22/09/2017	64,000	Transfer	164,000	0.25
				29/09/2017	36,000	Transfer	200,000	0.30
				02/03/2018	60,297	Transfer	260,297	0.39
				09/03/2018	69,703	Transfer	330,000	0.49
				30/03/2018	70,000	Transfer	400,000	0.60
		400,000	0.60	31/03/2018				
7	Tradelink Exim India Pvt Ltd	NIL	NIL	01/04/2017				
				28/07/2017	369,000	Transfer	369,000	0.55
				30/03/2018	(162,000)	Transfer	207,000	0.31
		207,000	0.31	31/03/2018				
9	Acadian Emerging Markets Small Cap Equity Fund LLC	NIL	NIL	01/04/2017				
				11/08/2017	17,071	Transfer	17,071	0.03
				25/08/2017	103,142	Transfer	120,213	0.18
				15/09/2017	70,305	Transfer	190,518	0.29
				22/09/2017	88,135	Transfer	278,653	0.42
				08/12/2017	46,981	Transfer	325,634	0.49
				22/12/2017	(43,858)	Transfer	281,776	0.42
				02/02/2018	93,810	Transfer	375,586	0.56
		375,586	0.56	31/03/2018				
10	Perfect Homfin Pvt	NIL	NIL	01/04/2017				
				08/12/2017	25,000	Transfer	25,000	0.04
				15/12/2017	20,000	Transfer	45,000	0.07
				5/01/2018	25,000	Transfer	70,000	0.10
				12/01/2018	30,000	Transfer	100,000	0.15
				19/01/2018	25,000	Transfer	125,000	0.19
				26/01/2018	10,000	Transfer	135,000	0.20
				09/02/2018	25,000	Transfer	160,000	0.24
				16/02/2018	30,000	Transfer	190,000	0.28
				23/02/2018	10,000	Transfer	200,000	0.30
				02/03/2018	10,000	Transfer	210,000	0.31
				09/03/2018	(195,000)	Transfer	15,000	0.02
				16/03/2018	230,000	Transfer	245,000	0.37
				30/03/2018	(55,000)	Transfer	190,000	0.28
		190,000	0.28	31/03/2018				



Sl. No.	For Each of the Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)	Shareholding at the beginning of the year (01.04.17)/ end of the year (31.03.18)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.17 to 31.03.18)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
11	Lata Bhanshali	857,152	1.28	01/04/2017				
				21/07/2017	(250,245)	Transfer	606,907	0.91
				01/09/2017	(1,00,000)	Transfer	506,907	0.76
				08/09/2017	(265,602)	Transfer	241,305	0.36
				15/09/2017	(55,200)	Transfer	186,105	0.28
				13/10/2017	(100,000)	Transfer	86,105	0.13
				01/12/2017	(86,105)	Transfer	0	0
		NIL	NIL	31/03/2018				
12	Keki Jimmy Unwalla	500,000	0.75	01/04/2017				
				05/05/2017	(100)	Transfer	499,900	0.75
				02/06/2017	(36,578)	Transfer	463,322	0.69
				09/06/2017	(253,576)	Transfer	209,746	0.31
				07/07/2017	(2,346)	Transfer	207,400	0.31
				14/07/2017	(71,698)	Transfer	135,702	0.20
				21/07/2017	(135,702)	Transfer	0	0
		NIL	NIL	31/03/2018				
13	Madhavan Kunniyur	438,308	0.66	01/04/2017				
				07/04/2017	149,087	Transfer	587,395	0.88
				14/04/2017	59,354	Transfer	646,749	0.97
				19/05/2017	20,000	Transfer	666,749	1.00
				04/08/2017	(234,756)	Transfer	431,993	0.65
				11/08/2017	(43,935)	Transfer	388,058	0.58
				22/09/2017	(19,955)	Transfer	368,103	0.55
				29/09/2017	(110,711)	Transfer	257,392	0.39
				13/10/2017	(21,305)	Transfer	236,087	0.35
				27/10/2017	(34,089)	Transfer	201,998	0.30
				10/11/2017	(44,489)	Transfer	157,509	0.24
				24/11/2017	(22,243)	Transfer	135,266	0.20
				08/12/2017	(135,266)	Transfer	0	0
		NIL	NIL	31/03/2018				
14	Aadi Financial Advisors LLP	420,326	0.63	01/04/2017				
				09/06/2017	(100,000)	Transfer	320,326	0.48
				25/08/2017	(120,000)	Transfer	200,326	0.30
				01/09/2017	(200,326)	Transfer	0	0
		NIL	NIL	31/03/2018				
15	Acacia Partners, LP	388,794	0.58	01/04/2017				
				08/09/2017	(192,984)	Transfer	195,810	0.29
				15/09/2017	(195,810)	Transfer	0	0
		NIL	NIL	31/03/2018				
16	V E C Strategic Growth Fund	334,224	0.50	01/04/2017				
				11/08/2017	(80,724)	Transfer	253,500	0.38
				18/08/2017	(181,500)	Transfer	72,000	0.11
				15/09/2017	(72,000)	Transfer	0	0
		NIL	NIL	31/03/2018				

Sl. No.	For Each of the Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)	Shareholding at the beginning of the year (01.04.17)/ end of the year (31.03.18)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.17 to 31.03.18)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
17	Morgan Stanley Asia (Singapore) PTE.	310,500	0.47	01/04/2017				
				29/09/2017	(210,125)	Transfer	100,375	0.15
				13/10/2017	(93,425)	Transfer	6,950	0.01
				08/12/2017	(2,252)	Transfer	4,698	0.01
				15/12/2017	(3,417)	Transfer	1,281	0
				05/01/2018	(1,281)	Transfer	0	0
		NIL	NIL	31/03/2018				

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

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

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

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

## V) INDEBTEDNESS

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

(₹ In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	54,876.80	19.84	-	54,896.64
ii) Interest due but not paid				
iii) Interest accrued but not due	79.57	-	-	79.57
<b>Total (i+ii+iii)</b>	<b>54,956.37</b>	<b>19.84</b>		<b>54,976.21</b>

(₹ In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Change in Indebtedness during the financial year</b>				
· Addition	1,979.23	-	-	1,979.23
· Reduction	-	4.84	-	4.84
<b>Net Change</b>	1,979.23	(4.84)		1,974.39
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	56,854.92	15	-	56,869.92
ii) Interest due but not paid				
iii) Interest accrued but not due	80.68	-	-	80.68
<b>Total (i+ii+iii)</b>	<b>56,935.60</b>	<b>15</b>	<b>-</b>	<b>56,950.60</b>

**VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. no.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount (₹ in Lakhs)
		Mr. Shrikant Zaveri, Chairman & Managing Director	Ms. Binaisha Zaveri, Whole-time Director	Ms. Raashi Zaveri, Whole-time Director	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 <b>(Minimum Remuneration)</b>	240	240	240	<b>720</b>
(b)	Value of perquisites u/s 17(2) Income-tax Act 1961,	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
-	as % of profit				
-	Others, specify...				
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>240</b>	<b>240</b>	<b>240</b>	<b>720</b>
	Ceiling as per the Act (Minimum Remuneration) (*)	244.74	244.74	244.74	734.22

(\*) ₹ 734.22 Lakhs (being Minimum Remuneration calculated as per Sections 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013)

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

Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount (₹ in Lakhs)
	Kamlesh Vikamsey	Ajay Mehta	Sanjay Asher	
- Fee for attending Board / Committee Meetings	1.80	3.00	1.20	<b>6.00</b>
· Commission	7.50	7.50	7.50	<b>22.50</b>
· Others, please specify	-	-	-	-
<b>Total</b>	<b>9.30</b>	<b>10.50</b>	<b>8.70</b>	<b>28.50</b>



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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total (₹ in Lakhs)
		Mr. Saurav Banerjee, Chief Financial Officer	Mr. Niraj Oza, Head Legal & Company Secretary	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 <b>(Minimum Remuneration)</b>	89.94	31.00	<b>120.94</b>
(b)	Value of perquisites u/s 17(2) Income-tax Act 1961,	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
-	as % of profit			
-	Others, specify...			
5	Others, please specify	-	-	-
	<b>Total (C)</b>	<b>89.94</b>	<b>31.00</b>	<b>120.94</b>

**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			None		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			None		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			None		
Compounding					

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

Date: 2<sup>nd</sup> May, 2018  
 Place: Mumbai

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

**Binaisha Zaveri**  
 Whole-time Director  
 (DIN: 00263657)

# ANNEXURE 'D'

## TO DIRECTORS' REPORT

### Nomination, Remuneration and Evaluation Policy

The Remuneration Committee of Tribhovandas Bhimji Zaveri Limited ("the Company" or "TBZ") was constituted on 14<sup>th</sup> December, 2010 consisting of three Independent Directors. In order to align with the provisions of the Companies Act, 2013 and the Listing Agreement, the Board on 19<sup>th</sup> May, 2014 renamed the "Remuneration Committee" as "**Nomination and Remuneration Committee**".

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

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and Clause 49 under the Listing Agreement and in compliance with the Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Requirements, 2015.

#### 1. OBJECTIVE

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

#### The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
- 1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- 1.4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations;
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;

- 1.6. To devise a policy on Board diversity;

- 1.7. To develop a succession plan for the Board and to regularly review the plan.

#### 2. DEFINITIONS

- 2.1. "**Act**" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. "**Board**" means the Board of Directors of the Company.
- 2.3. "**Directors**" mean the Directors of the Company.
- 2.4. "**Key Managerial Personnel**" or "**KMP**" means:
  - (i) Managing Director or Chief Executive Officer or the Manager and in their absence Whole-time Director;
  - (ii) Company Secretary;
  - (iii) Chief Financial Officer;
  - (iv) Such other officers as may be prescribed.
- 2.5. "**Senior Management Personnel**" mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including functional heads.

#### 3. ROLE OF COMMITTEE

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

The Committee shall:

- 3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- 3.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy;
- 3.1.3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

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

### 3.2.1. Appointment criteria and qualifications:

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

### 3.2.2. Term / Tenure:

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

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

### 3.2.3. Evaluation:

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

### 3.2.4. Removal:

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

### 3.2.5. Retirement:

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

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

### 3.3.1. General:

- (a) The remuneration / compensation / commission etc. to the Whole-time Director, Key Managerial Personnel (KMP) and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. of the Directors shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- (b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company, if any, and as per the provisions of the Act and the Rules framed thereunder.

(c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

(d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary, Senior Management Personnel and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

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

(a) Fixed pay:

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

(b) Minimum Remuneration:

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

(c) Provisions for excess remuneration:

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

### 3.3.3. Remuneration to Non-Executive / Independent Director:

(a) Remuneration / Commission:

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

(b) Sitting Fees:

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

(c) Commission:

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

(d) Stock Options:

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

## 4. MEMBERSHIP

4.1 The Committee shall consist of a minimum three (3) Non-Executive Directors, majority of them being Independent Directors.

4.2 Minimum three (3) members shall constitute a quorum for the Committee meeting.

4.3 Membership of the Committee shall be disclosed in the Annual Report.

4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

## 5. CHAIRPERSON

5.1 Chairperson of the Committee shall be an Independent Director.

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

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

5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual

General Meeting or may nominate some other member to answer the shareholders' queries.

## 6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

## 7. COMMITTEE MEMBERS' INTERESTS

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

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

## 8. SECRETARY

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

## 9. VOTING

9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

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

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

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

10.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;

10.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

10.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.

10.4 Determining the appropriate size, diversity and composition of the Board;

10.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

10.6 Developing a succession plan for the Board, Key Managerial Personnel (KMP) and Senior Management and regularly reviewing the plan;

10.7 Evaluating the performance of the Board members, Key Managerial Personnel (KMP) and Senior Management

in the context of the Company's performance from business and compliance perspective;

10.8 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

10.9 Delegating any of its powers to one or more of its members or the Secretary of the Committee;

10.10 Recommend any necessary changes to the Board; and

10.11 Considering any other matter, as decided by the Board.

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

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

11.1 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

11.2 To approve the remuneration of the Senior Management including Key Managerial Personnel (KMP) of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

11.3 To delegate any of its powers to one or more of its members or the Secretary of the Committee.

11.4 To consider any other matter as decided by the Board.

11.5 Professional indemnity and liability insurance for Directors, Key Managerial Personnel (KMP) and Senior Management.

## 12. Evaluation / Assessment of Directors, Key Managerial Personnel (KMP) and Senior Management of the Company

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

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

12.1 Leadership & stewardship abilities.



- |   |  |
|---|--|
| <p>12.2 Contributing to clearly define corporate objectives &amp; plans.</p> <p>12.3 Communication of expectations &amp; concerns clearly with subordinates.</p> <p>12.4 Obtain adequate, relevant &amp; timely information from external sources.</p> <p>12.5 Review &amp; approval achievement of strategic and operational plans, objectives, budgets.</p> <p>12.6 Regular monitoring of corporate results against projections.</p> <p>12.7 Identify, monitor &amp; mitigate significant corporate risks.</p> <p>12.8 Assess policies, structures &amp; procedures.</p> <p>12.9 Direct, monitor &amp; evaluate KMPs, Senior Management.</p> <p>12.10 Review management's succession plan.</p> <p>12.11 Effective meetings.</p> <p>12.12 Assuring appropriate board size, composition, independence, structure.</p> | <p>12.13 Clearly defining roles &amp; monitoring activities of committees.</p> <p>12.14 Review of corporation's ethical conduct.</p> <p>Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/ Non-Independent Directors in a separate meeting of the Independent Directors.</p> <p>The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/ assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.</p> <p><b>13. MINUTES OF COMMITTEE MEETING</b></p> <p>Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.</p> <p><b>14. AMENDMENT IN LAW</b></p> <p>Any subsequent amendment/ modification in the Listing Agreement and / or other applicable Laws, Rules and Regulations in this regard shall automatically apply to this Policy.</p> |
|---|--|

# ANNEXURE 'E'

## TO DIRECTORS' REPORT

**Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2017-18:**

- (i) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of your Company for the financial year 2017-18 are as under:

Sr. No.	Name of Director / KMP and Designation	Remuneration of Directors/ KMP for Financial Year 2017-18 (₹ in Lakhs)	% Increase/ (Decrease) in Remuneration in the Financial Year 2017-18	Ratio of Remuneration of each Director/ to median remuneration of employee
1	Mr. Shrikant Zaveri Executive Chairman & Managing Director	240.00	33.33%	79.27
2	Ms. Binaisha Zaveri Whole-time Director	240.00	33.33%	79.27
3	Ms. Raashi Zaveri Whole-time Director	240.00	33.33%	79.27
4	Mr. Kamlesh Vikamsey Independent Director	9.30	38.81%	3.07
5	Mr. Ajay Mehta Independent Director	10.50	32.91%	3.47
6	Mr. Sanjay Asher Independent Director	8.70	38.10%	2.87
7	Mr. Saurav Banerjee Chief Financial Officer	89.94	12.41%	Not Applicable
8	Mr. Niraj Oza Head - Legal & Company Secretary	31.00	2.92%	Not Applicable

Remuneration for the Executive Directors and Key Managerial Personnel (KMP) in the table above is based on Cost to Company (CTC).

- (ii) In the financial year, there was an increase of 11.15% in the median remuneration of employees.
- (iii) There were 1,253 permanent employees on the rolls of your Company as on 31<sup>st</sup> March, 2018.
- (iv) Average percentage increased made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 8% whereas increase in the managerial remuneration for the same financial year was 33.33%. The managerial remuneration during the year 2017-18 was paid as per revised Schedule V of the Companies Act.
- (v) The key parameters for the variable component of remuneration availed in the form of Commission by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees. (For the financial year 2017-18, none of the Executive Directors received any Commission).
- (vi) The ratio of remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- (vii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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

Date: 2<sup>nd</sup> May, 2018  
Place: Mumbai

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

**Binaisha Zaveri**  
Whole-time Director  
(DIN: 00263657)

# ANNEXURE 'F'

## TO DIRECTORS' REPORT

**Statement of Particulars of employees pursuant to provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2017-18**

**(A) Name of Top Ten (10) employees in terms of remuneration drawn, employed throughout the Financial Year 2017-18 whose remuneration was falling under remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Sr. No.	Name of Employee	Age (Years)	Date of commencement of employment	Gross Remuneration Received (in ₹)	Designation & (Nature of Employment)	Educational Qualification	Experience in Years	Previous Employment	% of Equity Shares Held
1	Shrikant Zaveri	58	24.07.2007	24,000,000	Executive Chairman & Managing Director (Permanent)	Matriculation	36	Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (joined in 1991)	50.06
2	Binaisha Zaveri	35	24.07.2007	24,000,000	Whole-time Director (Permanent)	Bachelor's degree in Marketing and Finance from Stern School of Business, New York	14	Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (Joined w.e.f. 01.01.2004)	7.92
3	Raashi Zaveri	31	01.07.2008	24,000,000	Whole-time Director (Permanent)	Bachelor's degree in Finance and Entrepreneurship from Kelly school of Business, Indiana University and is a graduate Gemologist from Gemological Institute of America	10	Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri	6.85
4	Monica Bhandari	44	18.08.2016	9,835,560	Chief Human Resource Officer (Permanent)	B. Com, PG in Business Management	23	Worked as CHRO with House of Anita Dongre Limited	NIL
5	Saurav Banerjee	52	17.02.2014	8,993,906	Chief Financial Officer (Permanent)	B. Com (Hons), CA	28	Worked as CFO in Rosy Blue India Pvt. Ltd.	NIL

Sr. No.	Name of Employee	Age (Years)	Date of commencement of employment	Gross Remuneration Received (in ₹)	Designation & (Nature of Employment)	Educational Qualification	Experience in Years	Previous Employment	% of Equity Shares Held
6	Rajeev Sagar	40	24.07.2007	9,466,908	Head - Gold Operations (Permanent)	B. Com	18	Worked as employee in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (Joined w.e.f. 01.09.2000)	0.04
7	Mayur Choksi	49	01.10.2011	9,489,855	Head – Diamond Operation (Permanent)	Matriculation	29	Worked as employee in Tribhovandas Bhimji Zaveri (Bombay) Limited (Joined w.e.f. 01.04.1997)	0.04
8	Sunil Gujarathi	54	05.04.2011	5,895,126	Head – MIS & Treasury (Permanent)	ICWA & M.Com., B.Com.	23	Worked as DGM in VIP Industries Ltd.	NIL
9	Mehul Shah	47	01.02.2016	6,036,053	Head – Financial Accounting and Audit (Permanent)	CA, MBA, IFRS & M.Com., B.Com.	21	Worked as Head Corp. Finance (EVP) in Zee Entertainment Ent. Ltd.	NIL
10	Falguni Mehta	45	18.10.2012	4,045,219	Dy. General Manager- Gold Operations (Permanent)	CA, B.Com., DIP in CISA	15	Worked with M/s Travelocity.com Private Ltd, Sabre International Inc., as Director of Finance	NIL

**(B) Name of employees employed throughout the Financial Year 2017–18 whose remuneration was falling under remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Sr. No.	Name of Employee	Age (Years)	Date of commencement of employment	Gross Remuneration Received (in ₹)	Designation & (Nature of Employment)	Educational Qualification	Experience in Years	Previous Employment	% of Equity Shares Held
1	Shrikant Zaveri	58	24.07.2007	24,000,000	Executive Chairman & Managing Director (Permanent)	Matriculation	36	Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (joined in 1991)	50.06
2	Binaisha Zaveri	35	24.07.2007	24,000,000	Whole-time Director (Permanent)	Bachelor's degree in Marketing and Finance from Stern School of Business, New York	14	Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (Joined w.e.f. 01.01.2004)	7.92

Sr. No.	Name of Employee	Age (Years)	Date of commencement of employment	Gross Remuneration Received (in ₹)	Designation & (Nature of Employment)	Educational Qualification	Experience in Years	Previous Employment	% of Equity Shares Held
3	Raashi Zaveri	31	01.07.2008	24,000,000	Whole-time Director (Permanent)	Bachelor's degree in Finance and Entrepreneurship from Kelly school of Business, Indiana University and is a graduate Gemologist from Gemological Institute of America	10	Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri	6.85

**(C) Details of employee was employed for part of the Financial Year 2017-18 whose remuneration was falling under remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Sr. No.	Name of Employee	Age (Years)	Date of commencement of employment	Gross Remuneration Received (in ₹)	Designation & (Nature of Employment)	Educational Qualification	Experience in Years	Previous Employment	% of Equity Shares Held
1	Kaushal Shah (*)	43	08.07.2014	4,080,900	Group Head –IT (Permanent)	B.Com. & Executive Programme in Business Mgt.- IIM Calcutta & System Mgt. from GNIIT	18	Worked as Head-IT (Process Manufacturing) in M/s Privi Organics Ltd.	NIL
2	Abhishek Maloo (**)	42	28.04.2017	4,186,584	Head – Advertising & Marketing (Permanent)	Masters in Advertising & communication from SIBM, Executive Programme on integrated Mktg. Comm. from Inidan School of Business	18	Worked with M/s Talentedge, as AVP - Marketing	NIL

(\*) Mr. Kaushal Shah, Group Head – IT of your Company resigned from the services w.e.f. 15<sup>th</sup> February, 2018.

(\*\*) Mr. Abhisek Maloo, Head – Advertising & Marketing joined w.e.f. 28<sup>th</sup> April, 2017.

**(D) Details of employee who was employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company:**

Sr. No.	Name of Employee	Age (Years)	Date of commencement of employment	Gross Remuneration Received (in ₹)	Designation & (Nature of Employment)	Educational Qualification	Experience in Years	Previous Employment	% of Equity Shares Held
	NIL	NA	NA	NA	NA	NA	NA	NA	NA

**Notes:**

- Gross Remuneration shown above is subject to tax.
- Remuneration includes:  
For Chairman & Managing Director and Whole-time Directors – Remuneration in form of Minimum Remuneration.  
For Chief Financial Officer - basic salary, perquisites, bonus, other allowances, variable pay, etc.  
For others – basic salary, perquisites, bonus, other allowances, variable pay, leave encashment, etc.



3. In addition to the above remuneration the employees are entitled to Gratuity in accordance with your Company's rules.
4. The nature of employment is contractual for all the employees.
5. The date of commencement of employment have shown as 24<sup>th</sup> July, 2007, i.e. date of conversion of partnership firm into private limited company, even though the Directors/ Employee(s) who were with Company at the time of partnership firm.
6. Designation denotes the nature of duties also.
7. For Executive Director(s) the nature of Employment and terms and conditions are governed by the Board and Members Resolution.
8. Experience includes number of years of service elsewhere, wherever applicable.
9. Mr. Shrikant Zaveri, Chairman & Managing Director of your Company and Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors of your Company, being father and daughters respectively, are related to each other. Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors of your Company, being sisters are related to each other. None of the other employees is relative in the terms of provision of Section 2(77) of the Companies Act, 2013 of any Director of your Company.

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

Date: 2<sup>nd</sup> May, 2018  
 Place: Mumbai

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

**Binaisha Zaveri**  
**Whole-time Director**  
**(DIN: 00263657)**

# REPORT ON CORPORATE GOVERNANCE

The Directors present your Company's Report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2018 as stipulated in Para C of Schedule V and all other applicable Regulation(s) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure requirements of which are given below:

## **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

Corporate Governance is the application of best management practices, compliance of laws and adherence to ethical standards to achieve your Company's objective of enhancing stakeholder value and discharge of social responsibility. The Corporate Governance framework includes corporate structures, culture, policies and the manner in which the corporate entity deals with various stakeholders, with transparency being the key word. Accordingly, timely, adequate and accurate disclosure of information on the performance and ownership forms the cornerstone of Corporate Governance. It is a journey for constantly improving sustainable value creation and an upward moving target.

At Tribhovandas Bhimji Zaveri Limited (TBZ), Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximising stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all.

Your Company believes that good Corporate Governance is essential in achieving long-term corporate goals, enhancing shareholders' value and attaining the highest level of transparency. Your Company's philosophy on Corporate Governance is led by a strong emphasis on transparency, accountability and integrity and your Company has been practicing the principles of Corporate Governance since date of listing.

Your Company believes that all its operations and actions must serve the underlined goal of enhancing customers' satisfaction and stakeholders' value over a sustained period of time. All directors and employees are bound by a Code of Conduct that sets forth your Company's policy on important issues, including its relationship with customers, shareholders and Government.

## **GOVERNANCE STRUCTURE:**

Your Company's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework,

thereby bringing about an enabling environment for value creation through sustainable growth.

## **Board of Directors**

TBZ's Board plays a pivotal role in ensuring that your Company runs on sound and ethical business practices and that its resources are utilised for creating sustainable growth. The Board operates within a well-defined framework which enables it to discharge its fiduciary duties of safeguarding the interest of your Company; ensuring fairness in the decision-making process, integrity and transparency in your Company's dealing with its Members and other stakeholders.

## **Committee of Directors**

The Board has constituted various committees with a view to have more focused attention on various areas of business and for better accountability, viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility (CSR) Committee and Special Committee of Board of Directors. Each of these Committees has been mandated to operate within a given framework.

## **Management Structure**

Management structure for running the business of your Company as a whole is in place with appropriate delegation of powers and responsibilities. This broadly is as under:

### **a) Chief Executive Officer**

The Chief Executive Officer is in overall control and responsible for the day-to-day working and functioning of your Company. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various committees. All the responsibilities of the Chief Executive Officer are handled by Mr. Shrikant Zaveri, Chairman & Managing Director of your Company.

### **b) Functional Heads**

Functional Heads of various departments, viz. Retail Department, Gold Order Department, Diamond Order Department, Advertisement and Marketing Department, Human Resource Department, Administration Department, Information and Technology (IT) Department, Secretarial Department, Legal Department, Treasury & MIS Department, Accounts and Finance Department and Project Department. The Chief Financial Officer reports to the Chief Executive Officer of your Company. These Department Heads review the functioning of their department.

## **Shareholders' Communications**

The Board recognises the importance of two-way communication with shareholders and giving a balanced

report of results and progress and responding to questions and issues raised in a timely and consistent manner. Your Company's corporate website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)) has information for institutional and retail shareholders alike. Shareholders seeking information relating to their shareholding may contact your Company directly or through the Registrar and Share Transfer Agent, details of which are available on your Company's website and also forming part of the Corporate Governance Report. Your Company ensures that complaints and suggestions of its shareholders are responded to in a timely manner.

#### **Role of the Company Secretary in overall governance process**

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all the relevant information, details and documents are made available to the Directors and Senior Management for effective decision making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of the legal and procedural requirements of your Company, to ensure compliance with applicable statutory requirements and Secretarial Standards and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

#### **I. BOARD OF DIRECTORS:**

- A. The composition of the Board of Directors represents a combination of knowledge, experience and professionalism and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Board comprises of Executive and Independent Directors as required under applicable legislation. As on 31<sup>st</sup> March, 2018, the Board consists of six Directors comprising of three Executive Directors and three Independent Directors who are Non-Executive Directors, i.e. fifty per cent of the Board comprises of Independent Directors. The number of Independent Directors on the Board is in conformity with the requirement of Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board also consists of two women Whole-time Directors. All three Executive Directors are the Promoters of your Company.

All the responsibilities of the Chief Executive Officer (CEO) are discharged by Mr. Shrikant Zaveri, Chairman & Managing Director of your Company.

During the year, the Board of Directors comprised of Mr. Shrikant Zaveri, Chairman & Managing Director, Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors who are all Executive Directors (ED) and the Promoters of your Company. The other three Directors are Independent Directors, namely Mr. Kamlesh Vikamsey, Mr. Ajay Mehta and Mr. Sanjay Asher. All three Independent Directors are Non-Executive Directors (NED). None of the Directors resigned / retired during the year under review.

None of the Directors on the Board is a Member of more than ten Committees or the Chairman of more than five committees (Committees being Audit Committee and Stakeholders' Relationship Committee), as per the requirements of Regulation 26(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all the public limited companies in which he/she is a Director. The necessary disclosure regarding committee positions have been made by all the Directors of your Company.

None of the Executive Directors of your Company holds office as a director including alternate directorship in more than twenty companies at the same time, provided the maximum number of public companies in which a person can be appointed as a director are not exceeding ten companies (for reckoning the limit of public companies in which a person can be appointed as a director, directorship in private companies that are either holding or subsidiary company of a public company shall be included) as per the provision of Section 165(1) of the Companies Act, 2013. None of the Independent Directors of your Company holds office as independent director in more than seven listed companies and further, none of the Independent Directors of your Company who is serving as whole-time director in any listed company, serves as independent director in more than three listed companies as per the requirement of Regulation 25(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year, five Board Meetings were held on 3<sup>rd</sup> May, 2017, 2<sup>nd</sup> August, 2017, 19<sup>th</sup> September, 2017, 29<sup>th</sup> November, 2017 and 5<sup>th</sup> February, 2018.

- B. The Composition of the Board of Directors, their attendance at the Board Meeting during the year and at the last Annual General Meeting along with number of outside directorships, committee's chairmanship/ memberships is as follows:

Name of the Directors	Date of Appointment	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM held on 19.09.2017	No. of outside Directorship in all Companies (*)	No. of outside Committee Membership/ Chairmanship in all Companies (+) (**)	
						Member	Chairman
Mr. Shrikant Zaveri (DIN: 00263725)	24.07.2007	CMD	5	Yes	1 (\$)	Nil	Nil
Ms. Binaisha Zaveri (DIN: 00263657)	24.07.2007	WTD	4	No	1 (\$)	Nil	Nil
Ms. Raashi Zaveri (DIN: 00713688)	01.07.2008	WTD	5	Yes	1	Nil	Nil
Mr. Kamlesh Vikamsey (DIN: 00059620)	26.08.2010 (#)	ID	5	Yes	7	3	2
Mr. Ajay Mehta (DIN: 00028405)	14.12.2010 (#)	ID	5	Yes	3	1	Nil
Mr. Sanjay Asher (DIN: 00008221)	14.12.2010 (#)	ID	4	Yes	9	5	5

**Note:**

\* Directorship across all the companies excluding directorship in Tribhovandas Bhimji Zaveri Limited, in private limited companies which are not a subsidiary of public limited company, foreign companies, government companies and companies under Section 8 of the Companies Act, 2013.

+ Committee's Membership / Chairmanship across all the companies excluding that in Tribhovandas Bhimji Zaveri Limited, in private limited companies which are not a subsidiary of public limited company, foreign companies, government companies and companies under Section 8 of the Companies Act, 2013.

\*\* Chairmanship and Membership of Audit Committee and Stakeholders Relationship Committee only.

(#) All three Independent Directors (Non-Executive Directors) were appointed for the consecutive (first) term of five years, i.e. from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2019 in the Seventh Annual General Meeting of your Company held on 24<sup>th</sup> September, 2014. {All these three Independent Directors (Non-Executive Directors) are proposed to be reappointed for second consecutive term of five years, i.e. from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024}.

(\$) Konfiaance Jewellery Private Limited, wholly owned subsidiary company is under Voluntary Liquidation Process. The Voluntary Liquidation process has begun on 28<sup>th</sup> August, 2017 in pursuance of provisions of Section 59 of the Insolvency and Bankruptcy Code, 2016 and Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 and the process of voluntary liquidation has been completed on 31<sup>st</sup> March, 2018.

**CMD** – Chairman & Managing Director, **WTD** – Whole-time Director, **NED** – Non-Executive Director, **ID** – Independent Director.

Certificates have also been obtained from the Independent Directors confirming their position as Independent Directors on the Board of your Company in accordance with Section 149 of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Every Director currently on the Board of your Company has personally attended at least one Board/ Committee of the Directors' Meeting in the financial year 2017-18.

Independent Directors have been paid Sitting Fees for attending the meetings. Further, the Commission, if any, paid to them is within the limit of 1% of the net profits of your Company as per the applicable provisions of the Companies Act, 2013. Your Company has not had any pecuniary relationship or transaction with any of the Independent Directors during the year.

Leave of Absence was granted to the Directors who were absent for the meetings.

**C. Directors' Profile:**

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

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

**Mr. Shrikant Zaveri (Chairman & Managing Director)**

Mr. Shrikant Zaveri is a doyen of the Indian Gems and Jewellery Industry and is one of the most respected personalities of the Gems and Jewellery Industry in India. He has a rich experience of more than thirty six years in the Gems and Jewellery industry. He has completed his education upto matriculation. He took over as the managing partner of the business in 2001. He continued

his forefather's business with one flagship showroom at Zaveri Bazar, and given his immense efforts, your Company presently has thirty seven showrooms, out of which thirty two are Company's own showrooms and five are franchisee showrooms, in twenty six cities and eleven states across India.

During the current financial year, with his vision, your Company has started its fourth and fifth franchise showrooms at Jamnagar (Gujarat) and at Bhopal (Madhya Pradesh), respectively. He is discharging the additional responsibility of Chief Executive Officer of your Company.

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

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

#### **Ms. Binaisha Zaveri (Whole-time Director)**

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

#### **Ms. Raashi Zaveri (Whole-time Director)**

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

#### **Mr. Kamlesh Vikamsey (Independent Director)**

Mr. Kamlesh Vikamsey has a bachelor's degree in commerce from the University of Mumbai and is a qualified chartered accountant. He has more than thirty five years of experience in Accounting and Finance, Taxation, Corporate and Advisory services. He is Chairperson of the External Audit Committee (EAC) of International Monetary Fund (IMF), Washington D.C., United States of America, Deputy Chairperson of the Audit Advisory Committee of United Nations Children's Fund (UNICEF), New York, United States of America and Member of the Independent Management Advisory Committee (IMAC) of International Telecommunication Union (ITU), Geneva, Switzerland. He is also a member

of the Appellate Authority constituted under Section 22A of the Chartered Accountants Act, 1949 & Income Computation Disclosure Standards Committee of Central Board of Direct Taxes (CBDT).

He was the Chairperson of the Audit Advisory Committee of the United Nations Development Programme (UNDP) and a member of the Indian Advisory Board at Intuit. He was the President of the Confederation of Asian and Pacific Accountants (CAPA) 2007-2009 and was the Deputy President of CAPA during 2005-2007. He was a Board Member of the International Federation of Accountants (IFAC) from 2005 until 2008. He was the President of the Institute of Chartered Accountants of India (ICAI) during 2005-06. He has served as a member of various advisory and expert committees at national and international levels, including as a member of the expert committee constituted by the Central Government for the promotion of the Gems and Jewellery industry in 2007 and was a member of the Accounting Standards Committee of SEBI during 2005-2006.

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

#### **Mr. Ajay Mehta (Independent Director)**

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

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

#### **Mr. Sanjay Asher (Independent Director)**

Mr. Sanjay Asher has a bachelor's degree in commerce and a bachelor's degree in law from the University of



Bombay. He is also a qualified chartered accountant and a solicitor. He has over twenty eight years of experience in the field of law and corporate matters. He is presently a senior partner at M/s. Crawford Bayley and Co., and deals with corporate laws, mergers and acquisitions and capital market transactions.

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

#### **D. Board's Functioning and Procedure:**

Your Company holds at least four Board Meetings in a year, one in each quarter to, inter-alia, review the financial results of your Company. The Board periodically reviews the items required to be placed before it and reviews and approves quarterly/ half yearly unaudited standalone financial statements and the audited standalone and consolidated annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance, performance of various showrooms and reviews such other items which require the Board's attention. It directs and guides the activities of Management towards the set goals and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with laws and regulations. The agenda for the Board Meeting broadly covers the minimum information to be placed before the Board of Directors as specified in Part A of Schedule II of Regulation 17(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent these are relevant and applicable. The agenda is circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda, which are supported by relevant information, documents and presentations to enable the Board to take informed decisions. The date of the Board Meetings is agreed upon well in advance of the meeting.

The gap between two Board Meetings does not exceed one hundred and twenty days. Apart from the four scheduled Board Meetings, additional Board Meetings are also convened to address the specific requirements of your Company. Urgent matters are also approved by the Board by passing resolutions through circulation, if required.

All the departments in your Company communicate to the Company Secretary well in advance, the matters requiring approval of the Board/ Committees of the Board to enable inclusion of the same in the agenda for the Board/ Committee Meetings.

#### **E. Relationship between Directors:**

In terms of Schedule V(C)(2)(e) and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 none of the three Independent

Directors (Non-Executive Directors) are related to each other nor related to any of the Executive Directors of your Company.

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

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

#### **F. Appointment of Directors retiring by rotation:**

Ms. Raashi Zaveri, Whole-time Director of your Company retiring by rotation is proposed to be re-appointed at the ensuing Annual General Meeting.

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

#### **G. Code of Conduct:**

The Board of Directors have adopted two Code of Conduct ("the Codes") for the Board of Directors as well as for Senior Management and Employees of your Company. The Codes cover amongst other things your Company's commitment to honest and ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health and safety, transparency and compliance of laws and regulations etc. and the same are placed on the website of your Company at [www.tbztheoriginal.com](http://www.tbztheoriginal.com).

The Code of Conduct for the Board of Directors as well as for Senior Management Personnel, officer and employees of your Company is available on Company's website on following Web links:

<http://www.tbztheoriginal.com/pdf/TBZ-Code%20of%20Conduct%20for%20Board%20of%20Directors.pdf>;

<http://www.tbztheoriginal.com/pdf/Code%20of%20Conduct%20for%20KMP%20&%20Employees.pdf>.

In addition to the above, your Company has adopted a Code for Independent Directors as per the provisions of Section 149(8) read with Schedule IV of the Companies Act, 2013 which suitably incorporates the duties of Independent Directors.

The Codes lay down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity at the work place, in business practices and in dealing with stakeholders. The Codes give guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure. There were no material financial and commercial transactions, in which Board Members or Senior Management Personnel had personal interest, which could lead to potential conflict of interest with your Company during the year.

All the Board members and Senior Management of your Company have affirmed compliance with their respective Code of Conduct for the financial year ended 31<sup>st</sup> March, 2018. A declaration to this effect duly signed by the Chairman & Managing Director of your Company (in the capacity of Chief Executive Officer) is annexed hereto.

#### H. Remuneration Policy and details of Remuneration paid/ payable to the Managing Director and the Whole-time Directors for the year ended 31<sup>st</sup> March, 2018:

The remuneration of your Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in accordance with the existing industry practice. Your Company pays remuneration by way of salary (fixed component) and commission (variable component) to the Chairman & Managing Director and to the Whole-time Directors. Salary is paid within the amount fixed by the shareholders, which is restricted to the maximum limits prescribed under Sections 196, 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013. The Commission payable to the Chairman & Managing Director and Whole-time Directors is calculated with reference to the net profits of your Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the Nomination and Remuneration Committee, subject to the overall ceilings stipulated in Section 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013.

The Chairman & Managing Director and the Whole-time Directors are not paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.

The agreement with Chairman & Managing Director and the Whole-time Directors are for a period not exceeding five years at a time and salary fixed is for a period not exceeding three years at a time. Either party may terminate the agreement by giving the other party prior written notice of six months, provided that the Company may waive the notice by giving the remuneration on a pro rata basis in respect of the months for which the Chairman & Managing Director and Whole-time Director(s) would have received had he/she remained in office. There is no separate provision for payment of severance fees.

Your Company does not have a scheme for grant of stock options to any of the Chairman & Managing Director and the Whole-time Directors of your Company.

The commission payable to the Chairman & Managing Director and the Whole-time Directors are based on the performance criteria laid down by the Board which broadly considers the profits earned by your Company for the financial year. The members of the Nomination and Remuneration Committee has approved and recommended to the Board the remuneration in the form of minimum remuneration to be paid within the limits specified as per Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013. On basis of these recommendations the Board has approved the remuneration in the form of minimum remuneration to be paid to Mr. Shrikant Zaveri, Chairman & Managing Director; Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors of your Company.

The Nomination and Remuneration Committee has not recommended any commission to the Chairman & Managing Director and the Whole-time Directors of your Company for the financial year 2017-18, and on basis of the said recommendations, the Board of Directors has decided not to declare any commission for the financial year 2017-18 to any of the Chairman & Managing Director and Whole-time Directors of your Company.

Details of remuneration in the form of minimum remuneration paid/ payable to Managing Director and Whole-time Directors for the financial year 2017-18 is as follows:

Names of Managing Director / Whole-time Directors	Gross Salary (in form of Minimum Remuneration) (in ₹)	Commission (in ₹)	Perquisites (in ₹)	Retirement Benefits (in ₹)	Stock Option	Total (in ₹)
Mr. Shrikant Zaveri	24,000,000	--	--	--	--	<b>24,000,000</b>
Ms. Binaisha Zaveri	24,000,000	--	--	--	--	<b>24,000,000</b>
Ms. Raashi Zaveri	24,000,000	--	--	--	--	<b>24,000,000</b>

#### I. Remuneration Policy and details of Sitting Fees & Commission paid / payable to Independent Directors (Criteria for making payment to Independent Directors):

The Independent Directors are paid remuneration by way of Commission not exceeding 1% of the net profit of your Company. The Independent Directors are also paid Sitting Fees for the meeting of the Board of Directors and various Committee

Meetings attended by them. In terms of shareholders' approval obtained for the period of five years commencing from 1<sup>st</sup> April, 2013, by way of Special Resolution at the Sixth Annual General Meeting of your Company held on 30<sup>th</sup> August, 2013, the total Commission payable to the Independent Directors has been approved at the rate not exceeding 1% per annum of the net profits of your Company (computed in accordance with Sections 197, 198 and all other applicable provisions of the Companies Act, 2013). The proposal for distribution of Commission amongst the Independent Directors is placed before the Board. The Commission is distributed amongst Independent Directors in accordance with their individual contribution at the Board Meetings and certain Committee Meetings as well as time spent on operational matters other than at the meetings. The total amount of Commission, if paid, to the Independent Directors, under no circumstances exceed 1% of the net profits of your Company.

For the current financial year 2017-18, your Company has declared a total Commission of ₹ 2,250,000 (Rupees Twenty Two Lakhs Fifty Thousand only) to Independent Directors and ₹ 750,000 (Rupees Seven Lakhs Fifty Thousand only) to each Independent Director. Your Company has paid sitting fees to Independent Directors based on number of Board and Committee Meetings attended by each Independent Director. The details of the commission payable and the sitting fees paid individually is available in the chart given below.

Your Company pays sitting fees of ₹ 20,000 per Board Meeting attended and ₹ 10,000 per meeting attended of the various Committees to the Independent Directors.

Details of sitting fees paid/ commission payable to Independent Directors of your Company as on 31<sup>st</sup> March, 2018 are as follows:

<b>Names of the Independent Directors</b>	<b>Sitting Fees (In ₹)</b>	<b>Commission (In ₹)</b>	<b>Total (In ₹)</b>
Mr. Kamlesh Vikamsey	180,000	750,000	<b>930,000</b>
Mr. Ajay Mehta	300,000	750,000	<b>1,050,000</b>
Mr. Sanjay Asher	120,000	750,000	<b>870,000</b>

The above amounts are exclusive of Goods & Service Tax (GST).

None of the Independent Directors of your Company has any pecuniary relationship or transaction with your Company.

All the Independent Directors have complied with the limits of directorships and maximum tenure as per Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the applicable provisions of the Companies Act, 2013. The appointment letter of the Independent Directors and their terms and conditions, has been disclosed on the Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)).

#### **J. Board Training and Induction:**

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter-alia explains the role, function, duties and responsibilities expected of him/her as a Director of your Company. The Director is also explained in detail, the compliances required from him/her under the Companies Act, 2013, Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant regulations and his/her affirmation is taken with respect to the same.

By way of an introduction to your Company, the Director is presented with documents on rules & bye-laws,

policies of your Company and the Standard Operating Processes (SOP) of your Company as a whole as well as for various departments are also shared with the incoming Director to acquaint him/her with the functioning of your Company. Apart from this your Company shares relevant Annual Reports, brochures for various schemes and programmes, and reports on the Gems and Jewellery Industry published by various agencies/ authorities. The functioning of various departments of your Company, the market share and markets in which it operates, governance and internal control process and other relevant information pertaining to your Company's business are also shared with the Director. The Managing Director and Executive Directors also have a one-to-one discussion with the newly appointed Director. The above initiatives help the Director to understand your Company, its business and the regulatory framework in which your Company operates and equips him/her to effectively fulfil his/her role as a Director of your Company.

#### **K. Familiarization Programme for Independent Directors:**

As per the requirement of Regulation 25(7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has a program to familiarize Independent Directors with regard to their roles, rights, responsibilities as Independent Directors in your Company, nature of the industry in which your Company operates, the business model of your Company, etc. The Independent Directors are also provided with an overview of terms

of appointment, the code of conduct of Board of Directors and insider trading regulations, disclosures and business interests of your Company and other important regulatory aspect as relevant for Independent Directors.

The purpose of the Familiarization Programme for Independent Directors is to provide insights into your Company to enable the Independent Directors to understand its business in depth and contribute significantly to your Company. Your Company has already carried out the familiarization programme for Independent Directors. The details of Familiarization Programme Imparted to Independent Directors in terms of Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is available on the website of your Company at link: [http://tbztheoriginal.com/pdf/TBZ-Familiarisation%20Program\(17-18\).pdf](http://tbztheoriginal.com/pdf/TBZ-Familiarisation%20Program(17-18).pdf).

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

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

During the year under review, the Board adopted a formal mechanism for evaluating its own performance, the Directors individually including the Chairman of the Board as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspect of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, experience and

competencies, execution and performance of specific duties, obligations and governance.

As required under Section 134(3)(p) of the Companies Act, 2013 and Regulation 17(10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors assessed the performance of Independent Directors as per the criteria laid down and have recommended their continuation on the Board of your Company.

A separate exercise was carried out to evaluate the performance of the Independent Directors and individual Directors including the Chairman of the Board, who were evaluated on the parameters such as relevant experience, expertise and skills; devotion of time and attention to your Company's long term strategic issues, addressing the most relevant issues for your Company, discussing and endorsing your Company's strategy, Professional conduct, ethics and integrity, ability and willingness to speak up, focus on shareholder value creation, high governance standards, knowledge of business, process and procedure followed, openness of discussion/integrity, relationship with management, impact on key management decisions, level of attendance, engagement and contribution, independence of judgement, safeguarding the interest of your Company and its minority shareholder's interest etc. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Independent Director being evaluated and the performance evaluation of the Chairman and Non-Independent Directors (Executive Directors) was carried out by the Independent Directors.

Having regard to the industry, size and nature of business your Company is engaged in, the Board expressed their satisfaction with the evaluation process which is sufficient, appropriate and found to be serving the purpose. Your Directors have expressed their satisfaction for the evaluation process, evaluation results, which reflected the overall engagement and the effectiveness of the Board and its Committees.

#### M. Details of shares held by Directors:

Following are the details of the shares held by the Directors of your Company as on 31<sup>st</sup> March, 2018:

Names of the Directors	Nature of Directorship	No. of Shares held
Mr. Shrikant Zaveri	Chairman & Managing Director	33,402,275
Ms. Binaisha Zaveri	Whole-time Director	5,285,000
Ms. Raashi Zaveri	Whole-time Director	4,572,500
Mr. Kamlesh Vikamsey	Independent Director	NIL
Mr. Ajay Mehta	Independent Director	NIL
Mr. Sanjay Asher	Independent Director	6,300

**II. BOARD COMMITTEES:**

With a view to have a more focused attention on business and for better governance and accountability, the Board has already constituted the following mandatory Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. Your Company has also voluntarily constituted a Risk Management Committee which is mandatory as per Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for top 100 listed companies only. Apart from these your Company has also constituted a Special Committee of Board of Directors. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

The Board has constituted six Committees and conducted separate meeting of the Independent Directors:

- 1) Audit Committee;
- 2) Nomination and Remuneration Committee;
- 3) Stakeholders Relationship Committee;
- 4) Special Committee of the Board of Directors;
- 5) Corporate Social Responsibility Committee (CSR Committee);
- 6) Risk Management Committee;
- 7) Separate Meeting of the Independent Directors.

**1) Audit Committee:**

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out by the Management, Statutory and Internal Auditors on the financial reporting process and the safeguards employed by them.

The Audit Committee was constituted under the Chairmanship of Mr. Kamlesh Vikamsey, who comes with finance and accounting background. All the members of the Audit Committee are financially literate and have relevant finance and audit exposure. The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee consists of the following members:

<b>Name of the Members</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Kamlesh Vikamsey	Chairman	Independent Director
Mr. Ajay Mehta	Member	Independent Director
Mr. Shrikant Zaveri	Member	Chairman & Managing Director

The Audit Committee enjoys the following powers: -

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the Audit Committee shall include the following:

1. Overseeing your Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and creditable;
2. Recommending to the Board for the appointment, remuneration and terms of appointment of auditors of your Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013,
  - b. Changes, if any, in accounting policies and practices and reasons for the same,
  - c. Major accounting entries involving estimates based on the exercise of judgment by management,
  - d. Significant adjustments made in the financial statements arising out of audit findings,
  - e. Compliance with listing and other legal requirements relating to financial statements,
  - f. Disclosure of any related party transactions, and



- g. Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings of assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Discussion with internal auditors on any significant findings and follow up there on;
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. To review the functioning of the Whistle Blower Mechanism;
18. Approval of appointment of CFO (i.e. whole-time Finance Director or any other person heading the finance function or discharging that function)

after assessing the qualifications, experience and background, etc. of the candidate;

19. Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the internal auditor;
20. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
21. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
6. Statement of deviations:
  - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
  - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be minuted in the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of your Company to provide clarifications on the matters relating to the audit.

The Company Secretary is the Secretary to the Committee.

Mr. Kamlesh Vikamsey, Chairman of the Audit Committee, was present at the last Annual General Meeting of your Company held on 19<sup>th</sup> September, 2017.

As at the year-end, the Audit Committee of the Board comprised of three members, two of them being Independent Directors. Mr. Kamlesh Vikamsey is a Chartered Accountant and is a financial expert.

During the year, four Audit Committee Meetings were held on 3<sup>rd</sup> May, 2017, 2<sup>nd</sup> August, 2017, 29<sup>th</sup> November, 2017 and 5<sup>th</sup> February, 2018.

The attendance record of the members of the Audit Committee is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr. Kamlesh Vikamsey	4	4
Mr. Ajay Mehta	4	4
Mr. Shrikant Zaveri	4	4

## 2) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee's composition meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the members of the Nomination and Remuneration Committee are Non-Executive and Independent Directors. Mr. Ajay Mehta, Independent Director, is the Chairman of the Committee.

The composition of the Remuneration Committee is as follows:

Name of the Members	Designation in the Committee	Nature of Directorship
Mr. Ajay Mehta	Chairman	Independent Director
Mr. Kamlesh Vikamsey	Member	Independent Director
Mr. Sanjay Asher	Member	Independent Director

The Company Secretary is the Secretary to the Committee.

The terms of reference of the Nomination and Remuneration Committee includes identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance; laying down the evaluation criteria for performance evaluation of Independent Directors and the Board of Directors; formulating the

criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees; devising the policy on Board diversity; whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

Mr. Ajay Mehta, Chairman of the Nomination and Remuneration Committee, was present at the last Annual General Meeting of your Company held on 19<sup>th</sup> September, 2017.

During the year, three Nomination and Remuneration Committee Meetings were held on 3<sup>rd</sup> May, 2017, 2<sup>nd</sup> August, 2017 and 5<sup>th</sup> February, 2018.

The attendance record of the members of the Nomination and Remuneration Committee is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr. Ajay Mehta	3	3
Mr. Kamlesh Vikamsey	3	3
Mr. Sanjay Asher	3	3

## 3) Stakeholders Relationship Committee:

The Stakeholders Relationship Committee's composition meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The present committee consists of the following members:

Name of the Members	Designation in the Committee	Nature of Directorship
Mr. Ajay Mehta	Chairman	Independent Director
Mr. Shrikant Zaveri	Member	Chairman & Managing Director
Ms. Binaisha Zaveri	Member	Whole-time Director
Ms. Raashi Zaveri	Member	Whole-time Director

Mr. Niraj Oza, Head Legal & Company Secretary is designated as the Compliance officer of your Company.

The Company Secretary is the Secretary to the Committee.

The terms of reference of the Stakeholders Relationship Committee as per Section 178(6) and as specified in Part D of Schedule II of Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall

consider and resolve the grievances of the security holders of your Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividend.

Mr. Ajay Mehta, Chairman of the Stakeholders Relationship Committee, was present at the last Annual General meeting of your Company.

During the year, four Stakeholders Relationship Committee Meetings were held on 3<sup>rd</sup> May, 2017, 2<sup>nd</sup> August, 2017, 29<sup>th</sup> November, 2017 and 5<sup>th</sup> February, 2018.

The attendance records of the members of the Stakeholders Relationship Committee is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr. Ajay Mehta	4	4
Mr. Shrikant Zaveri	4	4
Ms. Binaisha Zaveri	4	4
Ms. Raashi Zaveri	4	4

#### 4) Special Committee of the Board of Directors:

The Board of Directors has constituted Special Committee of the Board of Director and delegated some of the powers enjoyed by the Board of Directors to the Special Committee of the Board of Directors, which are not prohibited by Section 179 of the Companies Act, 2013. The composition of the Special Committee of Board of Directors is as follows:

Name of the Members	Designation in the Committee	Nature of Directorship
Mr. Shrikant Zaveri	Chairman	Chairman & Managing Director
Ms. Binaisha Zaveri	Member	Whole-time Director
Ms. Raashi Zaveri	Member	Whole-time Director

The Company Secretary is the Secretary to the Committee.

During the year, no meeting of the Special Committee of Board of Directors was held.

#### 5) Corporate Social Responsibility Committee (CSR Committee):

The Corporate Social Responsibility Committee (CSR Committee) of the Board of Director was constituted as per the requirements of the Section 135 and all other applicable provision of the Companies Act, 2013. The Corporate Social Responsibility Committee (CSR Committee) of the Board of Director was constituted to carry out the functions and duties as mentioned in the Section 135 and activities as mentioned in Schedule VII of the Companies Act, 2013.

The present committee consists of the following members:

Name of the Members	Designation in the Committee	Nature of Directorship
Mr. Shrikant Zaveri	Chairman	Chairman & Managing Director
Mr. Ajay Mehta	Member	Independent Director
Ms. Binaisha Zaveri	Member	Whole-time Director
Ms. Raashi Zaveri	Member	Whole-time Director

The Company Secretary is the Secretary to the Committee.

During the year, four Corporate Social Responsibility Committee Meetings were held on 3<sup>rd</sup> May, 2017, 2<sup>nd</sup> August, 2017, 29<sup>th</sup> November, 2017 and 5<sup>th</sup> February, 2018.

The attendance record of the members of the Corporate Social Responsibility Committee is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr. Shrikant Zaveri	4	4
Mr. Ajay Mehta	4	4
Ms. Binaisha Zaveri	4	4
Ms. Raashi Zaveri	4	4

#### 6) Risk Management Committee

As per the requirement of Regulation 21(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the constitution of a Risk Management Committee shall be applicable to top 100 listed companies, determined on the basis of market capitalization, as at the end of the immediate previous financial year. Accordingly, constitution of Risk Management Committee is not compulsory for your Company, but to follow Corporate Governance in the right spirit your Company has voluntarily constituted the Risk Management Committee of the Board.

The Risk Management Committee of the Board of Directors was voluntary constituted. Risk Management Committee provides assistance to the Board of Directors in fulfilling its objective of controlling/ monitoring various risks prevailing in the functioning of your Company in day to day life including the review and functioning of Gold Price Risk Management Policy of your Company as well as reviewing measures to be taken to mitigate the risk on hedging in domestic as well as international market, to evaluate and identify the major strategic, operational, regulatory risks inherent in the business of your Company, to evaluate and identify various types of external and internal risks and to suggest various control measures to be adopted.

The present committee consists of the following members:

<b>Name of the Members</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Shrikant Zaveri	Chairman	Chairman & Managing Director
Mr. Ajay Mehta	Member	Independent Director
Ms. Binaisha Zaveri	Member	Whole-time Director
Ms. Raashi Zaveri	Member	Whole-time Director
Mr. Saurav Banerjee	Member	Chief Financial Officer
Mr. Sunil Gujarathi	Member	Head – MIS & Treasury

The Company Secretary is the Secretary to the Committee.

During the year, four Risk Management Committee Meetings were held on 3<sup>rd</sup> May, 2017, 2<sup>nd</sup> August, 2017, 29<sup>th</sup> November, 2017 and 5<sup>th</sup> February, 2018.

The attendance record of the members of the Risk Management Committee is given below:

<b>Name of the Members</b>	<b>No. of Meetings</b>	
	<b>Held</b>	<b>Attended</b>
Mr. Shrikant Zaveri	4	4
Ms. Binaisha Zaveri	4	4
Ms. Raashi Zaveri	4	4
Mr. Ajay Mehta	4	4
Mr. Saurav Banerjee	4	4
Mr. Sunil Gujarathi	4	4

### 7) Meeting of the Independent Directors (Separate Meeting)

As per the requirements of the Regulation 25(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of your Company have met on 5<sup>th</sup> February, 2018, inter-alia to:

1. Review and evaluate of the performance of non-independent directors and the Board as a whole;
2. Review and evaluate of the performance of the Chairperson of your Company, taking into account the views of Executive Directors and Non-Executive Directors (Independent Directors);
3. Access and evaluate the quality, quantity/ content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting consisted of the following members:

<b>Name of the Members</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Kamlesh Vikamsey	Chairman	Independent Director
Mr. Ajay Mehta	Member	Independent Director
Mr. Sanjay Asher	Member	Independent Director

During the year, one Separate Meeting of Independent Directors meeting was held on 5<sup>th</sup> February, 2018.

All the Independent Directors were present at the meeting.

### III. GENERAL BODY MEETINGS:

#### A. Annual General Meeting (AGM):

Location, date and time of the Annual General Meetings held in the last three years are as under:

<b>Year</b>	<b>Location of the Meeting</b>	<b>Date</b>	<b>Time</b>
2014-15	M. C. Ghia Hall, 4 <sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001.	9 <sup>th</sup> September, 2015	3.30 p.m.
2015- 16	M. C. Ghia Hall, 4 <sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001.	19 <sup>th</sup> September, 2016	3.30 p.m.
2016- 17	M. C. Ghia Hall, 4 <sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001.	19 <sup>th</sup> September, 2017	3.30 p.m.

One Special Resolution was passed in the AGM held on 9<sup>th</sup> September, 2015 which is as follows:

- (i) To fix remuneration payable to Mr. Shrikant Zaveri, Chairman & Managing Director of the Company from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> December, 2015.

Three Special Resolutions were passed in the AGM held on 19<sup>th</sup> September, 2016 which are as follows:

- (i) To re-appoint Mr. Shrikant Zaveri (DIN: 00263725) as Chairman & Managing Director of the Company and to fix terms of appointment and remuneration.
- (ii) To re-appoint Ms. Binaisha Zaveri (DIN: 00263657) as Whole-time Director of the Company and to fix terms of appointment and remuneration.
- (iii) To re-appoint Ms. Raashi Zaveri (DIN: 00713688) as Whole-time Director of the Company and to fix terms of appointment and remuneration.

No Special Resolutions were passed in the AGM held on 19<sup>th</sup> September, 2017.

No postal ballot activity was carried out during the previous financial year 2016–17 and current financial year 2017–18.

#### **B. Extra Ordinary General Meeting (EGM):**

During last three financial years, i.e. from year 2014–15 to 2016–17, your Company has not held any Extra Ordinary General Meeting (EGM). During the current financial year 2017–18 your Company has not held any Extra Ordinary General Meeting (EGM).

#### **C. Details of Special Resolution passed through Postal Ballot, the persons who conducted the Postal Ballot exercise and details of the voting pattern:**

No special resolution was passed through postal ballot during the previous financial year 2016–17 and current financial year 2017–18. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

#### **IV. SUBSIDIARY COMPANIES:**

For the year under review your Company has two wholly owned subsidiaries namely; (i) Tribhovandas Bhimji Zaveri (Bombay) Limited and (ii) Konfiaance Jewellery Private Limited. But as on 31<sup>st</sup> March, 2018 your Company has only one subsidiary company namely; Tribhovandas Bhimji Zaveri (Bombay) Limited.

Konfiaance Jewellery Private Limited was a non-operational company and has no turnover in previous years and the Company was also not planning to do any business in that Company and due to that reason, it was decided to Liquidate the affairs (winding-up) of this wholly-owned subsidiary company as Voluntary Liquidation. To give effect to this the Board of Directors of holding company as well as wholly-owned subsidiary company at its Board Meeting dated 2<sup>nd</sup> August, 2017, have approved to Liquidate the affairs (winding-up) of Konfiaance Jewellery Private Limited, Wholly Owned Subsidiary of your Company under Voluntary Liquidation Process. At the Extra Ordinary General Meeting of Konfiaance Jewellery Private Limited held on 28<sup>th</sup>

August, 2017 the members have approved by way of Special Resolution, the winding up of the affairs of the company by Members' Voluntary Liquidation Process. Your Company has voluntarily given intimation under the outcome of the Board Meeting to Stock Exchanges (NSE & BSE) on 2<sup>nd</sup> August, 2017 to follow a good corporate governance; as Konfiaance Jewellery Private Limited, is not a material wholly owned subsidiary company and not falling under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Konfiaance Jewellery Private Limited, which was wholly owned subsidiary company of your Company is under the process of Voluntary Liquidation. The Voluntary Liquidation process has begun on 28<sup>th</sup> August, 2017 in pursuance of provisions of Section 59 of the Insolvency and Bankruptcy Code, 2016 and Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 and the process of voluntary liquidation has been completed on 31<sup>st</sup> March, 2018. As required under Regulation 38 (2) and (3) of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017, the liquidator has prepared and submitted the final report to the Insolvency and Bankruptcy Board of India and the Registrar of Companies and the application for dissolution of the company is being filed with the National Company Law Tribunal as required by Section 59 (7) and all other applicable provisions of the Insolvency and Bankruptcy Code, 2016.

Your Company does not have any material subsidiary as defined under Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, viz. a subsidiary, whose income or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediate preceding accounting year. It is, therefore, not required to have an Independent Director of your Company on the Board of such subsidiary.

Your Company's Audit Committee reviews the consolidated financial statements of your Company as well as the financial statements of the subsidiary. The minutes of the Board Meetings, are periodically placed before the Board of Directors of your Company.

Your Company has framed and adopted a Policy for Determining Material Subsidiary, pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder and the requirements of the Regulation 16(1) (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy can be downloaded from your Company's website [www.tbztheoriginal.com](http://www.tbztheoriginal.com), under link: <http://www.tbztheoriginal.com/pdf/TBZ-Material%20Subsidiary%20Policy.pdf>.



**V. DISCLOSURES:****A. Disclosure of materially significant Related Party Transactions:**

All related party transactions that have been entered were in the ordinary course of business and were placed periodically before the Audit Committee and the Board of Directors. All transactions with the related parties were at arm's length.

There were no materially significant related party transactions, pecuniary transactions or relationships between your Company and its Directors for the financial year ended 31<sup>st</sup> March, 2018 that may have a potential conflict with the interest of your Company at large.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

Transactions with related parties, as per the requirements of Indian Accounting Standards (Ind AS) - 24, are disclosed in this Annual Report and they are not in conflict with the interest of your Company at large.

Your Company has adopted Policy on materiality of Related Party Transactions and manner of dealing with Related Party Transactions as per the requirements of the provisions of Regulation 23(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also to comply with the provisions of Section 188 of the Companies Act, 2013 and the Rules framed thereunder as amended from time to time. The Policy can be downloaded from your Company's website [www.tbztheoriginal.com](http://www.tbztheoriginal.com), under link: <http://www.tbztheoriginal.com/pdf/Policy%20on%20Materiality%20of%20Related%20Party%20Transactions%20&%20Dealing%20with%20RPT.pdf>.

**B. Disclosure of Accounting Treatment:**

Your Company has followed the Indian Accounting Standards (Ind AS) prescribed under Section 133 read with Section 469 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant rules of the Companies (Indian Accounting Standards) Rules, 2015, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable in the preparation of financial statements and has not adopted a treatment different from that prescribed in Indian Accounting Standards (Ind AS). The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

**C. Risk Management Framework:**

Your Company has in place a mechanism to inform the Board Members about the Risk Assessment and Minimization procedures and periodical reviews to ensure that risk is controlled by the Executive Management through the means of a properly defined framework. For more details on Business Risk Management refer to the Directors' Report.

**D. Statutory Listing Compliances / (Strictures and Penalties):**

Your Company has complied with the requirements of the Stock Exchanges / Securities and Exchange Board of India (SEBI) and statutory authorities on all matters related to the capital markets from the date of listing. There were no instances of strictures or penalties imposed on your Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any statutory authorities on any matter related to the capital market since date of listing (i.e. 9<sup>th</sup> May, 2012).

**E. Details of Utilisation of the funds out of the proceeds from the Public Issue:**

During the year under review, there were no IPO proceeds left from the Public Issue. Your Company has fully utilized the IPO proceeds from the Public Issue during the financial year 2012-13. IPO Proceeds were utilized for the purpose stated in the Prospectus and there were no deviations in utilization of funds from those stated in the Prospectus.

**F. Vigil Mechanism / Whistle Blower Policy**

Your Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour.

The Board of Director of your Company has adopted and established a Vigil Mechanism as per the requirements of the Companies Act, 2013 and as per the Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company has established / adopted a Whistle Blower Policy (Vigil Mechanism) for directors and employees of your Company to report concerns about unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct or ethics policy. The Whistle Blower Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. The policy provides adequate safeguard against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. During the year under review, no employee or personnel has been denied access to the Audit Committee.

In this regard your Company has already created dedicated email id, viz. [wb.tbz@tbzoriginal.com](mailto:wb.tbz@tbzoriginal.com) which is monitored by Mr. Niraj Oza, Head Legal & Company Secretary who is also Compliance Officer of your Company, who is also the designated officer for the said purpose. The concern can also be raised in writing in the form of a letter signed by the concerned director(s) or employee(s) of your Company.

The policy document can be downloaded from your Company's website [www.tbztheoriginal.com](http://www.tbztheoriginal.com), under link: <http://www.tbztheoriginal.com/pdf/TBZ-Whistle%20Blower%20Policy.pdf>.

#### G. Prevention of Insider Trading

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders (earlier, Code of Conduct for Prevention of Insider Trading) for prevention of Insider Trading with a view to regulate trading in securities by the directors and designated employees of your Company. The Code requires pre-clearance for dealing in your Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to your Company and during the period when the Trading Window is closed. The Company Secretary & Compliance Officer is responsible for implementation of the Code.

All the Board Directors and the designated employees have confirmed compliance with the Code.

#### H. Internal Controls

Your Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. Your Company's business processes are on Oracle platforms / systems and have a strong monitoring and reporting process resulting in financial discipline and accountability.

#### I. Policy for Determining Material Subsidiary

Your Company is in compliance with the provisions in relation to material subsidiary wherever applicable. Your

Company do not have any material subsidiary company. Policy for Determining Material Subsidiary is posted on your Company's website [www.tbztheoriginal.com](http://www.tbztheoriginal.com), under link: <http://www.tbztheoriginal.com/pdf/TBZ-Material%20Subsidiary%20Policy.pdf>.

#### J. Disclosure of commodity price risk and commodity hedging activities:

This has been discussed under point no. VI (xxviii) of this Corporate Governance Report.

#### VI. MEANS OF COMMUNICATION:

- i) The Quarterly/ Annual Financial Results of your Company are published in an English newspaper viz. 'The Free Press Journal', and in a vernacular newspaper (in Marathi) viz. 'Navshakti';
- ii) The following are also promptly displayed on your Company's website, [www.tbztheoriginal.com](http://www.tbztheoriginal.com) under the 'Investors' Section:

- Quarterly Results, Financial Results, Shareholding Pattern, Annual Report;
- Official Press release in the 'Media Room' and 'Investor Information' Sections;
- The Presentations made to institutional investors or to the analysts;
- Investor Complaints/ Grievances Report, Corporate Governance Report, Reconciliation of Share Capital Audit Report and various compliance reports.
- All the reports, statements, documents, filings and any other information that are required to be submitted with the Stock Exchanges will be simultaneously filed with / uploaded on your Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)).

#### iii) Filings with Stock Exchanges:

All the reports, statements, documents, filings and any other information that are required to be submitted with the recognised stock exchanges as per the Listing Regulations, are disseminated / uploaded on website <https://listing.bseindia.com> / under "BSE Listing Centre" and on <https://www.connect2nse.com> / under "NSE Electronics Application Processing System (NEAPS)".

#### VII. GENERAL SHAREHOLDERS INFORMATION:

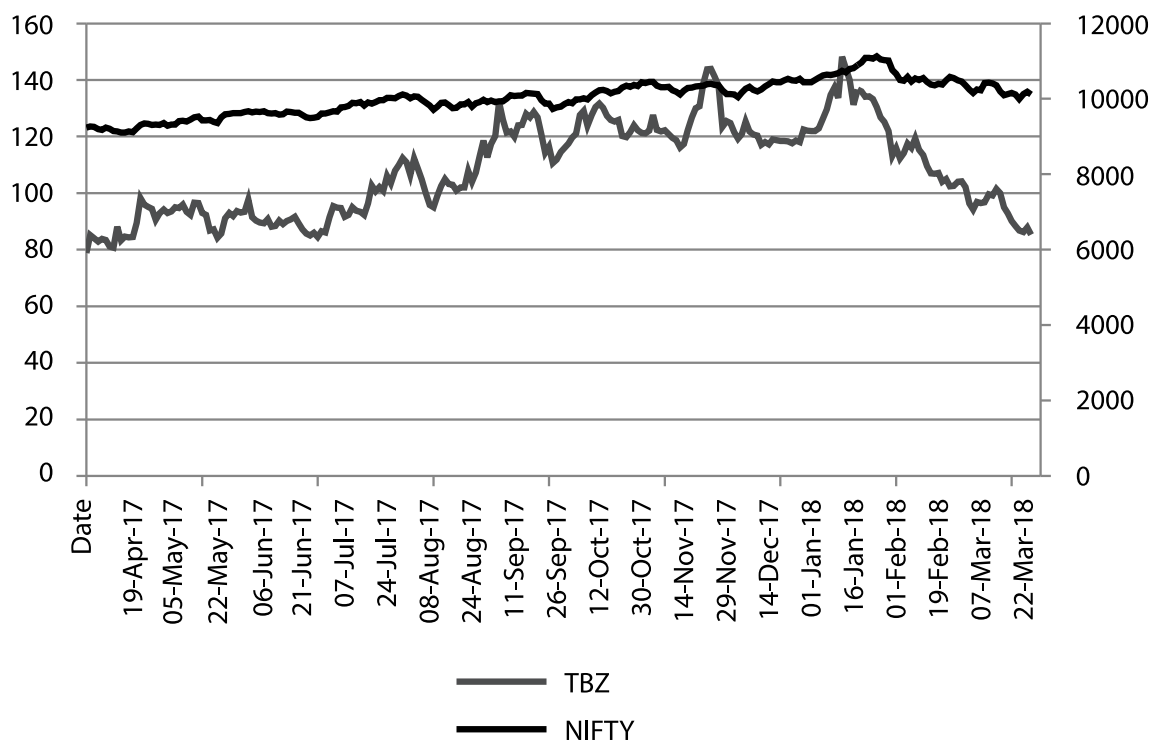
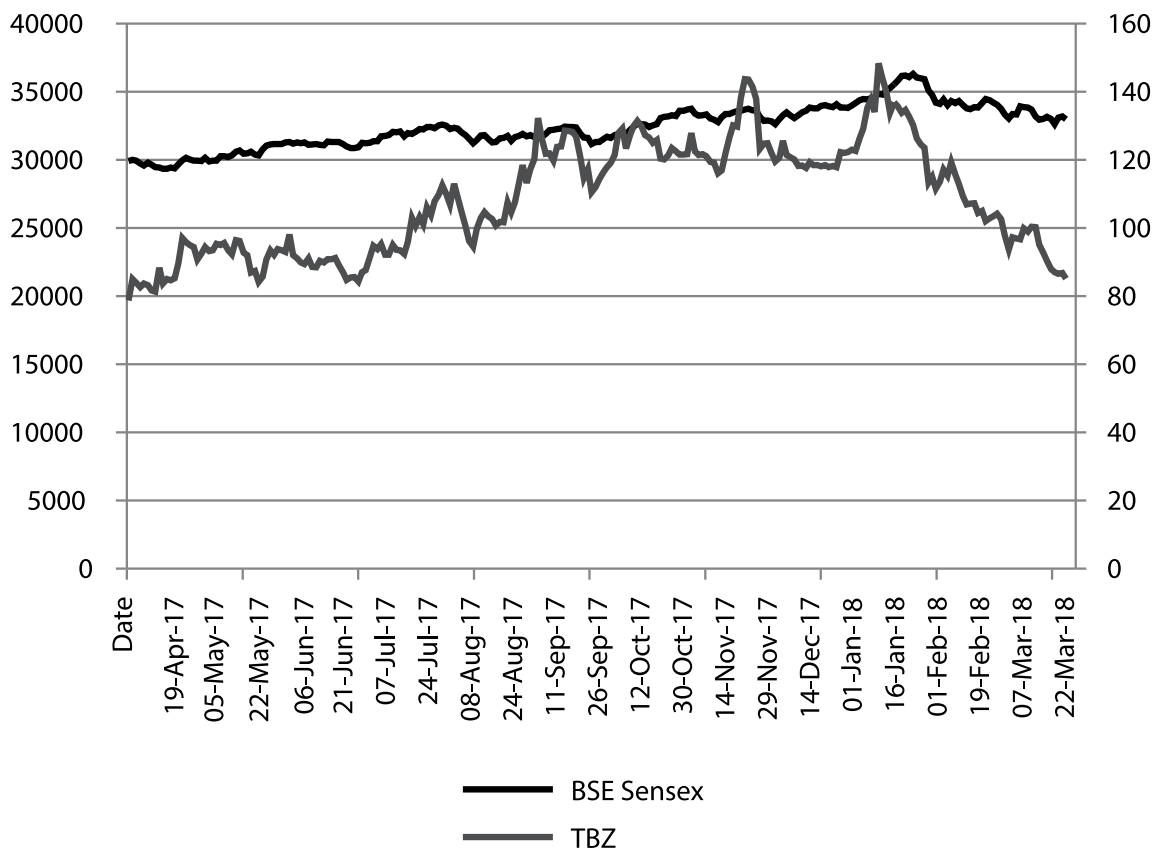
i)	<b>Annual General Meeting</b>	
	Date and Time	<b>Tuesday, 31<sup>st</sup> July, 2018 at 3.30 p.m.</b>
	Venue	<b>M. C. Ghia Hall</b> 4 <sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai - 400001.
ii)	Financial Calendar 2018 - 2019 (Tentative) Results	Meeting to be held on or before following dates:
	Unaudited Results for the quarter ending 30 <sup>th</sup> June, 2018	On or before 14 <sup>th</sup> August, 2018
	Unaudited Results for the quarter ending 30 <sup>th</sup> September, 2018	On or before 14 <sup>th</sup> November, 2018
	Unaudited Results for the quarter ending 31 <sup>st</sup> December, 2018	On or before 14 <sup>th</sup> February, 2019
	Audited Results for the year ending 31 <sup>st</sup> March, 2019	On or before 30 <sup>th</sup> May, 2019
	AGM for the approval of the Audited accounts for the year ended 31 <sup>st</sup> March, 2019	On or before 30 <sup>th</sup> September, 2019

Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
iii) Book Closure Date	Wednesday, 25 <sup>th</sup> July, 2018 to Tuesday, 31 <sup>st</sup> July, 2018 (both days inclusive)
iv) Dividend payment date and dividend per Equity Share	Dividend shall be paid to all the eligible shareholders from 6 <sup>th</sup> August, 2018 onwards.  The Board of Directors having recommended a Dividend of ₹ 0.75 (Seventy Five paise only) per equity share of face value of ₹ 10 each, i.e. 7.50% for the financial year ended 31 <sup>st</sup> March, 2018. The payment is subject to the approval of the shareholders at the ensuing Annual General Meeting of your Company.
v) Listing on Stock Exchanges	The equity shares of your Company got listed on 9 <sup>th</sup> May, 2012 on: <b>BSE Limited (BSE)</b> Corporate Service Department, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 <b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, Plot No. C/1 G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
vi) Payment of Listing Fees	Your Company has paid applicable Listing Fees to the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for the financial years 2017-18 and 2018-19.
vii) Payment of Custodial Fees	Your Company has already paid annual custodial fees to Central Depository Services (India) Limited (CDSL) for the financial year 2018-19.  Your Company on receipt of the bill/ invoice will immediately pay the applicable custodial fees to National Securities Depository Limited (NSDL). Your Company has not yet received the invoice from NSDL (as on date of signing of this report).
viii) Stock Code/ Symbol:	
Bombay Stock Exchange code:	534369
National Stock Exchange Symbol:	TBZ
ix) Dematerialization ISIN Number for NSDL & CDSL	INE760L01018
x) Corporate Identification Number (CIN No.)	L27205MH2007PLC172598
xi) Outstanding GDR/ ADR/ Warrants or any convertible instruments, conversion date and impact on equity.	Your Company has not issued any GDRs/ ADRs/ Warrants or any other convertible instrument.

**xii) Stock Performance:****Market Price Data (High / Low) during each month of the financial year 2017-18 at NSE & BSE:**

High, Low prices (based on closing prices) and number of shares traded during each month in the financial year 2017-18 on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE):

Month	National Stock Exchange of India Limited (NSE)			Bombay Stock Exchange Limited (BSE)		
	High (₹)	Low (₹)	Total Number of Shares Traded	High (₹)	Low (₹)	Total Number of Shares Traded
April 2017	102.45	77.00	10,654,202	102.25	77.00	2,945,886
May 2017	99.50	82.40	7,230,800	99.30	82.70	1,627,388
June 2017	101.45	84.00	7,483,977	101.50	83.05	1,631,654
July 2017	116.70	84.15	10,936,199	116.80	84.50	1,956,265
August 2017	116.80	93.20	12,622,937	116.60	92.00	2,616,660
September 2017	135.00	107.60	18,770,004	135.00	106.25	3,956,077
October 2017	134.80	115.00	12,125,274	134.80	114.95	2,408,031
November 2017	148.50	115.10	20,875,640	148.30	115.30	3,403,478
December 2017	129.45	115.10	7,830,538	130.00	115.00	1,536,045
January 2018	155.20	117.00	18,553,052	155.00	117.35	3,386,316
February 2018	128.45	101.40	6,831,445	128.20	101.40	1,377,421
March 2018	105.90	83.95	4,607,820	106.35	83.80	1,077,580

**Performance of TBZ share price in comparison with NSE Nifty:**

**Performance of TBZ share price in comparison with BSE Sensex:**


**xiii) Details of number of requests/ complaints received and resolved during the year ended 31<sup>st</sup> March, 2018 are as under:**

Sr. No.	Nature of Complaints	Pending as on 1 <sup>st</sup> April, 2017	Received during the year	Disposed during the year	Pending as on 31 <sup>st</sup> March, 2018
1.	Non-Receipt of Annual Report	0	15	15	0
2.	Non-Receipt of Dividend Warrants	0	0	0	0
3.	BSE Complaint by shareholders (*)	0	4	4	0
4.	NSE- Complaint by shareholders (**)	0	3	3	0
5.	SEBI-Complaint by shareholders	0	0	0	0
<b>Total</b>		<b>Nil</b>	<b>22</b>	<b>22</b>	<b>Nil</b>

(\*) Four shareholder Complaint filed with BSE is regarding non-receipt of the Annual Report.

(\*\*) Three shareholder Complaint filed with NSE is regarding non-receipt of the Annual Report.

There were no complaints pending/ outstanding as on 31<sup>st</sup> March, 2018.

**xiv) List of Top 10 Shareholders and the Distribution of Shareholding as on 31<sup>st</sup> March, 2018:****List of Top 10 Shareholders as on 31<sup>st</sup> March, 2018:**

Sr. No.	Name	Holding	% of Shareholding
1	Shrikant Gopaldas Zaveri	33,402,275	50.06%
2	Binaisha Shrikant Zaveri	5,285,000	7.92%
3	Raashi Zaveri	4,572,500	6.85%
4	Bindu Shrikant Zaveri	3,500,000	5.24%
5	Tribhovandas Bhimji Zaveri (TBZ) Private Limited	1,350,000	2.03%
6	Tribhovandas Bhimji Zaveri Jewellers (Mumbai) Private Limited	1,350,000	2.02%
7	Optimum Securities Private Limited	800,000	1.20%
8	Kutir Properties LLP	500,000	0.75%
9	Hela Holdings Pvt Ltd	400,000	0.60%
10	Acadian Emerging Markets Small CAP Equity Fund LLC	375,586	0.56%
<b>Total</b>		<b>51,535,361</b>	<b>77.23%</b>

**Distribution of Shareholding as on 31<sup>st</sup> March, 2018:**

Holding	No. of Shareholders		No. of Shares & Amount		
	No. of Holders	% to Total Holders	Total Shares	Amount in (₹)	% to Capital
1-5,000	19,293	85.21%	2,364,744	23,647,440	3.54%
5,001-10,000	1,545	6.82%	1,264,222	12,642,220	1.89%
10,001-20,000	849	3.75%	1,299,700	12,997,000	1.96%
20,001-30,000	291	1.29%	746,841	7,468,410	1.12%
30,001-40,000	151	0.67%	541,860	5,418,600	0.81%
40,001-50,000	127	0.56%	603,799	6,037,990	0.90%
50,001-100,000	193	0.85%	1,440,004	14,400,040	2.16%
100,001 and above	192	0.85%	58,469,450	584,694,500	87.62%
<b>Total</b>	<b>22,641</b>	<b>100%</b>	<b>66,730,620</b>	<b>667,306,200</b>	<b>100%</b>



**xv) Shareholding Pattern by ownership as on 31<sup>st</sup> March, 2018 as compared with that of 31<sup>st</sup> March, 2017:**

Particulars	As on 31 <sup>st</sup> March, 2018				As on 31 <sup>st</sup> March, 2017			
	No. of share holders	% of share holder	No. of shares held	% of shareholding	No. of shares holder	% of share holders	No. of shares held	% of shareholding
Promoter Director (Group)	4	0.02%	46,759,775	70.07%	4	0.02%	46,759,775	70.07%
Foreign Institutional Investors	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Resident Individuals	21,258	93.89%	9,696,037	14.53%	16,420	93.71%	9,367,524	14.04%
Bodies Corporates	426	1.88%	4,794,714	7.19%	382	2.18%	4,546,512	6.81%
Promoter Companies	2	0.01%	2,700,000	4.05%	2	0.01%	2,700,000	4.05%
Non Resident Indians	387	1.70%	805,183	1.20%	214	1.22%	347,272	0.52%
Foreign Portfolio Investors	9	0.04%	1,301,771	1.95%	8	0.05%	1,751,879	2.63%
HUF	475	2.10%	412,483	0.62%	386	2.20%	713,576	1.07%
Clearing Members	70	0.31%	150,003	0.22%	97	0.55%	136,701	0.20%
Indian Financial Institutions	1	0.01%	34,625	0.05%	1	0.01%	47,875	0.07%
Banks	2	0.01%	26,609	0.04%	1	0.01%	19,130	0.03%
Trusts	0	0.00%	0	0.00%	2	0.01%	335,470	0.50%
Mutual Funds	0	0.00%	0	0.00%	0	0.00%	0	0.00%
NBFC	5	0.02%	49,285	0.07%	4	0.02%	4,771	0.01%
Employees	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Unclaimed Suspense Account	2	0.01%	135	0.01%	2	0.01%	135	0.00%
<b>Total</b>	<b>22,641</b>	<b>100%</b>	<b>66,730,620</b>	<b>100%</b>	<b>17,523</b>	<b>100%</b>	<b>66,730,620</b>	<b>100%</b>

**xvi) Dematerialisation of Shares:**

Your Company's Shares are compulsorily traded in dematerialized form and are available for trading through both the Depositories in India, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31<sup>st</sup> March, 2018, 100% of the total paid up capital, representing 66,729,920 Equity Shares were held in dematerialized form and the balance Nil% representing 700 Equity Shares were held in physical form. The statement of Equity Shares lying in dematerialised form with NSDL & CDSL and the Equity Shares lying in physical form as on 31<sup>st</sup> March, 2018 are under:

Particulars of Shares	Shares of ₹ 10 each		Total Shares	
	No. of Shareholders	% of Total	No. of Shares	% of Total
<b>Dematerialised Form</b>				
NSDL	13,167	58.16%	61,494,189	92.153%
CDSL	9,469	41.82%	5,235,731	7.846%
<b>Sub-total</b>	<b>22,636</b>	<b>99.98%</b>	<b>66,729,920</b>	<b>99.999%</b>
Physical Form	5	0.02%	700	0.001%
<b>Total</b>	<b>22,641</b>	<b>100%</b>	<b>66,730,620</b>	<b>100%</b>

**xvii) Share Transfer System:**

The share transfers/ transmissions are approved by the Stakeholders Relationship Committee. The Committee meets as and when required to consider other transfer proposals and attend to Shareholders' grievances. There are no share transfer requests pending as on 31<sup>st</sup> March, 2018.

Shares in physical form for transfer, should be lodged with the office of your Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited, Hyderabad at the address given below or at the Corporate Office of your Company. The transfers are processed if technically found to be in order and complete in all respects. As per directives issued by SEBI, it is compulsory to trade in your Company's Equity Shares in dematerialised form.

**xviii) Secretarial Audit:**

- Pursuant to Regulation 40(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates have been issued on a half-yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by your Company.
- A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

**xix) Consolidation of Folios and avoidance of multiple mailing:**

In order to enable your Company to reduce the duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names are requested to consolidate their holdings under one folio. Members may write to the Registrar indicating the folio numbers to be consolidated along with the original shares certificates to be consolidated.

**xx) Unclaimed/ Outstanding Refundable portion of IPO Application Amount:**

To facilitate investors who have not claimed the Refundable portion of IPO Application amount (share application money) at the time of Initial Public Offer (IPO) of your Company, details of the unclaimed IPO application amount (share application money) are being displayed on your Company's website [www.tbztheoriginal.com](http://www.tbztheoriginal.com). Investors are requested to browse the said site to find out the outstanding amount, if any, and claim the same from your Company.

**xxi) Unclaimed Shares:**

As per the provisions of Schedule VI pursuant to Regulation 39(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the unclaimed shares lying in the escrow account shall be transferred to demat suspense account if there is no response even after sending three reminder notices to the persons concerned. Details of unclaimed equity shares of your Company are as follows:

Sr. No.	Particulars	Number of Shareholders	Number of Shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. 1 <sup>st</sup> April, 2017	2	135
2	Number of shareholders who approached issuer for transfer of shares from suspense account during the year;	0	0
3	Number of shareholders to whom shares were transferred from suspense account during the year;	0	0
4	Aggregate number of shareholders and outstanding shares in the suspense account lying at the end of the year i.e. 31 <sup>st</sup> March, 2018	2	135
5	The voting rights on these unclaimed shares lying in demat suspense account shall remain frozen till the rightful owner of such shares claims the shares.		

**xxii) Green Initiative in Corporate Governance:**

Pursuant to Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, the Annual Report for 2017–18 is being sent through electronic mode to all the Members whose E-mail IDs are registered with your Company / Depository Participants for communication purposes, unless any member has requested for physical copy of the same. For Members who have not registered their E-mail IDs with your Company/ Depository Participants, a physical copy of the Annual Report 2017–18 is being sent by the permitted mode. Please note that as a Member you will be entitled to receive physical copies of all notices and documents free of cost, upon specific request to your Company. Members holding shares in physical mode and wishing to register / update their E-mail ID to receive the Annual Report and other documents in electronic mode are requested to fill the form "Consent for Receiving Documents in Electronic Form" (which is forming part of this Annual Report and also available on website of your Company ([www.tbztheoriginal.com](http://www.tbztheoriginal.com))) and send the same to our Registrar and Share Transfer Agents viz., Karvy Computershare Private Limited, Karvy Selenium, Tower B, Plot 31-32, Financial District, Gachibowli, Nanakramguda, Serilingampally, Hyderabad – 500 032.

To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with Karvy Computershare Private Limited/ their respective Depository Participants.

**xxiii) Mandatory requirement of PAN:**

SEBI vide its circular dated 7<sup>th</sup> January, 2010 has made it mandatory to furnish copy of Income Tax PAN Card in the following cases:

- (i) Deletion of name of deceased shareholder(s), where the shares are held in the name of two or more shareholders.
- (ii) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder.
- (iii) Transposition of shares – in case of change in the order of names in which physical shares are held jointly in the name of two or more shareholders.

**xxiv) Address for correspondence:**

Shareholders correspondence like, share transfer/ dematerialisation of shares, payment of dividend and other query related to shares may be directed to your Company's Registrar and Share Transfer Agent, whose address is given below:

**a) For Share Transfer / Dematerialisation of shares, payment of Dividend and any other query relating to shares:****Karvy Computershare Private Limited**

Unit: Tribhovandas Bhimji Zaveri Limited

Karvy Selenium Tower B, Plot 31-32,

Financial District, Gachibowli,

Nanakramguda, Serilingampally, Hyderabad – 500 032.

Tel No: +91 (040) 6716 1606

Fax No: +91 (040) 6716 1791

Toll Free No.: 1800 345 4001

E-Mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

Website Add.: [www.karvycomputershare.com](http://www.karvycomputershare.com)

Contact Person: Mr. V. Raghunath

SEBI Registration No: INR000000221

**b) For Investors assistance:****Corporate Office Address:****Mr. Niraj Oza**

Head - Legal & Company Secretary

Tribhovandas Bhimji Zaveri Limited

1106 to 1121, 11<sup>th</sup> Floor, West Wing,

Tulsiani Chambers, 212,

Backbay Reclamation, Free Press Journal Road,

Nariman Point, Mumbai – 400 021.

Tel. No.: +91 (022) 3073 5000 / 4925 5000

Fax No.: +91 (022) 3073 5088

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

Website Add.: [www.tbztheoriginal.com](http://www.tbztheoriginal.com)

For any Investor assistance, the contact person is Mr. Niraj Oza, Head Legal & Company Secretary who is also the Compliance Officer of your Company and address of Correspondence is Corporate Office Address.

Your Company has an exclusive e-mail id viz. [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com) to enable investors to register their complaints, if any.

**c) Registered Office Address:**

Tribhovandas Bhimji Zaveri Limited

241/ 43, Zaveri Bazar,

Mumbai - 400 002.

CIN No.: L27205MH2007PLC172598

Tel. No.: +91 22 3956 5001 / 4046 5000 / 01

Fax No.: +91 22 3956 5056

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

Website Add.: [www.tbztheoriginal.com](http://www.tbztheoriginal.com)

**xxv) Compliance Officer:**

Mr. Niraj Oza, Head Legal & Company Secretary is the Compliance Officer of your Company. The Company Secretary is primarily responsible to ensure Compliance with applicable statutory requirements and is the interface between the management and the regulatory authorities for governance matters.

**xxvi) Showroom addresses:**

Your Company has total thirty seven (37) showrooms out of which thirty two (32) are own showrooms and five (5) franchisee showroom operating as on 31<sup>st</sup> March, 2018.

Post 31<sup>st</sup> March, 2018 and before signing of this Report your Company has total thirty seven (37) showrooms out of which thirty two (32) are own showrooms and five (5) franchisee showroom operating.

The addresses of the showrooms and franchisee showrooms forms part of Annexure to this report.

**xxvii) CEO / CFO Certification:**

The Chairman & Managing Director {in the capacity of Chief Executive Officer (CEO)} and the Chief Financial Officer (CFO) of your Company, have certified to the Board in accordance with Part B of Schedule II pursuant to Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 pertaining to CEO/ CFO certification for the financial year ended 31<sup>st</sup> March, 2018 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of your Company's affairs. The said certificate is annexed and forms part of the Annual Report.

**xxviii) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

Your Company has a price review mechanism to protect against material movements in prices of Gold.

Gold price is directly driven by various international factors and stringent domestic government policies. Your Company monitors the Gold price on a regular basis using pricing trends and forecasts from internationally reputed news agencies and international factors. To mitigate the risk of gold price fluctuation, your Company's endeavour is to maximize the procurement of gold under gold loan scheme from various banks which will help to reduce the risk due to gold price fluctuation by way of 'natural hedging'. In addition to procuring gold on loan, your Company also does hedging in domestic markets on the MCX Exchange as per business requirement, to protect your Company from gold price fluctuation.

Your Company procures gold from various banks and other domestic sources available and does not directly import Gold from the international market, in that connection, your Company is not directly exposed to Foreign Exchange Risk. As foreign exchange fluctuation has an impact on gold price, your Company is updated with the currency forecast received from various banks and keeps a close eye on important data announcements such as unemployment data of US, G 7 meetings, non-farm payroll of US, RBI announcements etc.

**xxix) Adoption / compliance with Mandatory Requirements and status on Non-Mandatory (Discretionary) Requirements:**

All the mandatory requirements have been complied with as stated in this report on Corporate Governance. There is no non-compliance with any requirement of corporate governance report of sub-para (2) to (10) of the Corporate Governance Report as given in Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The disclosures of the compliance with Corporate Governance requirements specified in Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations) have been made in this Corporate Governance Report. Details required under clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the said Regulations are displayed on the website of your Company at [www.tbztheoriginal.com](http://www.tbztheoriginal.com).

The status on non-mandatory requirements of Part E of Schedule II of Regulation 27(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

1. Your Company has an Executive Chairman on its Board. (Hence, the question of maintaining Non-Executive Chairperson's office at your Company's expenses and reimbursement of expenses incurred in performance of duties does not arise).
2. The quarterly / half yearly un-audited results of your Company after being subject to a Limited Review by the Statutory Auditors are published in newspapers viz. Free Press Journal (English newspaper) and Navshakti (Marathi newspaper) and on your Company's website [www.tbztheoriginal.com](http://www.tbztheoriginal.com). These results are not sent to shareholders individually.

3. There are no qualifications in the Audit Report (unmodified audit opinion) for the financial year 2017-18.
4. Till 10<sup>th</sup> September, 2015, i.e. the date of retirement of the Chief Executive Officer of your Company, there were separate persons for the post of Chairman & Managing Director and Chief Executive Officer (CEO). W.e.f. 10<sup>th</sup> September, 2015, onwards your Company do not have separate person to these posts.
5. Your Company has appointed M/s. Aneja Associates, Mumbai as Internal Auditors to perform the internal audit of your Company for the financial year 2017-18 and they report directly to the Audit Committee on a quarterly basis on their findings and corrective actions taken. {The Board of Directors has appointed M/s. Deloitte Haskins & Sells, LLP, (Firm Registration No. 117366W/W-100018), Chartered Accountants as Internal Auditors of your Company for financial year 2018-19}.

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

Date: 2<sup>nd</sup> May, 2018  
Place: Mumbai

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

**Binaisha Zaveri**  
**Whole-time Director**  
**(DIN: 00263657)**



**Annexure to Report on Corporate Governance****Showroom Addresses:****Showrooms of your Company in operation as on 31<sup>st</sup> March, 2018:****Maharashtra**

1	241/43, Zaveri Bazar, Mumbai - 400 002.
2	Hirji Heritage, Upper Basement, Ground Floor, First Floor and Second Floor at G/1, Gulmohar Road, Off. L.T. Road, Near Vrundas Hotel, Borivali (West), Mumbai - 400 092.
3	002 & 102, Prime Plaza, S.V. Road, Santacruz (West), Mumbai - 400 054.
4	M.G. Road, Rajawadi, Ghatkopar (East), Mumbai - 400 077.
5	Gautam Tower, off Gokhale Road, Thane (West) - 400 601.
6	Seth House, 21/4B, Opposite Le-Royce Hotel, Bund Garden Road, Pune - 411 001.
7	Premise No. 5 (Unit No.3), Sunder Mahal, 141, Marine Drive, Churchgate, Mumbai - 400 020. (*)
8	Shop No. 1, 2 & 3, Near St. Augustine High School, Tiberias Building, Stella, Village Barampur, District Thane, Vasai (West) - 401 202.
9	Unit No. 003, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor, Rachana Galaxy, Mouza Ambazari, Opp. Wockhardt Hospital, Dharampeth, Nagpur - 440 010.
10	Nirman Vyapar Kendra, Nirman Co-operative Society Limited, Plot No. 10, Sector- 17, Vashi, Navi Mumbai- 400703
11	36 Turner Road, Bandra (W), Mumbai - 400 050.
12	R-City Mall, Ghatkopar (West)- Unit No. S - 67, Second Floor, North Wing, R- City Mall, L.B.S. Marg, Ghatkopar (West), Mumbai - 400 086.
13	Sea Woods Grand Central Mall - Unit No. F - 63 SH, on the First Floor, Sea Woods Grand Central Mall, Plot No. R-1, Sector 40, Sea Woods Railway Station, Nerul Node, Navi Mumbai - 400 706.
14	High Street Phoenix Mall, Lower Parel - Unit No. F - 5, First Floor, Phoenix Mills Compound, 462 Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.
15	Unit No. UG-71, on the Upper Ground Floor, Phoenix Market City Mall, S. No. 207, Behind Baker Gauges, Viman Nagar, Pune - 411 014

**Gujarat**

16	Iscon Center, Shivranjani Cross Road, Satellite, Ahmedabad - 380 015.
17	Lal Bungalow, SNS House, Athwa Lines, Surat - 395 007.
18	Janakpuri Complex, Dr. Yagnik Road, Opp. Hotel Imperial Palace, Rajkot - 360 001.
19	K.P. Infinity, Opposite Yes Bank Ltd., Near INOX Multiplex, Natubhai Circle, Race Course Road, Vadodara - 390 007.
20	7-11, Ground Floor, Fortune Square- II, Near Primary School, Next to Royal Dream Society, Vapi Daman Road, Vapi - 396 191.
21	Shop No. G1, Krishna Complex, Waga Wadi Road, Next to 'Ghar Shala', Bhavnagar - 364 001.
22	Shop 4, 5 & 6, Ground Floor, Sunshine Arcade, Plot No. 59, Sector 8, Tagore Road, Near Lord's Hotel, Gandhidham, Kutch, Gujarat - 370201

**Andhra Pradesh (Hyderabad)**

23	70 Greensland Road, Punjagutta, Hyderabad - 500 082.
24	Shop no I, Mogul's Court, Basheerbagh, Hyderabad - 500 001.

**Telangana (Vijaywada)**

25	Opp Gateway Hotel, M.G. Road, Labbipet, Vijayawada - 520 010.
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**Kerala (Kochi)**

26	Jos Annexe Building, Jos Junction, Ernakulam, Kochi - 682 016.
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**Madhya Pradesh (Indore)**

27	576 Laxmi Tower, M.G. Road, opp Treasure Island, Indore - 452 001.
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**West Bengal (Kolkata)**

28	Saraswati Niketan, 5 Camac Street, Kolkata - 700 016.
29	CIT Road, Scheme, VIM, Kankurgachi, Kolkata - 700 054.

**Chhattisgarh (Raipur)**

30	Shop No. 1, Ground Floor, Prem Store Premises, Malviya Road, Next to G.P.O., Raipur, Chhattisgarh - 492 001.
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**Rajasthan (Udaipur)**

31 Plot No. 58, Ground Floor and First Floor, Near Royal Motors, Panchwati, Udaipur - 313 001.

**Jharkhand (Jamshedpur)**

32 Ground Floor, Narbheram Building, Main Road, Bistupur, Jamshedpur – 831 001.

(\*) During the year under review, your Company has shifted its Churchgate showroom to Premise No. 5 (Unit No.3), Sunder Mahal, 141, Marine Drive, Churchgate, Mumbai – 400 020, which is located in the same building and which is bigger in size compared to old showroom.

**Franchisee Showroom Addresses:****Jharkhand**

33 Shop No. 1, 2 & 3, Ground Floor, Centre Point Mall, Bank More, Dhanbad – 826 001, Jharkhand.

34 Plot No. 675, Ward No. 13/27, Holding No. 367, Hindustan Building, M. G. Road, Ranchi, District – Ranchi – 834 001, Jharkhand.

**Bihar (Patna)**

35 Ground Floor & Mezanine Floor, C.S. Plot No. 166, Khata No. 170, under Thana No. 7, situated at Survey Mauza Dhakan-pura, Darbari Govinda Complex (D.G. Complex), Near Pant Bhavan, Boring Canal Road, P.S. S.K. Puri, Patna – 800 001, Bihar.

**Madhya Pradesh (Bhopal)**

36 Plot No. B-15, H. No. 9, G/F, Malviya Nagar, Bhopal- 462 003.

**Gujarat (Jamnagar)**

37 P. N. Marg, Opp. Dhanvantri Ground, Nr. Welcome Tower, Jamnagar – 361 008, Gujarat.

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

Date: 2<sup>nd</sup> May, 2018  
Place: Mumbai

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

**Binaisha Zaveri**  
**Whole-time Director**  
**(DIN: 00263657)**

**Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification**

To  
The Board of Directors  
Tribhovandas Bhimji Zaveri Limited  
Mumbai.

Dear Sir/ Madam,

**Sub: CEO/CFO Certificate**

**(Issued in accordance with provisions of Part B of Schedule II pursuant to Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015)**

We, Shrikant Zaveri, Chairman & Managing Director (in capacity of Chief Executive Officer) and Saurav Banerjee, Chief Financial Officer of Tribhovandas Bhimji Zaveri Limited, to the best of our knowledge and belief, certify that:

- (A) We have reviewed the Balance Sheet and Profit & Loss Account (standalone and consolidated) for the financial year ended 31<sup>st</sup> March, 2018 and all schedules and notes on accounts, as well as Cash Flow statements, and the Directors' Report and based on our knowledge and information, we state that:
- i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - ii) these statements together present a true and fair view of your Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (B) We further state that to the best of our knowledge and belief, there are no transactions entered into by your Company during the year, which are fraudulent, illegal or in violation of your Company's Code of Conduct.
- (C) We along with Company's other certifying officers, accept responsibility for establishing and maintaining internal controls for financial reporting and that we have:
- i) evaluated the effectiveness of internal control system of your Company pertaining to financial reporting; and
  - ii) disclosed to the Auditors and the Audit Committee, deficiencies, in the design or operation of internal controls, if any, of which we are aware and steps we taken or proposed to take to rectify these deficiencies.
- (D) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
- i) Significant changes, if any, in the internal control over financial reporting during the year;
  - ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in your Company's internal control system over financial reporting.

Yours sincerely,  
**For Tribhovandas Bhimji Zaveri Limited**

**Shrikant Zaveri**  
**Chairman & Managing Director**  
**(In the Capacity of CEO)**  
**(DIN: 00263725)**

**Saurav Banerjee**  
**Chief Financial Officer**

Date: 2<sup>nd</sup> May, 2018  
Place: Mumbai

**Declaration by the CEO under Part D of Schedule V pursuant to Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct**

In ACCORDANCE WITH Part D of Schedule V pursuant to Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, applicable to them for the financial year ended 31<sup>st</sup> March, 2018.

**For Tribhovandas Bhimji Zaveri Limited**

**Shrikant Zaveri**  
**Chairman & Managing Director**  
**(In the Capacity of CEO)**  
**(DIN: 00263725)**

Date: 2<sup>nd</sup> May, 2018  
Place: Mumbai

To the Members of  
Tribhovandas Bhimji Zaveri Limited

**Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

1. This certificate is issued in accordance with the terms of our agreement dated 26 March 2018.
2. This report contains details of compliance of conditions of corporate governance by Tribhovandas Bhimji Zaveri Limited ('the Company') for the year ended 31 March 2018 as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

**Management's Responsibility for compliance with the conditions of Listing Regulations**

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

**Auditors' Responsibility**

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2018.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)**

**Opinion**

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**Restriction on use**

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Vijay Mathur**

Partner

Membership No: 046476

Mumbai  
2 May 2018

# INDEPENDENT AUDITORS' REPORT

To the Members of  
Tribhovandas Bhimji Zaveri Limited

## Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Tribhovandas Bhimji Zaveri Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of profit and loss, the Statement of changes in equity and the Statement of cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

## Management's Responsibility for the Standalone Ind AS Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance

about whether the standalone Ind AS financial statements are free from material misstatement.

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

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

## Opinion

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of conferred sub-section 11 of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by sub-section 3 of Section 143 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, the Statement of changes in equity and the



Statement of cash flows dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
- (e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of sub-section 2 of Section 164 of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements 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 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:
  - 1. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 40.1 to the standalone Ind AS financial statements;

- 2. The Company did not have any long-term contracts including derivative contracts, requiring provisions under any Act or accounting standard for any material foreseeable losses - Refer Note 40.4 to the standalone Ind AS financial statements;
- 3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
- 4. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Vijay Mathur**

Partner

Membership No: 046476

Mumbai

2 May 2018

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

With reference to the Annexure A referred to in the Independent Auditor’s Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (property, plant and equipment).
- (b) The Company has a regular programme of physical verification of its fixed assets (property, plant and equipment) by which all fixed assets (property, plant and equipment) are verified in a phased manner over a period of two years. In accordance with this programme, a portion of the fixed assets (property, plant and equipment) has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory, except stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in books of account. In respect of inventory lying with third parties, these have been substantially confirmed by them.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Value added tax, Service tax, Duty of customs, Duty of excise and Goods and service tax, which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned below:
- (iv) In our opinion and according to the information and explanations given to us, the Company has not made any investments or granted any loans, or security or guarantee covered under Section 185 or 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the products manufactured/services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees’ state insurance, Income-tax, Sales tax, Value added tax, Service tax, Duty of customs, Duty of excise, Goods and service tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in a few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees’ state insurance, Income-tax, Sales tax, Value added tax, Service tax, Duty of customs, Duty of excise, Goods and service tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

Nature of statute	Nature of dues	Amount (₹ lakhs)#	Period to which amount relates	Forum where dispute is pending
Customs Act, 1962	Customs duty	18.25	FY 2007-08	Additional Commissioner of Customs
Maharashtra Value Added Tax Act, 2002	Value added tax	281.23	FY 2011-12	Joint Commissioner of Sales Tax (Appeal)

Nature of statute	Nature of dues	Amount (₹ lakhs)#	Period to which amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Central sales tax	0.97	FY 2011-12	Joint Commissioner of Sales Tax (Appeal)
Maharashtra Value Added Tax Act, 2002	Value added tax	15.68	FY 2013-14	Appeal under process
Central Sales Tax Act, 1956	Central sales tax	5.55	FY 2013-14	Appeal under process

#The above amounts are net of amounts paid under protest.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans to its bankers or to any financial institutions. The Company did not have any outstanding dues to financial institutions and government or outstanding debentures during the year.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during year.
- (xi) 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 the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24.
- (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. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him/ her. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Vijay Mathur**  
Partner  
Membership No: 046476

Mumbai  
2 May 2018

## “Annexure B” to the Independent Auditor’s Report

(Referred to in our report of even date)

### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls with reference to financial statements of Tribhovandas Bhimji Zaveri Limited as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (the “Guidance Note”) 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 company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with respective to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating

effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls with reference to financial statements**

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

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to financial statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Mumbai  
2 May 2018

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Vijay Mathur**

Partner

Membership No: 046476



# STANDALONE BALANCE SHEET

as at 31 March 2018

(₹ in Lakhs)

	Notes	31 March 2018	31 March 2017	1 April 2016
<b>ASSETS</b>				
<b>1) Non-current assets</b>				
a) Property, plant and equipment	3	8,074.01	7,942.86	8,444.23
b) Capital work-in-progress	4	-	182.59	-
c) Investment property	5	1,865.76	1,884.01	1,894.56
d) Intangible assets	6	69.30	98.58	191.78
e) Investment in subsidiaries	7	202.33	302.51	302.51
f) Financial assets				
(i) Other investments	8	-	7.23	5.73
(ii) Loans	9	934.35	865.94	761.15
(g) Deferred tax assets (net)	10	-	82.25	-
(h) Other tax assets	11	110.43	205.56	219.45
(i) Other non current assets	12	1,328.78	861.41	538.68
<b>Total Non-current assets</b>		<b>12,584.96</b>	<b>12,432.94</b>	<b>12,358.09</b>
<b>2) Current assets</b>				
(a) Inventories	13	102,180.79	102,721.58	112,564.02
(b) Financial assets				
(i) Trade receivables	14	2,296.19	221.17	69.05
(ii) Cash and cash equivalents	15	1,089.73	426.62	616.30
(iii) Bank balance other than (ii) above	16	2,652.61	2,630.36	3,217.38
(iv) Loans	17	112.16	62.59	60.00
(v) Others financial assets	18	69.23	30.28	55.91
(c) Other current assets	19	975.83	898.23	792.75
<b>Total Current assets</b>		<b>109,376.54</b>	<b>106,990.83</b>	<b>117,375.41</b>
<b>Total assets</b>		<b>121,961.50</b>	<b>119,423.77</b>	<b>129,733.50</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1) Equity</b>				
(a) Equity share capital	20	6,673.06	6,673.06	6,673.06
(b) Other equity	21	41,994.05	39,924.98	38,276.17
<b>Equity attributable to equity holders of the company</b>		<b>48,667.11</b>	<b>46,598.04</b>	<b>44,949.23</b>
<b>2) Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	22	7.90	11.33	754.49
(ii) Other financial liabilities	23	42.58	39.07	35.84
(b) Provisions	24	465.90	304.50	278.83
(c) Other non-current liabilities	25	106.77	73.82	123.36
<b>Total non-current liabilities</b>		<b>623.15</b>	<b>428.72</b>	<b>1,192.52</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	26	56,856.88	54,880.01	63,835.89
(ii) Trade payables	27	8,206.22	7,733.18	9,124.66
(iii) Other financial liabilities	28	86.85	85.91	585.37
(b) Provisions	29	295.95	385.40	404.38
(c) Deferred tax liabilities (net)	10	187.00	-	-
(d) Other current liabilities	30	7,038.34	9,312.51	9,641.45
<b>Total current liabilities</b>		<b>72,671.24</b>	<b>72,397.01</b>	<b>83,591.75</b>
<b>Total equity and liabilities</b>		<b>121,961.50</b>	<b>119,423.77</b>	<b>129,733.50</b>
Significant accounting policies	2			
The notes referred to above form an integral part of the financial statements	3 to 40			

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Vijay Mathur**

Partner

Membership No: 046476

For and on behalf of the Board of Directors of

**Tribhovandas Bhimji Zaveri Limited**

CIN: L27205MH2007PLC172598

**Shrikant Zaveri**

Chairman and Managing Director

DIN:00263725

**Saurav Banerjee**

Chief Financial Officer

**Binaisha Zaveri**

Whole-time Director

DIN:00263657

**Niraj Oza**

Head-Legal &amp; Company Secretary

Membership No.:A20646

Mumbai  
2 May 2018Mumbai  
2 May 2018

# STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2018

(₹ in Lakhs)

	Notes	31 March 2018	31 March 2017
<b>INCOME</b>			
<b>Revenue from operations</b>	31		
Sale of product (Including excise duty)	31.1	175,507.20	169,754.05
Other operating revenue	31.2	61.31	42.15
		<b>175,568.51</b>	<b>169,796.20</b>
Other income	32	704.27	406.43
<b>Total income</b>		<b>176,272.78</b>	<b>170,202.63</b>
<b>EXPENSES</b>			
Cost of material consumed	33	85,038.07	101,235.93
Purchase of stock-in-trade	34	62,834.44	33,053.17
Changes in inventories of finished goods and stock-in-trade	35	2,658.28	11,033.58
Excise duty		427.74	795.92
Employee benefits expense	36	7,301.74	7,426.52
Finance costs	37	3,974.34	5,022.11
Depreciation and amortisation expense	38	849.35	870.61
Other expenses	39	9,998.37	9,197.90
<b>Total expenses</b>		<b>173,082.33</b>	<b>168,635.74</b>
<b>Profit before tax</b>		<b>3,190.45</b>	<b>1,566.89</b>
<b>Tax expense</b>	10		
- Current tax/MAT		981.00	165.27
- MAT credit		-	(165.27)
- Provision pertaining to earlier years		-	(190.35)
- Deferred tax charge		103.97	83.02
<b>Total tax expense</b>		<b>1,084.97</b>	<b>(107.33)</b>
<b>Profit for the year</b>		<b>2,105.48</b>	<b>1,674.22</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified subsequently to profit or loss			
a) Re-measurement of defined benefit plan		(55.69)	(38.86)
b) Income tax relating to items that will not be reclassified to profit or loss		19.27	13.45
<b>Other Comprehensive Income</b>		<b>(36.42)</b>	<b>(25.41)</b>
<b>Total Comprehensive Income for the year</b>		<b>2,069.06</b>	<b>1,648.81</b>
Earnings per equity share (Nominal value of share ₹ 10 (31 March 2017: ₹ 10))	40.9		
(1) Basic		3.16	2.51
(2) Diluted		3.16	2.51
Significant accounting policies	2		
The notes referred to above form an integral part of the financial statements	3 to 40		

As per our report of even date attached  
 For **B S R & Co. LLP**  
 Chartered Accountants  
 Firm's Registration No: 101248W/W-100022

**Vijay Mathur**  
 Partner  
 Membership No: 046476

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**  
 CIN: L27205MH2007PLC172598

**Shrikant Zaveri**  
 Chairman and Managing Director  
 DIN:00263725

**Saurav Banerjee**  
 Chief Financial Officer

**Binaisha Zaveri**  
 Whole-time Director  
 DIN:00263657

**Niraj Oza**  
 Head-Legal & Company Secretary  
 Membership No.:A20646

Mumbai  
 2 May 2018

Mumbai  
 2 May 2018

# STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31 March 2018

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	3,190.45	1,566.89
Adjustments for:		
Depreciation and amortisation	849.35	870.61
Interest expenses	3,974.34	5,022.11
Foreign exchange loss	-	0.31
Interest income on bank deposits and others	(268.62)	(232.00)
Fair valuation of gold loan derivative	(180.52)	136.91
Loss on sales of PPE	3.22	6.96
Dividend income	(0.15)	(0.01)
Bad debts written off	-	4.53
Provision (no longer require back) / for doubtful debts and advances	(151.51)	62.60
Assets written off	134.88	50.62
Interest income on income tax refund	(11.57)	-
Loss on sale of investments	7.46	-
<b>Operating cash flow before working capital changes</b>	<b>7,547.33</b>	<b>7,489.53</b>
<b>Movements in working capital</b>		
(Increase)/decrease in trade receivables	(2,075.03)	(159.25)
(Increase)/decrease in inventories	1,413.86	10,014.87
(Increase)/decrease in other current financial assets	(49.57)	(2.59)
(Increase)/decrease in other current assets	(77.60)	(135.82)
(Increase)/decrease in other non-current financial assets	25.08	(75.76)
(Increase)/decrease in other non-current assets	(457.69)	(182.44)
Increase /(decrease) in trade payables	473.05	(1,391.79)
Increase /(decrease) in other non-current financial liabilities	(3.52)	(3.23)
Increase /(decrease) in other current liabilities	(2,173.33)	(291.54)
Increase /(decrease) in non-current liabilities and provisions	194.35	(23.88)
Increase /(decrease) in short term provisions	(89.45)	(18.98)
<b>Cash generated for operations</b>	<b>4,727.48</b>	<b>15,219.12</b>
Income taxes (paid)/refund	(689.76)	52.42
<b>Net cash generated from operating activities (A)</b>	<b>4,037.72</b>	<b>15,271.54</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to property, plant and equipment, intangible assets (including capital work-in-progress and capital advances)	(900.51)	(717.61)
Addition to investment property	-	(9.45)
Proceeds from sale of property, plant and equipment	4.36	18.81
Bank deposits (having original maturity of more than three months)	(22.25)	587.01
Proceeds from/(Investments) in mutual funds	7.23	(1.50)
Liquidation of investment in subsidiaries	92.72	-
Dividend received	0.15	0.01
Interest received on deposits	136.18	191.45
<b>Net cash (used) / generated from investing activities (B)</b>	<b>(682.12)</b>	<b>68.72</b>

# STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31 March 2018

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of non current borrowings	(3.59)	(1,193.23)
Proceeds from / (repayment of) current borrowings	1,284.33	(9,265.22)
Finance cost paid	(3,973.23)	(5,071.49)
<b>Net cash (used) in financing activities (C)</b>	<b>(2,692.49)</b>	<b>(15,529.94)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>663.11</b>	<b>(189.68)</b>
<b>Cash and cash equivalent at beginning of year (refer note below)</b>	<b>426.62</b>	<b>616.30</b>
<b>Cash and cash equivalent at end of year (refer note below)</b>	<b>1,089.73</b>	<b>426.62</b>
<b>Notes to cash flow statement</b>		
1 Components of cash and cash equivalents: (refer note 15)		
Cash on hand	243.62	198.58
Balances with banks		
- on current accounts	846.11	228.04
	<b>1,089.73</b>	<b>426.62</b>

- 2 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (IND AS-7), "Statement of cash flows".
- 3 Reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities.

Particulars	31 March 2017	Non-cash changes	Cash Flow	31 March 2018
Term Loan	16.62	-	(3.59)	13.03
Cash Credit Facilities	54,880.01	692.54	1,284.33	56,856.88
Total liabilities from financing activities	54,896.63	692.54	1,280.74	56,869.91

The notes referred to above form an integral part of the financial statements 3 to 40

As per our report of even date attached  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Vijay Mathur**  
Partner  
Membership No: 046476

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**  
CIN: L27205MH2007PLC172598

**Shrikant Zaveri**  
Chairman and Managing Director  
DIN:00263725

**Binaisha Zaveri**  
Whole-time Director  
DIN:00263657

**Saurav Banerjee**  
Chief Financial Officer

**Niraj Oza**  
Head-Legal & Company Secretary  
Membership No.:A20646

Mumbai  
2 May 2018

Mumbai  
2 May 2018

# STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2018

(₹ in Lakhs)

## A. Equity Share Capital

	Note	₹
<b>Balance as at 1 April 2016</b>	20	6,673.06
Changes in equity share capital during the year		-
<b>Balance as at 31 March 2017</b>		6,673.06
Changes in equity share capital during the year		-
<b>Balance as at 31 March 2018</b>		6,673.06

## B. Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income (OCI)	Total
	Securities premium account	General reserve	Retained earnings	Re-measurement of defined benefit plan	
<b>Balance as at 1 April 2016</b>	16,791.35	1,401.47	20,083.35	-	38,276.17
Profit for the year	-	-	1,674.22	-	1,674.22
Other comprehensive income for the year	-	-	-	(25.41)	(25.41)
<b>Total comprehensive income for the year</b>	-	-	<b>1,674.22</b>	<b>(25.41)</b>	<b>1,648.81</b>
<b>Balance as at 31 March 2017</b>	<b>16,791.35</b>	<b>1,401.47</b>	<b>21,757.57</b>	<b>(25.41)</b>	<b>39,924.98</b>
Profit for the year			2,105.48		2,105.48
Other comprehensive income for the year			-	(36.41)	(36.41)
<b>Total comprehensive income for the year</b>	-	-	<b>2,105.48</b>	<b>(36.41)</b>	<b>2,069.07</b>
<b>Balance as at 31 March 2018</b>	<b>16,791.35</b>	<b>1,401.47</b>	<b>23,863.05</b>	<b>(61.82)</b>	<b>41,994.05</b>

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Vijay Mathur**  
Partner  
Membership No: 046476

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**  
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Whole-time Director  
DIN:00263657

**Niraj Oza**  
Head-Legal & Company Secretary  
Membership No.:A20646

Mumbai  
2 May 2018

Mumbai  
2 May 2018



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

(Currency : ₹ in Lakhs)

## 1 Company Overview

Tribhovandas Bhimji Zaveri Limited ('TBZ or the "the Company" known under the brand' TBZ- the Original' was incorporated on 24 July 2007 by conversion of a partnership firm Tribhovandas Bhimji Zaveri under Part IX of the Companies Act, 1956 whereby the partners of the partnership firm became shareholders with the shareholdings as agreed amongst the partners. The Company has been converted to a public limited company w.e.f. 3 December 2010. The Company is in the business of retail sales of ornaments made of gold, diamond, silver, platinum and precious stones through its 32 show rooms and 5 franchisee outlets located across India.

## 2 Basis of preparation of financial statement and significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

### 2.1 Basis of Preparation of financial statements

#### a. Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Ind AS, Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 40.16.

The financial statements were authorized for issue by the Company's Board of Directors at their meeting held on 2 May 2018.

#### b. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs with two decimals, unless otherwise indicated.

#### c. Basis of measurement

The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value as required by relevant Ind AS:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), and
- Net defined benefit liability

#### d. Use of estimates and judgement

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

(Currency : ₹ in Lakhs)

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Measurement of defined benefit obligations - Note 40.3
- (b) Measurement and likelihood of occurrence of provisions and contingencies - Note 40.1
- (c) Recognition of deferred tax assets - Note 10 (a) and (b)

## e. Current -non-current classification

All assets and liabilities are classified into current and non-current.

### Assets

An asset is classified as current when it satisfies any of the following criteria :

- a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

### Operating Cycle :

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

## 2.2 Significant accounting policies

### a) Property, Plant and Equipment ('PPE')

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses , if any.

The cost of property, plant and equipment comprises its purchase price/acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from tax authorities), any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase/completion is capitalized only if it is probable that future economic benefit associated with the expenditure will flow to the company.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

(Currency : ₹ in Lakhs)

Property, plant and equipment not ready for the intended use on the date of balance sheet are disclosed as "Capital work-in-progress".

If significant parts of an item of property, plant and equipment have different lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses arising from disposal or retirement of property, plant and equipment are recognised in the Statement of profit and loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of property, plant and equipment (See Note No 3)

Depreciation on PPE has been provided under pro-rata basis using straight line method over its useful life in compliance with Schedule II of Companies Act, 2013. Freehold land is not depreciated.

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate.

Depreciation for the year is recognised in the Statement of profit and loss.

## b) Intangible assets

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of such assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. All costs relating to the acquisition are capitalised.

Intangible assets are amortised in the Statement of profit or loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

The Company's intangible assets comprise of computer software which are being amortised on a straight line basis over their estimated useful life of five years.

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

On transition to Ind AS, the Company has elected to continue with the carrying value of its intangible assets recognized as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of intangible assets (see Note 6)

## c) Impairment of non financial assets

Assessment for impairment is done at each balance sheet date as to whether there is any indication that a non-financial asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of profit and loss. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased, basis the assessment a reversal of an impairment loss for an asset other than goodwill is recognised in the Statement of profit and loss account.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

(Currency : ₹ in Lakhs)

## d) Investments Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognised as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.

The Company depreciates investment properties over a period of 30 years on a straight-line basis which is in line with the Schedule II of the Act.

Any gain or loss on disposal of an investment property is recognised in Statement of profit or loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

## e) Inventories

Inventories which comprise raw materials, finished goods, stock-in-trade and packing materials are carried at the lower of cost and net realizable value. Cost is determined on weighted average basis.

Cost of inventories comprises all costs of purchase and other duties and taxes (other than those subsequently recoverable from tax authorities), costs of conversion and all other costs incurred in bringing the inventory to their present location and condition. In respect of purchase of goods at prices that are yet to be fixed at the year end, adjustments to the provisional amounts are recognised based on the year end closing gold rate.

Net realisable value is estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

## f) Borrowing Costs

Borrowing costs consist of interest and other costs (including exchange differences to the extent regarded as an adjustment to the interest costs) incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of such assets. All other borrowing costs are recognized as an expense in the period in which they are incurred.

## g) Revenue recognition

Revenue is measured at fair value of consideration received or receivable net of returns, trade and scheme discounts, volume rebate excluding taxes or duties collected on behalf of the government.

i) Sale of Goods :- Revenue from the sale of goods are recognized when the goods are delivered and title have passed on fulfillment of following conditions :-

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods which generally coincides when goods are billed and delivered to customers as per terms of the contract,
- The Company retains neither continuing managerial involvement to the degree associated with ownership nor effective control over the goods ;

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

(Currency : ₹ in Lakhs)

- The amount of revenue can be measured reliably;
  - It is probable that economic benefit associated with the transaction will flow to the Company ; and
  - The costs incurred or to be incurred in respect of the transaction can be measured reliably.
- ii) Service Income : Service income is recognized on rendering of services.
- iii) Gift Card sales are recognized when the vouchers are redeemed and goods are sold to the customers.
- iv) Interest Income :- Interest income from a financial assets is recognized when it is probable that the economic benefits will flow to the company and amount of income can be measured reliably. Interest Income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.
- v) Rental Income arising from operating leases is accounted for on straight line basis over the base terms unless the rentals are structured to increase in line with expected general inflation and is included in revenue in the Statement of profit & loss account due to its operating nature.
- vi) Dividend income is recognised when the right to receive payment is established.
- h) Foreign currency transactions**
- Foreign currency transactions are recorded at the exchange rates prevailing on the dates of the transactions. Exchange differences arising on foreign currency transactions settled during the period are recognized in the Statement of profit and loss of that period.
- Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into functional currency at the exchange rates at the reporting date. The resultant exchange differences are recognized in the Statement of profit and loss.
- i) Employee benefits**
- Short-term employee benefits**
- Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.
- Post-employment benefits**
- Defined contribution plans**
- A defined contribution plan is a post-employment benefit plan under which the company pays specified contribution to a Government administered scheme and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards provident fund and employee state insurance, which are a defined contribution plan, at the prescribed rates. The Company's contribution is recognised as an expense in the Statement of profit and loss during the period in which the employee renders the related service.
- Defined benefit plans**
- Gratuity**
- The Company's gratuity benefit scheme is a funded defined benefit plan. Contribution to the Company's Gratuity Trust and provision towards gratuity are provided on the basis of an independent actuarial valuation carried out at the end of the year using the projected unit credit method and are debited to the Statement of profit and loss on an accrual basis. Actuarial gains and losses arising during the year are recognised in other comprehensive income.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

(Currency : ₹ in Lakhs)

## Other long-term employee benefits

### Compensated absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of profit and loss.

## j) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognized as an integral part of the total lease expense over the term of the lease.

Lease income from operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

Plant and machinery and land and building given by the Company under operating lease are included in property, plant and equipment and investment property respectively.

## k) Income taxes

Income tax expense comprises current tax and deferred tax. It is recognised in the Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised only to the extent it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Minimum Alternate Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized, it is credited to the Statement of profit and loss and is considered as (MAT Credit Entitlement). Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

## l) Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

(Currency : ₹ in Lakhs)

for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

## m) Provision, contingent liabilities and contingent assets

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are discounted to its present value if the effect of time value of money is considered to be material. These are reviewed at each year end date and adjusted to reflect the best current estimate. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may or may not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## n) Investment in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of profit and loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1 April 2016

## o) Financial instruments

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

### Financial asset

#### Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition except if and in the period the company changes its business model for managing financial assets.

A 'financial assets' is measured at the amortized cost if both the following conditions are met

- The 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 (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of profit and loss. The losses arising from impairment are recognised in the Statement of profit and loss.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

(Currency : ₹ in Lakhs)

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of profit and loss

## Equity investments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of profit and loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of profit and loss.

## De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

## Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortized cost and financial assets measured at FVOCI. For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of profit and loss

## Financial liabilities

### Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities. Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

### De-recognition

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

### Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet, if the Company currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

(Currency : ₹ in Lakhs)

## p) Derivative financial instruments and hedge accounting

### Embedded derivative

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified variable. The Company enters into purchase gold contract, in which the amount payable is not fixed based on gold price on the date of purchase, but instead is affected by changes in gold prices in future. Such transactions are entered into to protect against the risk of gold price movement in the purchased gold. Accordingly, such unfixed payables (gold loan) are considered to have an embedded derivative. The Company designates the gold price risk in such instruments as hedging instruments, with gold inventory considered to be the hedged item. The hedged risk is gold prices movement.

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

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

## q) Standard issue but not effective

Ministry of Corporate Affairs ("MCA"), on March 28, 2018, through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the new standard for revenue recognition and amended certain existing Ind ASs which are effective for annual periods beginning on or after 1 April 2018.

### Ind AS 115 - Revenue from contract with customers

Ind AS 115 will supersede the existing revenue recognition standard 'Ind AS 18 – Revenue'. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The amendment will come into force from 1 April 2018. The Company does not expect the effect of this on the financial statements to be material based on preliminary evaluation.

### Other amendments

The Company does not expect the effect of other amendments notified by the Ministry of Corporate Affairs ("MCA"), on 28 March, 2018, through Companies (Indian Accounting Standards) Amendment Rules, 2018 in respect of Ind AS 12 - Income taxes, Ind AS 21 - The effect of changes in foreign exchange rates and Ind AS 40 - Investment property, on the financial statements to be material based on preliminary evaluation.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

Particulars	Gross Block			Accumulated depreciation			Net Block	
	As at 1 April 2017	Additions	Deductions / adjustment during the year	As at 31 March 2018	As at 1 April 2017	Depreciation for year	As at 31 March 2018	As at 31 March 2017
Leasehold improvements	1,341.12	482.85	121.83	1,702.14	208.68	221.81	392.68	1,309.46
	(1,355.45)	-	(14.33)	(1,341.12)	-	(220.45)	(208.68)	(1,355.45)
Building	4,074.88	-	(6.67)	4,081.55	85.44	69.56	155.00	3,926.55
	(4,076.05)	(-0.72)	(0.45)	(4,074.88)	-	(85.89)	(85.44)	(4,076.05)
Plant and machinery*	1,419.52	276.14	(58.77)	1,754.43	140.52	132.43	248.55	1,505.88
	(1,318.11)	(124.15)	(22.74)	(1,419.52)	-	(141.80)	(140.52)	(1,318.11)
Furniture and fittings	1,300.19	282.79	144.07	1,438.91	187.64	221.07	415.11	1,023.80
	(1,205.51)	(116.62)	(21.94)	(1,300.19)	-	(192.15)	(187.64)	(1,205.51)
Computers	494.33	12.12	2.25	504.20	140.53	135.84	275.15	229.05
	(384.14)	(33.00)	(-77.19)	(494.33)	-	(141.13)	(140.53)	(384.14)
Vehicles	91.18	21.34	0.01	112.51	15.55	17.69	33.24	79.27
	(104.97)	(13.57)	(27.36)	(91.18)	-	(17.31)	(15.55)	(104.97)
<b>Total</b>	<b>8,721.22</b>	<b>1,075.24</b>	<b>202.72</b>	<b>9,593.74</b>	<b>778.36</b>	<b>798.40</b>	<b>1,519.73</b>	<b>8,074.01</b>
	<b>(8,444.23)</b>	<b>(286.62)</b>	<b>(9.63)</b>	<b>(8,721.22)</b>	<b>-</b>	<b>(798.73)</b>	<b>(778.36)</b>	<b>(8,444.23)</b>

Notes:

- a) PPE are pledged as security for working capital loans and vehicle against vehicle loans (refer note 22 and 26).
- b) Plant and Machinery includes net block amounting to ₹ 443.62 Lakhs (31 March 2017: ₹ 350.67 Lakhs) being the carrying value of plant and machinery situated at Kandivali (West), Mumbai given on operating lease rental.\*
- c) Figures in brackets are the corresponding figures of the previous year.

The Company has elected to measure all its property, plant and equipment and investment property at the previous GAAP carrying amount i.e. 31 March 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1 April 2016. Details of gross block and accumulated depreciation as per previous GAAP as at 1 April 2016 are as given below.

Particulars (block of assets)	Gross block	Accumulated depreciation	Net block considered as deemed cost	IND AS adjustments#	Deemed cost for Ind AS as on 1 April 2016
Freehold land	1,419.34	-	1,419.34	(1,419.34)	-
Building	5057.84	506.57	4551.27	(475.22)	4076.05
Leasehold improvements	2,001.26	645.81	1,355.45	-	1,355.45
Plant and machinery	1,886.48	568.37	1,318.11	-	1,318.11
Furniture and fittings	1,958.83	753.32	1,205.51	-	1,205.51
Computers	960.49	576.35	384.14	-	384.14
Vehicles	270.25	165.28	104.97	-	104.97
	13,554.49	3,215.70	10,338.79	(1,894.56)	8,444.23

# classified as investment property. Refer note 5

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

Particulars	Closing Balance			
	As at		As at	
	31 March 2018	31 March 2017	1 April 2017	1 April 2016
Capital Work in Progress	-	-	182.59	-
<b>Total</b>	-	-	<b>182.59</b>	-

Particulars	Gross Block			Accumulated depreciation			Net Block		
	As at 1 April 2017	Additions	Deductions / adjustment during the year	As at 31 March 2018	As at 1 April 2017	Depreciation for year	As at 31 March 2018	As at 31 March 2017	As at 31 March 2017
	As at 1 April 2017	As at 1 April 2017	As at 31 March 2018	As at 31 March 2018	As at 1 April 2017	Depreciation for year	As at 31 March 2018	As at 31 March 2017	As at 31 March 2017
Freehold land	1,419.34	-	-	1,419.34	-	-	-	1,419.34	1,419.34
	(1,419.34)	-	-	(1,419.34)	-	-	-	(1,419.34)	(1,419.34)
Building	484.57	-	-	484.57	19.90	18.25	38.15	446.42	464.67
	(475.22)	(9.45)	(0.10)	(484.57)	-	(19.99)	(19.90)	(464.67)	(475.22)
<b>Total</b>	<b>1,903.91</b>	<b>(9.45)</b>	<b>(0.10)</b>	<b>1,903.91</b>	<b>19.90</b>	<b>18.25</b>	<b>38.15</b>	<b>1,865.76</b>	<b>1,884.01</b>
	<b>(1,894.56)</b>	<b>(9.45)</b>	<b>(0.10)</b>	<b>(1,903.91)</b>	<b>19.90</b>	<b>(19.99)</b>	<b>(19.90)</b>	<b>(1,884.01)</b>	<b>(1,894.56)</b>

The fair value investment property is ₹ 2,660.54 lakhs on the basis of external independent property valuer.

Particulars	Gross Block			Accumulated depreciation			Net Block		
	As at 1 April 2017	Additions	Deductions / adjustment during the year	As at 31 March 2018	As at 1 April 2017	Depreciation for year	As at 31 March 2018	As at 31 March 2017	As at 31 March 2017
	As at 1 April 2017	As at 1 April 2017	As at 31 March 2018	As at 31 March 2018	As at 1 April 2017	Depreciation for year	As at 31 March 2018	As at 31 March 2017	As at 31 March 2017
Computer Software	150.47	2.41	(1.01)	153.89	51.89	32.70	84.59	69.30	98.58
	(191.78)	(40.01)	(81.32)	(150.47)	-	(51.89)	(51.89)	(98.58)	(191.78)
<b>Total</b>	<b>150.47</b>	<b>2.41</b>	<b>(1.01)</b>	<b>153.89</b>	<b>51.89</b>	<b>32.70</b>	<b>84.59</b>	<b>69.30</b>	<b>98.58</b>
	<b>(191.78)</b>	<b>(40.01)</b>	<b>(81.32)</b>	<b>(150.47)</b>	<b>-</b>	<b>(51.89)</b>	<b>(51.89)</b>	<b>(98.58)</b>	<b>(191.78)</b>

a) Figures in brackets are the corresponding figures of the previous year.

The Company has elected to measure all its intangible assets at the previous GAAP carrying amount i.e. 31<sup>st</sup> March 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1<sup>st</sup> April 2016. Details of gross block and accumulated depreciation as per previous GAAP as at 1<sup>st</sup> April, 2016 are as given below.

Particulars (block of assets)	Gross block	Accumulated depreciation	Net block considered as deemed cost	IND AS adjustments	Deemed cost for Ind AS as on 1 April 2016
Computer software	834.02	642.24	191.78	-	191.78



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

	31 March 2018	31 March 2017	1 April 2016
<b>7 Investment in Subsidiaries:</b>			
- <b>Investments in equity instruments at cost (Unquoted) (refer note 40.7)</b>			
Nil (31 March 2017: 100,000 and 1 April 2016: 100,000) equity shares of ₹ 10 each, fully paid up in Konfiaance Jewellery Private Limited a wholly owned subsidiary	-	100.18	100.18
5,020 (31 March 2017: 5,020 and 1 April 2016: 5,020) equity shares of ₹ 100 each, fully paid up in Tribhovandas Bhimji Zaveri (Bombay) Limited a wholly owned subsidiary	202.33	202.33	202.33
	<b>202.33</b>	<b>302.51</b>	<b>302.51</b>
Aggregate book value of unquoted non current investment	202.33	302.51	302.51

	31 March 2018	31 March 2017	1 April 2016
<b>8 Other Investments:</b>			
- <b>Investments in mutual funds carried at fair value through Profit and Loss Account (quoted)</b>			
SBI Mutual Fund Magnum Insta Cash Fund	-	0.13	0.12
Nil (31 March 2017: 7.721 and 1 April 2016: 7.356) units of ₹ 1,675.03 each			
SBI Equity Opportunities Fund	-	7.10	5.61
Nil (31 March 2017: 50,000 and 1 April 2016: 50,000) units of ₹ Nil (31 March 2017: ₹ 14.20 and 1 April 2016: ₹ 11.23 each)			
	-	<b>7.23</b>	<b>5.73</b>
Aggregate book value of quoted non current investment	-	7.23	5.73

	31 March 2018	31 March 2017	1 April 2016
<b>9 Loans</b>			
<b>(Unsecured, considered good)</b>			
<b>To related parties</b>			
- Security deposits (refer note 40.7)	76.53	70.21	64.41
<b>To parties other than related parties</b>			
- Security deposits	857.82	795.73	696.74
	<b>934.35</b>	<b>865.94</b>	<b>761.15</b>

	31 March 2018	31 March 2017	1 April 2016
<b>10 Deferred tax assets (net)</b>			
The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet			
Deferred tax assets	414.36	655.21	-
Deferred tax Liability	(601.36)	(572.96)	-
Net deferred tax assets/(Liabilities)	<b>(187.00)</b>	<b>82.25</b>	-

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## 10 (a): Tax expense

### (i) Amounts recognised in profit and loss

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current income tax	981.00	-
Changes in estimates relating to prior years	-	(190.35)
<b>Deferred income tax liability / (asset), net</b>		
Origination and reversal of temporary differences	103.97	83.02
<b>Deferred tax expense</b>	103.97	83.02
<b>Tax expense for the year</b>	<b>1,084.97</b>	<b>(107.33)</b>

### (ii) Amounts recognised in other comprehensive income

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of defined benefit plans	19.27	13.45

### (iii) Reconciliation of effective tax rate

	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before tax	3,190.45	1,566.89
Company's domestic tax rate	34.608%	34.608%
<b>Tax using the company's domestic tax rate</b>	1,104.15	542.27
<b>Tax effect of:</b>		
Expense not allowed for tax purposes	6.83	16.79
Income not considered for tax purpose/ Exempt income	(0.05)	(0.00)
Difference in Tax rate	(1.80)	-
Deferred tax not recognised in earlier years	-	123.37
Set-off against earlier years carry forward losses	(24.16)	(599.41)
	<b>1,084.97</b>	<b>83.02</b>
<b>Current tax</b>	981.00	-
<b>Deferred tax</b>	103.97	83.02
<b>Total tax</b>	<b>1,084.97</b>	<b>83.02</b>

## 10 (b): Deferred tax

### Movement in deferred tax balances for the year ended 31 March 2018

Particulars	Net balance 31 March 2017	Recognised in profit or loss	MAT credit utilised	Net balance 31 March 2018
Property, plant and equipment and intangible assets	(572.96)	(34.68)		(538.28)
Employee benefits	305.50	(29.38)		334.88
Fair valuation of gold loan derivative	46.12	109.20		(63.08)
Provision for doubtful debts	26.15	(0.26)		26.41
Leases	42.69	(10.39)		53.08
Carry forward loss	69.48	69.48		-
MAT Credit Entitlement	165.27	-	(165.27)	-
<b>Deferred tax asset/(liabilities)</b>	<b>82.25</b>	<b>103.97</b>	<b>(165.27)</b>	<b>(187.00)</b>
<b>Net deferred tax assets/(liability)</b>	<b>82.25</b>	<b>103.97</b>		<b>(187.00)</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## Movement in deferred tax balances for the year ended 31 March 2017

Particulars	Net balance 1 April 2016	Recognised in profit or loss	MAT credit utilised	Net balance 31 March 2017
Property, plant and equipment and intangible assets	-	(572.96)		(572.96)
Employee benefits	-	305.50		305.50
Fair valuation of gold loan derivative	-	46.12		46.12
Provision for doubtful debts	-	26.15		26.15
Leases	-	42.69		42.69
Carry forward loss	-	69.48		69.48
MAT Credit Entitlement	-	165.27		165.27
<b>Deferred tax asset/(liabilities)</b>	<b>-</b>	<b>82.25</b>		<b>82.25</b>
<b>Net deferred tax assets</b>	<b>-</b>	<b>82.25</b>		<b>82.25</b>

## Tax losses carried forward

### 31 March 2018

Year ended	Amount	Expiry date
	-	NA

### 31 March 2017

Year ended	Amount	Expiry date
AY 2016-2017	200.77	31 March 2024

	31 March 2018	31 March 2017	1 April 2016
<b>11 Other tax assets</b>			
Advance tax (net of provision for tax of ₹ 981 (31 March 2017: ₹ 169.52 Lakhs and 1 April 2016: ₹ 10,445.05 Lakhs)	110.43	205.56	219.45
	<b>110.43</b>	<b>205.56</b>	<b>219.45</b>

	31 March 2018	31 March 2017	1 April 2016
<b>12 Other non current assets</b>			
Prepaid lease rental	182.04	162.44	189.72
Advances for capital expenditure (Gross)	258.84	249.17	74.00
Less: Provision for doubtful advances	-	(34.87)	-
Net Advance for capital expenditure	258.84	214.30	74.00
Balance with government authorities	887.90	484.67	274.96
	<b>1,328.78</b>	<b>861.41</b>	<b>538.68</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

	31 March 2018	31 March 2017	1 April 2016
<b>13 Inventories*</b>			
(valued at the lower of cost and net realisable value)			
Raw material	16,164.06	14,036.44	12,825.99
Finished goods**	45,112.24	68,075.21	81,113.28
Stock-in-trade**	40,872.90	20,568.21	18,563.72
Packing material	31.59	41.72	61.03
	<b>102,180.79</b>	<b>102,721.58</b>	<b>112,564.02</b>

\*Working capital borrowing are secured by hypothecation of inventories of the company (refer note 26).

\*\*Cost of precious stones forming part of the jewellery is determined by management based on technical estimate of the purity and clarity of diamonds used, on which the auditors have placed reliance, as this being a technical matter.

	31 March 2018	31 March 2017	1 April 2016
<b>14 Trade receivables*</b>			
Unsecured, considered good**	2,296.19	221.17	69.05
Doubtful	5.06	5.06	7.67
	<b>2,301.25</b>	<b>226.23</b>	<b>76.72</b>
Less: Provision for doubtful receivables	(5.06)	(5.06)	(7.67)
Total	<b>2,296.19</b>	<b>221.17</b>	<b>69.05</b>

\*Working capital borrowing are secured by hypothecation of trade receivables of the Company (refer note 26).

\*\* Includes receivable from credit card companies amounting to ₹ 126.32 Lakhs (31 March 2017: ₹ 71.99 Lakhs and 1 April 2016: ₹ 26.69 Lakhs)

## The movement in allowance for doubtful receivables is as follows:

	31 March 2018	31 March 2017	1 April 2016
Balance as at beginning of the year	5.06	7.67	7.67
Provision reversed during the year	-	(2.61)	-
Balance as at the end of the year	<b>5.06</b>	<b>5.06</b>	<b>7.67</b>

	31 March 2018	31 March 2017	1 April 2016
<b>15 Cash and cash equivalents</b>			
Balances with banks			
- on current accounts	846.11	228.04	491.00
Cash on hand	243.62	198.58	125.30
	<b>1,089.73</b>	<b>426.62</b>	<b>616.30</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

	31 March 2018	31 March 2017	1 April 2016
<b>16 Bank balances other than cash and cash equivalents</b>			
Investment in term deposits with original maturity for more than 3 months but less than 12 months*	2,651.57	2,629.32	3,216.33
Earmarked balance with banks			
- Unclaimed dividend#	0.70	0.70	0.71
- Unclaimed share application money#	0.34	0.34	0.34
	<b>2,652.61</b>	<b>2,630.36</b>	<b>3,217.38</b>

#Includes restricted amounts towards Unclaimed Dividend of ₹ 0.70 Lakhs (31 March 2017: ₹ 0.70 Lakhs and 1 April 2016: ₹ 0.71 Lakhs) and unclaimed share application money due for refund of ₹ 0.34 Lakhs (31 March 2017: ₹ 0.34 Lakhs and 1 April 2016: ₹ 0.34 Lakhs).

\*Deposits with a carrying amount of ₹ 5.54 Lakhs (31 March 2017: ₹ 4.78 Lakhs and 1 April 2016: ₹ 3.78 Lakhs) are under lien with VAT authorities as deposits.

\*Deposits with a carrying amount of ₹ 2,635.30 Lakhs (31 March 2017: ₹ 2,617.04 Lakhs and 1 April 2016: ₹ 3,205.05 Lakhs) are under lien to secure working capital facilities availed from banks.

\*Deposits with a carrying amount of ₹ 7.50 Lakhs (31 March 2017: ₹ 7.50 Lakhs and 1 April 2016: ₹ 7.50 Lakhs) are towards base capital given to Multi Commodity Exchange India Ltd.

	31 March 2018	31 March 2017	1 April 2016
<b>17 Loans</b>			
(Unsecured, considered good)			
- To parties other than related parties			
- Security deposits	112.16	62.59	60.00
	<b>112.16</b>	<b>62.59</b>	<b>60.00</b>

	31 March 2018	31 March 2017	1 April 2016
<b>18 Other financial assets</b>			
(Unsecured, considered good)			
Interest accrued on fixed deposits	69.23	30.28	55.91
	<b>69.23</b>	<b>30.28</b>	<b>55.91</b>

	31 March 2018	31 March 2017	1 April 2016
<b>19 Other current assets</b>			
<b>To related parties</b>			
Advance to suppliers (refer note 40.7)	218.51	421.48	424.62
<b>To parties other than related parties</b>			
Advance to suppliers	59.97	171.18	88.70
Less: Provision for doubtful advances	-	(30.35)	-
Net Advance to suppliers	59.97	140.83	88.70
Prepaid lease rental	74.00	93.91	65.74
Advances to employees and others	16.72	11.97	15.95
Prepaid expenses	275.69	204.86	197.74
Balance with government authorities	330.94	25.18	-
	<b>975.83</b>	<b>898.23</b>	<b>792.75</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

	31 March 2018	31 March 2017	1 April 2016
<b>20 Equity share capital</b>			
<b>Authorised</b>			
75,000,000 (31 March 2017: 75,000,000 and 1 April 2016: 75,000,000) equity shares of ₹ 10 each	7,500.00	7,500.00	7,500.00
	<b>7,500.00</b>	<b>7,500.00</b>	<b>7,500.00</b>
<b>Issued, subscribed and fully paid up</b>			
66,730,620 (31 March 2017: 66,730,620 and 1 April 2016: 66,730,620) equity shares of ₹ 10 each fully paid-up	6,673.06	6,673.06	6,673.06
	<b>6,673.06</b>	<b>6,673.06</b>	<b>6,673.06</b>

**Note :**

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

	31 March 2018		31 March 2017		1 April 2016	
	No. of shares	Amount ₹ in lakhs	No. of shares	Amount ₹ in lakhs	No. of shares	Amount ₹ in lakhs
<b>Equity shares</b>						
At the beginning and at the year end	66,730,620	6,673.06	66,730,620	6,673.06	66,730,620	6,673.06
<b>At the end of the year</b>	66,730,620	6,673.06	66,730,620	6,673.06	66,730,620	6,673.06

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

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his share of paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

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

	31 March 2018		31 March 2017		1 April 2016	
	% holding in class	No. of Shares	% holding in class	No. of Shares	% holding in class	No. of Shares
<b>Equity shares of ₹ 10 each fully paid up held by:</b>						
Shrikant Zaveri	50.06%	33,402,275	50.06%	33,402,275	50.06%	33,402,275
Binaisha Zaveri	7.92%	5,285,000	7.92%	5,285,000	7.92%	5,285,000
Raashi Zaveri	6.85%	4,572,500	6.85%	4,572,500	6.85%	4,572,500
Bindu Zaveri	5.24%	3,500,000	5.24%	3,500,000	5.24%	3,500,000

**d Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

	31 March 2015	
	No. of shares	(₹ in Lakhs)
Equity shares allotted as fully paid bonus shares by capitalization of security premium	40,000,000	4,000.00



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

	31 March 2018	31 March 2017	1 April 2016
<b>21 Other equity</b>			
Securities premium account	16,791.35	16,791.35	16,791.35
General reserves	1,401.47	1,401.47	1,401.47
Surplus in profit and loss	23,863.06	21,757.57	20,083.35
Other Comprehensive Income	(61.82)	(25.41)	-
	<b>41,994.05</b>	<b>39,924.98</b>	<b>38,276.17</b>

**Notes:****Securities premium account**

Premium collected on issue of securities are accumulated as part of securities premium. Utilisation of such reserves is restricted by the Companies Act, 2013.

**General reserves**

Represents appropriation of profit by the Company.

**Surplus profit and loss**

Retained earnings comprise of the Company's undistributed profits after taxes.

**Other comprehensive income**

Items of other comprehensive income consist of re-measurement of defined benefit plan.

**Other comprehensive income accumulated in Other Equity, net of tax**

The disaggregation of changes in other comprehensive income by each type of reserve in equity is shown below:

	Remeasurements of defined benefit plans	Total
As at 1 April 2016		
Remeasurement gain/(loss) on defined benefit plans	(38.86)	(38.86)
Income tax effect	13.45	13.45
As at 31 March 2017	(25.41)	(25.41)
Remeasurement gain/(loss) on defined benefit plans	(55.68)	(55.68)
Income tax effect	19.27	19.27
As at 31 March 2018	<b>(61.82)</b>	<b>(61.82)</b>

	31 March 2018	31 March 2017	1 April 2016
<b>22 Non current borrowings</b>			
<b>Secured</b>			
<b>Term loans</b>			
- from banks	7.90	11.33	746.31
- from non banking financial companies	-	-	8.18
	<b>7.90</b>	<b>11.33</b>	<b>754.49</b>
<b>Amount disclosed as current materials of term borrowing under the head other current liabilities (refer note 28)</b>			
- from banks	5.13	5.30	440.02
- from non banking financial companies	-	-	15.34
	<b>5.13</b>	<b>5.30</b>	<b>455.36</b>

The term loans from banks carry interest in the range of 10.00% - 11.75% p.a (31 March 2017: 10.00% - 11.75% p.a. and 1 April 2016: 10.00% - 11.75% p.a). The loans are repayable in equated monthly installments of 60 months (31 March 2017:

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

60 months and 1 April 2016: 60 to 72 months) with installments of ₹ 0.23 (31 March 2017: ₹ 0.44 lakhs and 1 April 2016: ₹ 0.23 to 32.50 lakhs). The loans are secured by hypothecation of vehicle purchased, (31 March 2017: hypothecation of vehicle purchased and 1 April 2016: first mortgage charge of assets purchased i.e. premises at Nariman point, Mumbai and IT equipment, hypothecation of vehicle purchased, first mortgage charge on immovable properties situated at Punjagutta, Hyderabad and second mortgage charge on the property located at Kandivali Industrial Estate, Mumbai).

The loan from non-banking financial companies comprised of vehicle loan which carried interest at 10.78% p.a. The loan was repayable in 36 monthly installments of 1.62 lakhs alongwith interest, commencing from the date of loan. The loan has been fully repaid during the previous year.

	31 March 2018	31 March 2017	1 April 2016
<b>23 Other non-current financial liabilities</b>			
<b>From related parties</b>			
- Security deposits (refer note 40.7)	42.58	39.07	35.84
	<b>42.58</b>	<b>39.07</b>	<b>35.84</b>
	31 March 2018	31 March 2017	1 April 2016
<b>24 Non-current provisions</b>			
Provision for employee benefits			
- Provision for gratuity (refer note 40.3(b))	465.90	260.20	222.82
- Provision for compensated absences (refer note 40.3)	-	44.30	56.01
	<b>465.90</b>	<b>304.50</b>	<b>278.83</b>
	31 March 2018	31 March 2017	1 April 2016
<b>25 Other non-current liabilities</b>			
From other than related parties			
- Deferred rent liability	106.77	73.82	123.36
	<b>106.77</b>	<b>73.82</b>	<b>123.36</b>
	31 March 2018	31 March 2017	1 April 2016
<b>26 Current borrowings</b>			
<b>- Secured</b>			
<b>Loans repayable on demand from Banks</b>			
- Working capital demand loan	34,589.88	29,406.91	34,379.95
- Cash credit	22,252.00	25,453.26	29,356.14
	<b>56,841.88</b>	<b>54,860.17</b>	<b>63,736.09</b>
<b>- Unsecured Loan</b>			
<b>Loans repayable on demand</b>			
- From directors (refer note 40.7)	15.00	15.00	95.19
Others	-	4.84	4.61
	<b>15.00</b>	<b>19.84</b>	<b>99.80</b>
	<b>56,856.88</b>	<b>54,880.01</b>	<b>63,835.89</b>

Working capital demand loan and the Cash credit facilities are part of a consortium arrangement with banks. The above facilities carry interest ranging between 2.70% to 11.50% (31 March 2017: 2.70% - 11.75% p.a. and 1 April 2016: 2.85% - 12% p.a.) and are secured by primary security by way of hypothecation charge on the entire current assets of the Company, present and future, on first pari passu basis among the members of the consortium.

Further, the facility is secured by collateral security on first pari passu charge basis among the members of the consortium

- By way of mortgage over premises at Zaveri Bazar, Mumbai, premises at Surat, premises at Kandivali Industrial Estate, Mumbai, premises at Nariman Point, Mumbai, premises at Punjagutta, Hyderabad.
- By way of hypothecation charge over Property, Plant and Equipment installed/erected at Surat, at Kandivali Industrial Estate, Mumbai, at Pune, and all movable and immovable assets present in all the Company's showrooms.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

The facility is also secured by way of extension of mortgage charge on Second pari passu basis over commercial premises at Santacruz, Mumbai belonging to Shri Shrikant Zaveri (Chairman and Managing Director) and the personal guarantee of Shri Shrikant Zaveri the Chairman and Managing Director of the Company

Further, bank deposits of ₹ 2,635.30 lakhs (31 March 2017: ₹ 2,617.04 lakhs and 1 April 2016: ₹ 3,205.05 lakhs) are under lien with the banks as a security for the above facilities. The facilities are also secured by stand-by Letter of credit and Bank Guarantee of ₹ 24,710.00 lakhs (31 March 2017: ₹ 19,450 lakhs and 1 April 2016: ₹ 16,127 lakhs) and Letter of comfort of ₹ Nil lakhs (31 March 2017: ₹ 10,800 lakhs and 1 April 2016: ₹ 14,956 lakhs).

Loan from directors is interest free and repayable on demand.

Other borrowings carry interest in the range of Nil (31 March 2017: 5% -10% p.a and 1 April 2016: 5% -10% p.a). These are repayable at the end of 361 days from the date of borrowing.

	31 March 2018	31 March 2017	1 April 2016
<b>27 Trade payables</b>			
Due to			
- Micro, Small and Medium Enterprises (refer note 40.2)	10.11	-	-
- due to others	8,196.11	7,733.18	9,124.66
	<b>8,206.22</b>	<b>7,733.18</b>	<b>9,124.66</b>

	31 March 2018	31 March 2017	1 April 2016
<b>28 Other financial liabilities</b>			
Current maturities of long term borrowings (refer note 22)	5.13	5.30	455.36
Interest accrued but not due on borrowings	80.68	79.57	128.96
Share application money due for refund*	0.34	0.34	0.34
Amount liable to be deposited in Investor Education and Protection Fund but not yet due for deposit			
- Unclaimed dividend	0.70	0.70	0.71
	<b>86.85</b>	<b>85.91</b>	<b>585.37</b>

\*During May 2012, the Company had received application money for allotment of equity shares via Initial Public Offer (IPO). However, due to over subscription the application money became due for refund. There is no interest payable on share application money.

	31 March 2018	31 March 2017	1 April 2016
<b>29 Current provisions</b>			
<b>Provision for employee benefits</b>			
- Provision for gratuity (refer note 40.3(b))	24.26	84.32	88.63
- Provision for compensated absences	271.69	301.08	315.75
	<b>295.95</b>	<b>385.40</b>	<b>404.38</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

	31 March 2018	31 March 2017	1 April 2016
<b>30 Other current liabilities</b>			
Advance from customers	2,304.05	1,175.08	1,685.91
Customers dues under schemes / arrangements	3,039.08	5,873.38	5,993.96
Statutory liabilities#	165.47	782.58	257.79
Creditors for capital expenditure	97.42	93.20	126.43
Deferred rent liability	45.15	49.55	39.03
Accrual for expenses	1,387.17	1,338.72	1,538.33
	<b>7,038.34</b>	<b>9,312.51</b>	<b>9,641.45</b>

#Statutory liabilities includes Tax deducted source, Goods and service tax, Employee state insurance, Provident fund and Profession tax.

	31 March 2018	31 March 2017
<b>31 Revenue from operations</b>		
<b>31.1 Sale of products (including excise duty)</b>		
- Finished goods	101,356.04	131,689.27
- Traded goods	74,151.16	38,064.78
<b>Total</b>	<b>175,507.20</b>	<b>169,754.05</b>
<b>Details of Sales</b>		
- jewellery	175,507.20	169,754.05

	31 March 2018	31 March 2017
<b>31.2 Other operating revenue</b>		
- Repairing revenue	61.31	42.15
<b>Total</b>	<b>61.31</b>	<b>42.15</b>

	31 March 2018	31 March 2017
<b>32 Other income</b>		
Interest Income		
- Interest income on bank deposits	175.13	165.82
- Income tax refund	11.57	-
- Interest Income (Other)	93.49	66.17
Dividend Income		
- Investments - Mutual Funds	0.15	0.01
Other Non-Operating Income		
- Rental income from investment property (refer note 40.6 & 40.7)	151.78	111.78
- Foreign exchange gain (net)	1.38	-
- Miscellaneous Income	119.26	62.65
- Liabilities/Provisions no longer required written back	151.51	-
	<b>704.27</b>	<b>406.43</b>

	31 March 2018	31 March 2017
<b>33 Cost of material consumed</b>		
Inventory at the beginning of the year	14,036.44	12,825.99
Add: Purchases	87,165.69	102,446.38
	<b>101,202.13</b>	<b>115,272.37</b>
Less: Inventory at the end of the year	(16,164.06)	(14,036.44)
Cost of material consumed	<b>85,038.07</b>	<b>101,235.93</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

	31 March 2018	31 March 2017
<b>34 Purchase of stock-in-trade</b>		
Purchase of stock-in-trade	62,834.44	33,053.17
	<b>62,834.44</b>	<b>33,053.17</b>
	<b>31 March 2018</b>	<b>31 March 2017</b>
<b>35 Changes in inventories of finished goods and stock-in-trade</b>		
Opening inventory		
- Finished goods	68,075.21	81,113.28
- Stock-in-trade	20,568.21	18,563.72
	<b>88,643.42</b>	<b>99,677.00</b>
Closing inventory		
- Finished goods	45,112.24	68,075.21
- Stock-in-trade	40,872.90	20,568.21
	<b>85,985.14</b>	<b>88,643.42</b>
Decrease in stock	2,658.28	11,033.58
	<b>31 March 2018</b>	<b>31 March 2017</b>
<b>36 Employee benefits expenses</b>		
Salaries, wages and bonus	6,626.52	6,738.60
Contribution to provident and other funds (refer note 40.3(a))		
- Provident fund	232.29	242.33
- Other fund	71.69	40.39
Gratuity expenses (refer note 40.3(b))	144.27	75.36
Compensated absences (refer 40.3(c))	-	39.03
Staff welfare expenses	226.97	290.81
	<b>7,301.74</b>	<b>7,426.52</b>
	<b>31 March 2018</b>	<b>31 March 2017</b>
<b>37 Finance costs</b>		
Interest expenses borrowings	3,544.72	4,664.43
Other borrowing costs	429.62	357.68
	<b>3,974.34</b>	<b>5,022.11</b>
	<b>31 March 2018</b>	<b>31 March 2017</b>
<b>38 Depreciations and amortisation expenses</b>		
Depreciation on property, plant and equipment and investment property (refer note 3 and 5)	816.65	818.72
Amortisation on intangible assets (refer note 6)	32.70	51.89
	<b>849.35</b>	<b>870.61</b>
	<b>31 March 2018</b>	<b>31 March 2017</b>
<b>39 Other expenses</b>		
Power and fuel	461.09	499.99
Water charges	17.18	21.48
Boxes and packing material	199.73	177.12

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

	31 March 2018	31 March 2017
Repairs and maintenance		-
- Plant & machinery	158.52	89.91
- Others	296.68	394.50
Jobwork charges	76.75	66.80
Rent (refer note 40.6)	2,515.27	2,468.19
Advertisement and sales promotion	3,964.32	2,860.85
Freight and forwarding charges	148.57	190.54
Commission and service charges	27.48	5.29
Insurance	43.88	88.16
Travelling and conveyance expenses	227.92	237.57
Rates and taxes	81.64	175.43
Legal and professional fees	489.46	584.95
Royalty	84.33	112.87
Postage, telegrams and telephone charges	85.29	108.24
Payment to auditors:		
- Statutory audit	32.25	25.00
- Limited review of quarterly results	23.10	21.00
- Certification fees	1.65	1.50
- Out of pocket expenses	1.73	4.12
Security charges	226.13	240.25
Foreign exchange loss (net)	-	0.31
Loss on sale of PPE	3.22	6.96
Asset written off	134.88	50.62
Loss on commodity hedging transaction	9.99	1.16
Loss on sale of Investment	7.46	-
Bank charges	469.31	507.44
Provision for doubtful debts/advances	-	62.60
Bad debts written off	-	4.53
Contribution towards Corporate Social Responsibility (refer note 40.5)	23.03	47.96
Directors sitting fees	6.01	6.13
Commission to directors (refer note 40.7)	22.65	15.00
Miscellaneous expenses	158.85	121.43
	<b>9,998.37</b>	<b>9,197.90</b>

## 40 Notes to Accounts (Continued)

### 40.1 Contingent liabilities and commitments

#### Contingent Liabilities

Claims against the Company not acknowledged as debts

Particulars	31 March 2018	31 March 2017	1 April 2016
Income tax matters	Nil	Nil	188.58
Sales tax matters	308.54	376.06	429.14
Local body tax matters	31.54	31.54	Nil
Custom duty matters	18.25	18.25	18.25



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

- (a) The Company's pending litigations comprise of proceedings pending with Sales/VAT tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.
- (b) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgement / decisions pending with various forums/authorities.
- (c) The Company does not expect any reimbursements in respect of the above contingent liabilities.

## Commitments

Contracts remaining to be executed on capital account and not provided for as at 31 March 2018 is ₹ 11.89 lakhs (31 March 2017: ₹ 25.90 Lakhs and 1 April 2016 Nil) (net of advances).

The Company has provided a letter of financial support upto 31 March 2019 to its wholly owned subsidiary company, Tribhovandas Bhimji Zaveri (Bombay) Limited.

## 40.2 Dues to Micro, Small and Medium Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprise.

On the basis of the information and records available with management, the following disclosures are made for the amounts due to Micro, Small and Medium enterprises who have registered with the Competent authorities.

Particulars	31 March 2018	31 March 2017	1 April 2016
Principal amount and interest due thereon remaining unpaid to any supplier as at the year end	10.11	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-	-
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 the MSMED	-	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

## 40.3 Employee Benefits:

### a) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employees State Insurance, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund and other funds for the year aggregated to ₹ 303.98 Lakhs (31 March 2017: ₹ 282.72 Lakhs) which is shown under notes to financial statements 36 – 'Employee benefits'.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## b) Defined benefit plans

Particulars	Gratuity (funded)		
	31 March 2018	31 March 2017	1 April 2016
<b>I Change in Benefit Obligation</b>			
Liability at the beginning of the year	467.87	418.89	
Interest cost	28.68	26.91	
Current service cost	118.93	99.45	
Benefit paid	(18.75)	(116.24)	
Actuarial (gain) / loss on obligations	55.69	38.86	
Liability at the end of the year	652.42	467.87	
<b>II Amount recognised in the Balance Sheet</b>			
Liability at the end of the year	652.42	467.87	418.89
Fair value of plan assets at the end of the year	(162.26)	(123.35)	(107.44)
Amount recognised in the Balance Sheet	490.16	344.52	311.45
<b>III Expenses recognised in the Statement of Profit and Loss</b>			
Current service cost	118.93	99.45	
Interest cost	28.68	26.91	
Expected return on plan assets	(7.66)	(9.43)	
Net actuarial (gain) / loss to be recognised	-	9.43	
Gratuity paid	4.32	-	
Adjustment to opening balance of plan assets	-	(51.00)	
Expense recognised in Statement of Profit and Loss	144.27	75.36	
<b>IV Expenses recognised in the Other Comprehensive Income</b>			
Change in demographic assumptions	(146.16)	-	
Change in Financial assumptions	(101.29)	24.23	
Experience variance (i.e Actual experience vs assumptions)	303.27	14.63	
Return on plan assets	(0.13)	-	
Expense recognised in the others comprehensive income	55.69	38.86	
<b>V Balance Sheet Reconciliation</b>			
Opening net liability	344.52	311.45	
Adjustment to opening balance	-	-	
Expense recognized in the Statement of Profit and Loss	144.27	75.36	
Expense recognized in the Statement of OCI	55.69	38.86	
Gratuity paid	(4.32)	-	
Contribution Paid	(50.00)	(81.15)	
Amount recognised in Balance Sheet	490.16	344.52	
<b>IV Composition of plan assets</b>			
Qualifying insurance policies*	162.26	123.35	107.44
A split of plan asset between various asset classes is as below:			
Unquoted other debt instruments	162.26	123.35	107.44
<b>VII Movement in fair value of plan assets</b>			
Fair value of plan assets at the beginning of the year	123.35	107.44	
Adjustment to opening balance of plan assets	-	51.00	
Contributions paid into the plan	50.00	81.15	
Benefits paid by the plan	(18.75)	(116.24)	
Expected return on plan assets	7.66	9.43	
Actuarial (losses) / gains	-	(9.43)	
Fair value of plan assets at the end of the year	162.26	123.35	

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

Particulars	Gratuity (funded)		
	31 March 2018	31 March 2017	1 April 2016
<b>VIII Principal actuarial assumptions</b>			
Discount rate per annum	8.15%	6.69%	7.46%
Expected rate of return on plan Assets	8.15%	6.69%	7.46%
Salary escalation rate per annum	5.00%	5.00%	5.00%
Mortality	Indian Assured lives Mortality (2006-08) Ultimate	Indian Assured lives Mortality (2006-08) Ultimate	Indian Assured lives Mortality (2006-08) Ultimate
Employee Turnover rate	0% - 28.00%	0% - 28.00%	0% - 28.00%

## IX Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	31 March 2018	31 March 2017
Defined Benefit Obligation (Base)	652.42	467.87

Particulars	31 March 2018		31 March 2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	735.89	555.54	539.92	409.86
(% change compared to base due to sensitivity)	15.70%	(-12.7%)	15.40%	(-12.4%)
Salary Growth Rate (- / + 1%)	552.66	738.15	404.71	548.35
(% change compared to base due to sensitivity)	(-13.1%)	16.00%	(-13.5%)	17.20%
Attrition Rate (- / + 50% of attrition rates)	633.91	638.04	465.53	470.21
(% change compared to base due to sensitivity)	(-0.3%)	0.30%	(-0.5%)	0.50%
Mortality Rate (- / + 10% of mortality rates)	634.86	637.37	466.00	469.74
(% change compared to base due to sensitivity)	(-0.2%)	0.20%	(-0.40%)	0.40%

## X Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cashflows)	15 years
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Expected cash flows over the next (valued on undiscounted basis):	Indian Rupees (INR)
1 year	24.26
2 to 5 years	196.38
6 to 10 years	96.04
More than 10 years	2,495.71

The Company expects to pay ₹ 75 lakhs (31 March 2017 ₹ 75 lakhs) to the fund in the following year.

\*The Company has maintained funds with Life Insurance Corporation of India and HDFC Life. The details of major category of plan assets held by the insurance companies is not available and hence the disclosure thereof is not made. The expected long-term rate of return on plan assets is based exclusively on the historical returns, without adjustments.

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## c) Other long-term employee benefits

### Compensated absences

The liability towards compensated absences (annual and sick leave) for the year ended 31 March 2018 based on actuarial valuation carried out by using Projected unit credit method resulted in a (reversal)/charged of ₹ (43.92) Lakhs (31 March 2017: ₹ 39.03 Lakhs).

### Annual and sick leave assumptions

Particulars	31 March 2018	31 March 2017	31 March 2016
Discount rate per annum	8.15%	6.69%	7.46%
Salary escalation rate per annum	5.00%	5.00%	5.00%
Mortality	Indian Assured lives Mortality (2006-08) Ultimate	Indian Assured lives Mortality (2006-08) Ultimate	Indian Assured lives Mortality (2006-08) Ultimate
Employee turnover rate	0 - 26.00%	0 - 28.00%	0 - 28.00%

## 40.4 Long-term contracts

The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and determined that there are no long term contracts (including derivative contracts) which require provision under any law / accounting standards for material foreseeable losses.

## 40.5 Corporate social responsibility (CSR)

As per Section 135 of the Companies Act 2013, a CSR Committee has been formed by the Company. The areas of CSR activities are to eradicate hunger, poverty and malnutrition, promoting healthcare, including preventive health care and sanitation. The Company also wants to promote education, including special education and employment, enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. As part of above, the Company has undertaken CSR activities through Cancer Patient Aid Association (CPAA), Ahmedabad Women's Action Group (AWAG), Stree Mukti Sanghatan, Voice Tree Technologies Private Limited, Baroda Citizen Council (BCC), Bharatiya Street Shakti and West Wind Foundation which are specified in Schedule VII of the Companies Act, 2013.

Particulars	31 March 2018	31 March 2017
Gross amount required to be spent during the year	23.01	67.26
Amount spent during the year on :		
1) Construction / acquisition of assets		
a) Paid in cash	-	-
b) Yet to be paid	-	-
2) Other than (1) above		
a) Paid in cash	23.03	47.96
b) Yet to be paid	-	-
<b>Total</b>	<b>23.03</b>	<b>47.96</b>

## 40.6 Leases

### Operating leases as a lessee

The Company has recognized the showroom rent expenses in the books of accounts. Rental expenses under operating leases (including cancelable and non – cancelable) aggregating ₹ 2,515.27 Lakhs (31 March 2017: ₹ 2,468.19 Lakhs) have been included under "other expenses" in the Statement of Profit and Loss as disclosed under note 39.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

The future minimum lease payments in respect of non-cancellable operating leases as at 31 March 2018 are as follows -

Particulars	31 March 2018	31 March 2017	1 April 2016
Amount due within one year from the balance sheet date	2,561.07	2,075.60	2,201.91
Amount due for the period after one year and before five years	6,259.44	6,130.33	7,085.15
Amount due for the period after five years	1,434.02	660.95	812.55

## Operating leases as a lessor

The Company has recognized rent income on investment property and plant and machinery given on operating lease to its wholly owned subsidiary. Rent income aggregating to ₹ 151.78 Lakhs (31 March 2017: ₹ 111.78 Lakhs) have been included under "other income" in the Statement of Profit and Loss as disclosed under note 33.

The future minimum lease receipts in respect of non-cancellable operating leases as at 31 March 2018 are as follows -

Particulars	31 March 2018	31 March 2017	1 April 2016
Amount receivable within one year from the balance sheet date	147.60	108.00	108.00
Amount receivable for the period after one year and before five years	189.00	297.00	405.00
Amount receivable for the period after five years	-	-	-

## 40.7 Information on related party transactions as required by the Indian Accounting Standard (IND AS) - 24 for the year ended 31 March 2018

### I. Name of related parties

#### Key Managerial Personnel

- 1 Shrikant Zaveri, Chairman and Managing Director
- 2 Binaisha Zaveri, Whole Time Director
- 3 Raashi Zaveri, Whole Time Director
- 4 Saurav Banerjee, Chief Financial Officer
- 5 Niraj Oza, Company Secretary
- 6 Ajay Mehta, Independent Director
- 7 Kamlesh Vikamsey, Independent Director
- 8 Sanjay Asher, Independent Director

#### Relative of Key Managerial Personnel

- 1 Kunal S Vaishnav

#### Entities over which Key Managerial personnel and/or their relatives exercise significant influence

- 1 TBZ Limited Employees Gratuity Trust

#### Subsidiary

- 1 Konfiaance Jewellery Private Limited. (ceased from 31 March 2018)
- 2 Tribhovandas Bhimji Zaveri (Bombay) Limited

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

**40.7** Information on related party transactions as required by the Indian Accounting Standard (IND AS) - 24 for the year ended 31 March 2018 (Continued)

Transactions during the year and balances as at year end with related parties:

Nature of transaction	Key Managerial Personnel	Relative of Key Managerial Personnel	Entities over which Key Managerial personnel and/or their relatives exercise significant influence	Subsidiaries
<b>Transaction during the period *</b>				
Making and melting charges	-	-	-	2,011.99
	-	-	-	(1,533.87)
Remuneration paid**	840.94	-	-	-
	(649.00)	-	-	-
Sitting fees paid	6.00	-	-	-
	(5.90)	-	-	-
Commission paid	22.65	-	-	-
	(15.00)	-	-	-
Liquidation of investment	-	-	-	100.18
	-	-	-	-
Gratuity trust fund	-	-	50.00	-
	-	-	(80.00)	-
Rent received	-	-	-	151.78
	-	-	-	(111.78)
Rent paid	148.00	-	-	-
	(195.60)	-	-	-
Legal fees paid	-	3.23	-	-
	-	(3.44)	-	-
<b>Balance as at 31 Mar 2018*</b>				
Loans payable	15.00	-	-	-
	(15.00)	-	-	-
Remuneration payable	37.65	-	-	-
	(112.38)	-	-	-
Deposit receivable	76.53	-	-	-
	(70.21)	-	-	-
Deposit payable	-	-	-	42.58
	-	-	-	(39.07)
Commission payable	22.50	-	-	-
	(15.00)	-	-	-
Other receivable	-	-	-	218.51
	-	-	-	(421.48)
Trade payable	-	0.17	-	-
	-	(0.36)	-	-
Investment	-	-	-	202.33
	-	-	-	(302.51)
<b>Balance as at 1 April 2016</b>				
Loans payable	95.19	-	-	-
Remuneration payable	127.22	-	-	-
Deposit receivable	64.41	-	-	-
Deposit payable	-	-	-	35.84
Advance to suppliers	-	-	-	424.62
	-	-	-	-
Investment	-	-	-	302.51

## Notes:

- 1) All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.
- 2) Provident Fund and ESIC is not applicable to KMP.
- 3) \*Amounts pertaining to year ended 31 March 2017 are in brackets.
- 4) \*\*Remuneration to key managerial personnel does not include charge for gratuity and leave encashment as employee-wise break-up is not available.
- 5) The borrowing is secured by personal guarantee of the Chairman and Managing Director of the Company (refer note 26).



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## 40.8 Earning Per Share (EPS)

Particulars	31 March 2018	31 March 2017
Profit after taxation (₹ in lakhs)	2,105.48	1,674.22
Weighted Average Number of Equity Shares	66,730,620	66,730,620
Add: effect of potential issues of options	Nil	Nil
Number of shares considered as weighted average shares and potential shares outstanding	66,730,620	66,730,620
Basic earnings per share (₹)	3.16	2.51
Diluted earnings per share (₹)	3.16	2.51

## 40.9 Dividend on Equity Shares

Particulars	31 March 2018	31 March 2017
Dividend on equity shares paid during the year	-	-
Proposed dividend on equity shares recognised as liability	-	-
Proposed dividend on equity shares not recognised as liability	-	-
Final dividend of ₹ 0.75/- per share for FY 2017-2018	500.48	-
Dividend distribution tax on final dividend	102.88	-

## 40.10 Segment reporting

The Company is engaged in manufacturing/ trading and selling of jewellery mainly in India, which is the primary business segment based on the nature of products manufactured/traded and sold. Thus, the Company has only one reportable business which is manufacturing/trading and selling of jewellery and only one reportable geographical segment. Accordingly the segment information as required by Ind AS 108 on 'Operating Segments' is not required to be disclosed.

## 40.11 Disclosure pursuant to change with SEBI (Listing obligation and disclosure requirement, 2015) and section 186 of the Companies Act, 2013

No loans have been given by the Company to any third party or its subsidiary companies.

The details of investment in subsidiary companies are given in Note 7.

## 40.12 Hedging activity and derivatives

### Fair value hedge of gold price risk in inventory

The Company enters into contracts to purchase gold wherein the Company has the option to fix the purchase price based on market price of gold during a stipulated time period. The prices are linked to gold prices. Accordingly, these contracts are considered to have an embedded derivative (represented in the said option to fix the price) that is required to be separated from the host contract which is the gold loan liability. Such feature is kept to hedge against exposure in the value of inventory of gold due to volatility in gold prices. The Company designates the embedded derivative in the payable for such purchases as the hedging instrument in fair value hedging of inventory. The Company designates only the spot-to-spot movement of the gold inventory as the hedged risk. The carrying value of inventory which are designated under fair value hedge relationship are measured at fair value at each reporting date. There is no ineffectiveness in the relationships designated by the Company for hedge accounting.

Disclosure of effects of fair value hedge accounting on financial position:

Hedged item - Changes in fair value of inventory attributable to change in gold prices

Hedging instrument - Changes in fair value of the option to fix prices of gold purchases, as described above

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## As at 31 March 2018

Commodity price risk	Carrying amount of hedge item		Carrying amount of hedging instrument		Maturity date	Balance sheet classification	Impact of change in fair value relating to the hedged risk (spot)
	Assets	Liabilities	Assets	Liabilities			
Hedged item - Inventory of gold	28,020.40	-	NA	NA	Range - with in 6 months	Inventory	873.06
Hedging instrument - Option to fix gold price	NA	NA	-	692.54	Range - with in 6 months	Current borrowing	873.06

## As at 31 March 2017

Commodity price risk	Carrying amount of hedge item		Carrying amount of hedging instrument		Maturity date	Balance sheet classification	Impact of change in fair value relating to the hedged risk (spot)
	Assets	Liabilities	Assets	Liabilities			
Hedged item - Inventory of Gold	26,020.06	-	NA	NA	Range - with in 6 months	Inventory	172.44
Hedging Instrument - Option to Fix gold price	NA	NA	-	309.34	Range - with in 6 months	Current borrowing	172.44

### Note 40.13: Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The primary objective of the Company's Capital Management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in the economic environment and the requirements of the financial covenants, if any.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity.

The company's adjusted net debt to equity ratio was as follows.

Particulars	31 March 2018	31 March 2017	1 April 2016
Total borrowings	56,854.91	54,876.80	64,945.95
Less: Cash and cash equivalent	1,089.73	426.62	616.30
<b>Adjusted net debt</b>	<b>55,765.18</b>	<b>54,450.18</b>	<b>64,329.65</b>
<b>Total equity</b>	<b>48,667.11</b>	<b>46,598.04</b>	<b>44,949.23</b>
<b>Adjusted net debt to equity ratio</b>	<b>1.15</b>	<b>1.17</b>	<b>1.43</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

**Note 40.14: Financial Instruments - Fair values and risk management****40.14.1: Financial Instruments - Fair values****Accounting classification and fair values**

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

- a) The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements)

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

31 March 2018	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-current financial assets</b>							
Investments	-	-	-	-	-	-	-
Loans	-	934.35	<b>934.35</b>	-	-	-	-
<b>Current financial assets</b>							
Trade receivables	-	2,296.19	<b>2,296.19</b>	-	-	-	-
Cash and cash equivalents	-	1,089.73	<b>1,089.73</b>	-	-	-	-
Bank balances other than above	-	2,652.61	<b>2,652.61</b>	-	-	-	-
Loans	-	112.16	<b>112.16</b>	-	-	-	-
Others	-	69.23	<b>69.23</b>	-	-	-	-
<b>Non-current financial liabilities</b>							
Borrowings	-	7.90	<b>7.90</b>	-	-	-	-
Others	-	42.58	<b>42.58</b>	-	-	-	-
<b>Current financial liabilities</b>							
Borrowings	27,839.88	29,017.00	<b>56,856.88</b>	27,839.88	-	-	<b>27,839.88</b>
Trade payables	-	8,206.22	<b>8,206.22</b>	-	-	-	-
Others	-	86.85	<b>86.85</b>	-	-	-	-

31 March 2017	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-current financial assets</b>							
Investments	7.23	-	<b>7.23</b>	7.23	-	-	<b>7.23</b>
Loans	-	865.94	<b>865.94</b>	-	-	-	-
<b>Current financial assets</b>							
Trade receivables	-	221.17	<b>221.17</b>	-	-	-	-
Cash and cash equivalents	-	426.62	<b>426.62</b>	-	-	-	-
Bank balances other than above	-	2,630.36	<b>2,630.36</b>	-	-	-	-
Loans	-	62.59	<b>62.59</b>	-	-	-	-
Others	-	30.28	<b>30.28</b>	-	-	-	-
<b>Non-current financial liabilities</b>							
Borrowings	-	11.33	<b>11.33</b>	-	-	-	-
Others	-	39.07	<b>39.07</b>	-	-	-	-

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

31 March 2017	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Current financial liabilities</b>							
Borrowings	26,156.97	28,723.04	<b>54,880.01</b>	26,156.97	-	-	<b>26,156.97</b>
Trade payables	-	7,733.18	<b>7,733.18</b>	-	-	-	-
Others	-	85.91	<b>85.91</b>	-	-	-	-
<b>1 April 2016</b>							
1 April 2016	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-current financial assets</b>							
Investments	5.73	-	<b>5.73</b>	5.73	-	-	<b>5.73</b>
Loans	-	761.15	<b>761.15</b>	-	-	-	-
<b>Current financial assets</b>							
Trade receivables	-	69.05	<b>69.05</b>	-	-	-	-
Cash and cash equivalents	-	616.30	<b>616.30</b>	-	-	-	-
Bank balances other than above	-	3,217.38	<b>3,217.38</b>	-	-	-	-
Loans	-	60.00	<b>60.00</b>	-	-	-	-
Others	-	55.91	<b>55.91</b>	-	-	-	-
<b>Non-current financial liabilities</b>							
Borrowings	-	754.49	<b>754.49</b>	-	-	-	-
Others	-	35.84	<b>35.84</b>	-	-	-	-
<b>Current financial liabilities</b>							
Borrowings	27,379.96	36,455.93	<b>63,835.89</b>	27,379.96	-	-	<b>27,379.96</b>
Trade payables	-	9,124.66	<b>9,124.66</b>	-	-	-	-
Others	-	585.37	<b>585.37</b>	-	-	-	-

b) Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices for investments in mutual funds.
- Use of market available inputs such as gold prices for option to fix prices of gold in purchase contracts

## 40.14.2: Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk

### Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## A: Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's exposures to trade receivables (mainly institutional customers and credit sales), deposits with landlords for store properties taken on leases and other receivables including balances with banks.

### Trade receivables and other deposits

The Company's retail business is predominantly on 'cash and carry' basis which is largely through cash and credit card collections. The credit risk on such credit card collections is minimal, since they are primarily owned by customers' card issuing banks. The Company has adopted a policy of dealing with only credit worth counterparties in case of institutional customers and credit sales and the credit risk exposure for institutional customers and credit sales are managed by the Company by credit worthiness checks. The Company also carries credit risk on lease deposits with landlords for store properties taken on leases, for which agreements are signed and property possessions timely taken for store operations. The risk relating to refunds of deposits after store shut down is managed through successful negotiations or appropriate legal actions, where necessary.

### Other financial assets

The Company maintains exposure in cash and cash equivalents and term deposits with banks. The Cash and cash equivalents and term deposits are held with the banks with good credit ratings.

The Company's maximum exposure to credit risk as at 31<sup>st</sup> March 2018, 31 March 2017 and 1<sup>st</sup> April 2016 is the carrying value of each class of financial assets.

## B: Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31 March 2017 and 31 March 2016. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments:

31 March 2018	Carrying amount	Total	Less than 1 year	More than 1 year
<b>Non current, non derivative financial liabilities</b>				
Borrowings				
Secured Term loans from banks	7.90	7.90	-	7.90
Other non-current financial liabilities	42.58	42.58	-	42.58
<b>Current, financial liabilities</b>				
Borrowings				
Working capital demand loan from banks	34,589.88	34,589.88	34,589.88	-
Cash credit from banks	22,252.00	22,252.00	22,252.00	-
Loan from directors	15.00	15.00	15.00	-
Trade payables	8,206.22	8,206.22	8,206.22	-
Other current financial liabilities	86.85	86.85	86.85	-

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

31 March 2017	Carrying amount	Total	Less than 1 year	More than 1 year
<b>Non current, financial liabilities</b>				
Borrowings				
Secured Term loans from Banks	11.33	11.33	-	11.33
Other non-current financial liabilities	39.07	39.07	-	39.07
<b>Current, financial liabilities</b>				
Borrowings				
Working capital demand loan from banks	29,406.91	29,406.91	29,406.91	-
Cash credit from banks	25,453.26	25,453.26	25,453.26	-
Loan from directors	15.00	15.00	15.00	-
Other short term borrowings	4.84	4.84	4.84	-
Trade payables	7,733.18	7,733.18	7,733.18	-
Other current financial liabilities	85.91	85.91	85.91	-
<b>1 April 2016</b>				
	Carrying amount	Total	Less than 1 year	More than 1 year
<b>Non current, non derivative financial liabilities</b>				
Borrowings				
Secured Term loans from Banks	746.31	746.31	-	746.31
Secured Term loans from non-banking financial companies	8.18	8.18	-	8.18
Other non-current financial liabilities	35.84	35.84	-	35.84
<b>Current, financial liabilities</b>				
Borrowings				
Working capital demand loan from banks	34,379.95	34,379.95	34,379.95	-
Cash credit from banks	29,356.14	29,356.14	29,356.14	-
Loan from directors	95.19	95.19	95.19	-
Other short term borrowings	4.61	4.61	4.61	-
Trade payables	9,124.66	9,124.66	9,124.66	-
Other current financial liabilities	585.37	585.37	585.37	-

As of 31 March 2018, 31 March 2017 and 1 April 2016 the Company had unutilized credit limits from banks of ₹ 10,712.66 lakhs, ₹ 18,450.02 lakhs and ₹ 9,290.70 lakhs respectively.

## C: Market risk

### Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### i. Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

There are no exposure to currency risk as on 31 March 2018, 31 March 2017 and 1 April 2016.

#### ii. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	Nominal amount		
	31 March 2018	31 March 2017	1 April 2016
<b>Fixed-rate instruments</b>			
<b>Financial assets</b>			
Deposits with banks	2,651.57	2,629.32	3,216.33
<b>Financial liabilities</b>			
Term loan	13.03	16.62	1,209.86
WCDL facility	6,750.00	3,250.00	7,000.00
<b>Floating-rate instruments</b>			
<b>Financial liabilities</b>			
Cash credit facilities	50,091.88	51,610.17	56,736.09

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

## Sensitivity

The sensitivity to profit and loss in case of a reasonable possible change in interest rate of +/- 25 basis points (previous year +/- 25 basis points), keeping all other variables constant, would have resulted in an impact on profits by ₹ 130.24 Lakhs (previous year ₹ 138.41 Lakhs)

## iii. Price risk

### Exposure from investements in mutual funds:

The Company's exposure to price risk arises from investment in mutual funds held by the company and classified in the balance sheet as fair value through profit and loss.

### Exposure from Borrowings:

The Company's exposure to price risk also arises from borrowings of the Company that are at unfixed prices, and therefore, payment is sensitive to changes in gold price. The option to fix gold prices are classified in the balance sheet as fair value through profit or loss. The option to fix gold prices are at unfixed prices to hedge against potential losses in value of inventory of gold held by the Company.

The Company applies fair value hedge for the gold purchased whose price is to be fixed in future. Therefore, there will no impact of the fluctuation in the price of the gold on the Company's profit for the period.

## Note 40.15: First time adoption of Ind AS

These standalone financial statements, for the year ended 31 March 2018, are the first financial statements prepared by the Company in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its standalone financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2014, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP' or 'Previous GAAP').

Accordingly, the Company has prepared standalone financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these standalone financial statements, the Company's opening Ind AS balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Previous GAAP standalone financial statements, including the balance sheet as at 1 April 2016 and the standalone financial statements as at and for the year ended 31 March 2017.

The Company has applied Ind AS 101 in preparing these first standalone financial statements. The effect of transition to Ind AS on equity, total comprehensive income and reported cash flows are presented in this section and are further explained in the notes accompanying the tables.

## Ind AS optional exemptions:

### a. Deemed cost for property, plant and equipment, intangible assets and investment property.

The Company has elected to measure all its property, plant and equipment, intangible assets and investment property at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## b. Investment in subsidiaries

The Company has elected to measure its investments in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

## Ind AS mandatory exceptions:

### a. Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

### b. Classification and measurement of financial assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

## Reconciliation of Equity as at 1 April 2016

Particulars	Notes	Previous GAAP*	Adjustment	Amount under Ind AS
<b>ASSETS</b>				
<b>1) Non-current assets</b>				
a) Property, Plant and Equipment	3	8,444.23	-	8,444.23
b) Capital work-in-progress	4	-	-	-
c) Investment Property	5	1,894.56	-	1,894.56
d) Intangible assets	6	191.78	-	191.78
e) Investment in Subsidiaries	7	302.51	-	302.51
f) Financial Assets				
(i) Other Investments	8	5.12	0.61	5.73
(ii) Loans	9	1,071.75	(310.60)	761.15
(g) Other tax assets	11	219.45	-	219.45
(h) Other non current assets	12	348.96	189.72	538.68
		<b>12,478.36</b>	<b>(120.27)</b>	<b>12,358.09</b>
<b>2) Current assets</b>				
(a) Inventories	13	112,564.02	-	112,564.02
(b) Financial Assets				
(i) Trade receivables	14	69.05	-	69.05
(ii) Cash and cash equivalents	15	616.30	-	616.30
(iii) Bank Balance other than (ii) above	16	3,217.38	-	3,217.38
(iv) Loans	17	60.00	-	60.00
(v) Others financial assets	18	55.91	-	55.91
(c) Other current assets	19	727.03	65.72	792.75
		<b>117,309.69</b>	<b>65.72</b>	<b>117,375.41</b>
<b>Total Assets</b>		<b>129,788.05</b>	<b>(54.55)</b>	<b>129,733.50</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1) Equity</b>				
(a) Equity Share capital	20	6,673.06	-	6,673.06
(b) Other Equity	21	37,570.25	705.92	38,276.17
		<b>44,243.31</b>	<b>705.92</b>	<b>44,949.23</b>
<b>2) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	22	754.49	-	754.49
(ii) Other financial liabilities	23	54.00	(18.16)	35.84
(b) Provisions	24	278.83	-	278.83
(c) Other non-current liabilities	25	570.13	(446.77)	123.36
		<b>1,657.45</b>	<b>(464.93)</b>	<b>1,192.52</b>
<b>3) Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	26	63,835.89	-	63,835.89
(ii) Trade payables	27	9,124.66	-	9,124.66
(iii) Other financial liabilities	28	585.37	-	585.37
(b) Provisions	29	404.38	-	404.38
(d) Other current liabilities	30	9,936.99	(295.54)	9,641.45
		<b>83,887.29</b>	<b>(295.54)</b>	<b>83,591.75</b>
		<b>129,788.05</b>	<b>(54.55)</b>	<b>129,733.50</b>

\* The Previous GAAP figures have been reclassified/regrouped to conform to Ind AS presentation requirements.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## Reconciliation of Equity as at 31 March 2017

Particulars	Notes	Previous GAAP*	Adjustment	Amount under Ind AS
<b>ASSETS</b>				
<b>1) Non-current assets</b>				
a) Property, Plant and Equipment	3	7,942.86	-	7,942.86
b) Capital work-in-progress	4	182.59	-	182.59
c) Investment Property	5	1,884.01	-	1,884.01
d) Intangible assets	6	98.58	-	98.58
e) Investment in Subsidiaries	7	302.51	-	302.51
f) Financial Assets				
(i) Other Investments	8	5.13	2.10	7.23
(ii) Loans	9	1,065.73	(199.79)	865.94
(g) Deferred tax assets (net)	8	165.27	(83.02)	82.25
(h) Other tax assets	11	192.11	13.45	205.56
(i) Other non current assets	12	698.97	162.44	861.41
		<b>12,537.76</b>	<b>(104.82)</b>	<b>12,432.94</b>
<b>2) Current assets</b>				
(a) Inventories	13	102,721.58	-	102,721.58
(b) Financial Assets				-
(i) Trade receivables	14	221.17	-	221.17
(ii) Cash and cash equivalents	15	426.62	-	426.62
(iii) Bank Balance other than (ii) above	16	2,630.36	-	2,630.36
(iv) Loans	17	171.56	(108.97)	62.59
(v) Others financial assets	18	30.28	-	30.28
(c) Other current assets	19	804.34	93.89	898.23
		<b>107,005.90</b>	<b>(15.08)</b>	<b>106,990.83</b>
<b>Total Assets</b>		<b>119,543.66</b>	<b>(119.89)</b>	<b>119,423.77</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1) Equity</b>				
(a) Equity Share capital	20	6,673.06	-	6,673.06
(b) Other Equity	21	39,423.37	501.61	39,924.98
		<b>46,096.43</b>	<b>501.61</b>	<b>46,598.04</b>
<b>2) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	22	11.33	-	11.33
(ii) Other financial liabilities	23	54.00	(14.93)	39.07
(b) Provisions	24	304.50	-	304.50
(c) Other non-current liabilities	25	549.96	(476.14)	73.82
		<b>919.79</b>	<b>(491.07)</b>	<b>428.72</b>
<b>3) Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	26	54,743.11	136.90	54,880.01
(ii) Trade payables	27	7,733.18	-	7,733.18
(iii) Other financial liabilities	28	85.91	-	85.91
(b) Provisions	29	385.40	-	385.40
(d) Other current liabilities	30	9,579.84	(267.33)	9,312.51
		<b>72,527.44</b>	<b>(130.42)</b>	<b>72,397.01</b>
		<b>119,543.66</b>	<b>(119.89)</b>	<b>119,423.77</b>

\* The Previous GAAP figures have been reclassified/regrouped to conform to Ind AS presentation requirements.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Notes	Previous GAAP*	Adjustment	Amount under Ind AS
<b>INCOME</b>				
<b>Revenue from operations</b>				
Sale of product (excluding excise duty)	31	169,982.05	228.00	169,754.05
Other operating revenue	32	42.15	-	42.15
		<b>170,024.20</b>	<b>228.00</b>	<b>169,796.20</b>
Other income	33	336.48	(69.95)	406.43
<b>Total revenue</b>		<b>170,360.68</b>	<b>158.05</b>	<b>170,202.63</b>
<b>EXPENSES</b>				
Cost of material consumed	34	101,235.93	-	101,235.93
Purchase of stock-in-trade	35	32,916.25	(136.92)	33,053.17
Changes in inventories of finished goods and stock-in-trade	36	11,033.58	-	11,033.58
Excise duty		-	(795.92)	795.92
Employee benefits expense	37	7,434.33	7.81	7,426.52
Finance costs	38	5,018.88	(3.23)	5,022.11
Depreciation and amortisation expense	3 to 6	870.61	-	870.61
Other expenses	39	10,188.33	990.43	9,197.90
<b>Total expenses</b>		<b>168,697.91</b>	<b>62.17</b>	<b>168,635.74</b>
<b>Profit/(Loss) before tax</b>		<b>1,662.77</b>	<b>95.88</b>	<b>1,566.89</b>
<b>Tax expense</b>				
- Current tax	10	-	-	-
- Provision pertaining to earlier years		(190.35)	-	(190.35)
- Deferred tax charge		-	(83.02)	83.02
<b>Total tax expense</b>		<b>(190.35)</b>	<b>(83.02)</b>	<b>(107.33)</b>
<b>Profit/(Loss) for the year</b>		<b>1,853.12</b>	<b>178.90</b>	<b>1,674.22</b>
<b>Other Comprehensive Income</b>				
Items that will not be reclassified subsequently to profit or loss				
a) Re-measurement of defined benefit plan		-	(38.86)	(38.86)
b) Income tax relating to items that will not be reclassified to profit or loss		-	13.45	13.45
<b>Total Comprehensive Income</b>		<b>1,853.12</b>	<b>204.31</b>	<b>1,648.81</b>

\* The Previous GAAP figures have been reclassified/regrouped to conform to Ind AS presentation requirements for the purpose of this note.

## Adjustments to Statement of Cash Flows

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## Notes to the reconciliations

### a. Measurement of leases

Under Previous GAAP, any escalation in operating lease rentals were straight-lined over the lease term.

Under Ind AS, operating lease rentals are not straight lined over the lease term if the payments to the lessor are structured to increase in line with expected general inflation. Further, under Ind AS, rental expense is also attributed to operating lease incentives, like rent free period.

### b. Fair valuation of Investment

Under Previous GAAP, current investments were stated at lower of cost and fair value.

Under Ind AS, these financial assets have been classified as Fair Value Through Profit and Loss ('FVTPL') on the date of transition to Ind AS and fair value changes after the date of transition have been recognised in the statement of profit and loss.

### c. Remeasurements of defined benefit liability

Under the Previous GAAP, these remeasurements were forming part of the profit or loss for the year.

Under Ind AS, remeasurements i.e. actuarial gains or losses, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of the statement of profit and loss.

### d. Provision for KP scheme

Under Previous GAAP, provision for KP scheme was accrued and recognised over the period of the scheme.

Under Ind AS, discount offered to customers under KP scheme need to be recognised as and when actual sales happen. Hence, provision created for KP scheme under Previous GAAP has been reversed and discount under the scheme is recognised as reduction of revenue at the time of actual sale.

### e. Deferred tax

Under Previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/ liability on timing differences between taxable income and accounting income. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/ liability on temporary differences between the carrying amount of an asset/ liability in the Balance Sheet and its corresponding tax base. The adjustments in equity and net profit, as discussed above, resulted in additional temporary differences on which deferred taxes are calculated.

### f. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in the statement of profit and loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under Previous GAAP.

### g. Proposed dividend

Under Previous GAAP, proposed dividends and related dividend distribution tax was recognised as a provision in the year to which they relate, irrespective of when they are declared. Under Ind AS, dividends and related dividend distribution tax are recognised as a liability in the year in which it is approved by the shareholders in the Annual General Meeting of the Company.

### h. Excise duty

Under Previous GAAP, excise duty was netted off against sale of goods. However, under Ind AS, excise duty is included in sale of goods and is separately presented as expense on the face of Statement of Profit and Loss. Thus, sale of goods under Ind AS has increased with a corresponding increase in expenses.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## i. Investment property

Based on Ind AS 40 the Company has reclassified land and building given on lease to investment property. Under the Previous GAAP, this was disclosed as a part of property, plant and equipment.

## j. Hedge Accounting

Under Previous GAAP, in respect of purchase of goods at prices that are yet to be fixed at the period end, adjustments to the provisional amounts invoiced by the vendor were recognised in the cost of inventory based on the closing gold rate.

Under Ind AS, in respect of purchase of goods at prices that are fixed subsequent to the date of purchase, the Company has applied hedge accounting w.e.f. 1 April 2016 wherein the option to fix prices is designated as a hedging instrument and change in fair value of inventory attributable to change in prices between the date of purchase and the date of fixing prices or reporting date (as applicable) is designated as hedged item.

The hedging relationship is considered a fair value hedge. The gain or loss on the hedging instrument is recognised in statement of profit and loss and the corresponding gain or loss on the hedged item is adjusted in the carrying amount of the hedged item and recognised in statement of profit and loss.

## k. Financial assets and liabilities

Under Previous GAAP, the financial assets and financial liabilities were carried at the contractual amount receivable or payable.

Under Ind AS, certain financial assets and financial liabilities are initially recognised at fair value and subsequently measured at amortised cost which involves the application of effective interest method. Hence, security deposits have been recorded initially at fair value using an appropriate discount rate. The difference between the present value and the amount paid is recognised as a prepaid rent. The unwinding of the security deposit as per the effective interest rate method will be recognised as a finance income over the period of the lease.

### 40.16 The details of Specified Bank Notes (SBN) held and transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 are as follows:-

Particulars	Specified Bank Notes (SBN)	Other denomination Notes	Amount (₹ in lakhs)
Closing cash in hand as on 08.11.2016	616.34	21.26	637.60
(+) Permitted receipts	-	2,269.03	2,269.03
(-) Permitted payments	-	114.29	114.29
(-) Amount deposited in Banks	616.34	2,047.09	2,663.43
Closing cash in hand as on 30.12.2016	-	128.91	128.91

As per our report of even date attached  
 For **B S R & Co. LLP**  
 Chartered Accountants  
 Firm's Registration No: 101248W/W-100022

**Vijay Mathur**  
 Partner  
 Membership No: 046476

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**  
 CIN: L27205MH2007PLC172598

**Shrikant Zaveri**  
 Chairman and Managing Director  
 DIN:00263725

**Binaisha Zaveri**  
 Whole-time Director  
 DIN:00263657

**Saurav Banerjee**  
 Chief Financial Officer

**Niraj Oza**  
 Head-Legal & Company Secretary  
 Membership No.:A20646

Mumbai  
 2 May 2018

Mumbai  
 2 May 2018



# 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

### Part "A": Subsidiaries

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

1. Name of the subsidiary	Tribhovandas Bhimji Zaveri (Bombay) Limited
2. Reporting period	31.03.2018 (same as of holding Company)
3. Reporting currency	INR
4. Share capital	502,000
5. Reserves & Surplus	(77,163,387)
6. Total Assets	62,105,681
7. Total Liabilities	139,103,858
8. Investments	336,790
9. Turnover	201,198,597
10. Profit / (Loss) before taxation	1,417,208
11. Provision for taxation	271,064
12. Profit / (Loss) after taxation	1,146,144
13. Proposed Dividend	NIL
14. % of shareholding	100% Shareholding

#### Notes:

- Reporting period for the subsidiaries is same as that of the holding company i.e. 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018.
- Names of subsidiaries which are yet to commence operations – NIL
- Names of subsidiaries which have been liquidated or sold during the year –

Konfiaance Jewellery Private Limited (is under Voluntary Liquidation Process and the Liquidation process completed on 31.03.2018). (refer Directors' Report and Report on Corporate Governance for more details).

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

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

**Vijay Mathur**

Partner

Membership no. 046476

Date: 2<sup>nd</sup> May, 2018

Place: Mumbai

For and on behalf of the Board of Directors of

**Tribhovandas Bhimji Zaveri Limited**

**Shrikant Zaveri**

Chairman & Managing Director

(DIN: 00263725)

**Saurav Banerjee**

Chief Financial Officer

Date: 2<sup>nd</sup> May, 2018

Place: Mumbai

**Binaisha Zaveri**

Whole-time Director

(DIN: 00263657)

**Niraj Oza**

Head-Legal & Company Secretary

# INDEPENDENT AUDITORS' REPORT

To the Members of  
Tribhovandas Bhimji Zaveri Limited (Holding Company)

## Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Tribhovandas Bhimji Zaveri Limited (hereinafter referred to as "the Holding Company") and its subsidiaries, Tribhovandas Bhimji Zaveri (Bombay) Limited and Konfiaance Jewellery Private Limited (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated balance Sheet as at 31 March 2018, the Consolidated statement of profit and loss, Consolidated statement of changes in equity and the Consolidated cash flow statement, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2018, and their consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated balance sheet, the Consolidated statement of profit and loss, the Consolidated statement of changes in equity and the Consolidated

cash flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company and its subsidiaries as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and its subsidiary companies none of the directors of the Group companies is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 37.1 to the consolidated financial statements.

- ii. The Group did not have any long-term contracts including derivative contracts, requiring provisions under any Act or accounting standard for any material foreseeable losses - Refer Note 37.4 to the consolidated financial statements.
- iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Group during the year ended 31 March 2018.
- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited consolidated financial statements for the period ended 31 March 2017 have been disclosed.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Vijay Mathur**

Partner

Membership No: 046476

Mumbai  
2 May 2018

## "Annexure A" to the Independent Auditors' Report on the Consolidated Ind As Financial Statements

(Referred to in our report of even date)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the consolidated Ind AS financial statements of Tribhovandas Bhimji Zaveri Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of Tribhovandas Bhimji Zaveri Limited and its subsidiary companies (collectively referred to as "the Group") which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in

India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Vijay Mathur**

Partner

Membership No: 046476

Mumbai

2 May 2018

# CONSOLIDATED BALANCE SHEET

as at 31 March 2018

(₹ in Lakhs)

	Notes	31 March 2018	31 March 2017	1 April 2016
<b>ASSETS</b>				
<b>1) Non-current assets</b>				
a) Property, plant and equipment	3	10,262.29	10,158.32	10,682.44
b) Capital work-in-progress	4	-	182.59	-
c) Intangible assets	5	71.56	103.31	203.24
d) Financial assets				
(i) Other investments	6	3.37	13.99	10.83
(ii) Loans	7	940.24	870.60	765.78
e) Deferred tax assets (net)	8	-	82.25	-
f) Other tax assets	9	134.19	266.16	322.39
g) Other non current assets	10	1,335.42	871.83	556.66
<b>Total Non-current assets</b>		<b>12,747.07</b>	<b>12,549.05</b>	<b>12,541.34</b>
<b>2) Current assets</b>				
(a) Inventories	11	102,132.35	102,721.58	112,573.23
(b) Financial assets				
(i) Trade receivables	12	2,296.19	221.17	69.05
(ii) Cash and cash equivalents	13	1,102.67	528.03	716.37
(iii) Bank balance other than (ii) above	14	2,652.61	2,630.36	3,217.38
(iv) Loans	15	112.16	62.59	60.00
(v) Others financial assets	16	73.01	34.06	55.91
(c) Other current assets	17	787.33	480.25	372.51
<b>Total Current assets</b>		<b>109,156.32</b>	<b>106,678.04</b>	<b>117,064.45</b>
<b>Total assets</b>		<b>121,903.39</b>	<b>119,227.09</b>	<b>129,605.79</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1) Equity</b>				
(a) Equity share capital	18	6,673.06	6,673.06	6,673.06
(b) Other equity	19	40,993.59	38,909.66	37,638.79
<b>Equity attributable to equity holders of the company</b>		<b>47,666.65</b>	<b>45,582.72</b>	<b>44,311.85</b>
<b>2) Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	20	7.90	11.33	754.49
(b) Provisions	21	551.41	420.78	380.66
(c) Other non-current liabilities	22	106.77	73.82	123.36
<b>Total non-current liabilities</b>		<b>666.08</b>	<b>505.93</b>	<b>1,258.51</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	23	56,856.88	54,880.01	63,835.89
(ii) Trade payables	24	8,329.73	7,821.08	9,152.79
(iii) Other financial liabilities	25	86.85	85.91	585.37
(b) Provisions	26	327.55	410.20	437.57
(c) Deferred tax liabilities (net)	8	170.07	-	-
(d) Other current liabilities	27	7,799.58	9,941.24	10,023.81
<b>Total current liabilities</b>		<b>73,570.66</b>	<b>73,138.44</b>	<b>84,035.43</b>
<b>Total equity and liabilities</b>		<b>121,903.39</b>	<b>119,227.09</b>	<b>129,605.79</b>
Significant accounting policies	2			
The notes referred to above form an integral part of the financial statements	3 to 37			

As per our report of even date attached  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Vijay Mathur**  
Partner  
Membership No: 046476

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**  
CIN: L27205MH2007PLC172598

**Shrikant Zaveri**  
Chairman and Managing Director  
DIN:00263725

**Saurav Banerjee**  
Chief Financial Officer

**Binaisha Zaveri**  
Whole-time Director  
DIN:00263657

**Niraj Oza**  
Head-Legal & Company Secretary  
Membership No.:A20646

Mumbai  
2 May 2018

Mumbai  
2 May 2018

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2018

(₹ in Lakhs)

	Notes	31 March 2018	31 March 2017
<b>INCOME</b>			
<b>Revenue from operations</b>	28		
Sale of product (Including excise duty)	28.1	175,507.20	169,754.05
Other operating revenue	28.2	61.31	42.15
		<b>175,568.51</b>	<b>169,796.20</b>
Other income	29	599.09	305.18
<b>Total income</b>		<b>176,167.60</b>	<b>170,101.38</b>
<b>EXPENSES</b>			
Cost of material consumed	30	83,026.09	99,702.06
Purchase of stock-in-trade	31	62,834.44	33,053.16
Changes in inventories of finished goods and stock-in-trade	32	2,706.71	11,033.59
Excise duty		427.74	795.92
Employee benefits expense	33	7,838.43	7,983.74
Finance costs	34	3,970.82	5,019.01
Depreciation and amortisation expense	35	883.48	903.01
Other expenses	36	11,283.05	10,438.44
<b>Total expenses</b>		<b>172,970.76</b>	<b>168,928.93</b>
<b>Profit before tax</b>		<b>3,196.84</b>	<b>1,172.45</b>
<b>Tax expense</b>			
- Current tax/MAT	8	981.00	165.27
- MAT credit		-	(165.27)
- Provision pertaining to earlier years		2.71	(203.46)
- Deferred tax charge		87.05	83.02
<b>Total tax expense</b>		<b>1,070.76</b>	<b>(120.44)</b>
<b>Profit for the year</b>		<b>2,126.08</b>	<b>1,292.89</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified subsequently to profit or loss			
a) Re-measurement of defined benefit plan		(24.47)	(35.47)
b) Income tax relating to items that will not be reclassified to profit or loss		19.27	13.45
<b>Other Comprehensive Income</b>		<b>(5.20)</b>	<b>(22.02)</b>
<b>Total Comprehensive Income for the year</b>		<b>2,120.88</b>	<b>1,270.87</b>
Earnings per equity share (Nominal value of share ₹ 10 (31 March 2017: ₹ 10))	37.9		
(1) Basic		3.19	1.94
(2) Diluted		3.19	1.94
Significant accounting policies	2		
The notes referred to above form an integral part of the financial statements	3 to 37		

As per our report of even date attached  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Vijay Mathur**  
Partner  
Membership No: 046476

**Shrikant Zaveri**  
Chairman and Managing Director  
DIN:00263725

**Saurav Banerjee**  
Chief Financial Officer

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**  
CIN: L27205MH2007PLC172598

**Binaisha Zaveri**  
Whole-time Director  
DIN:00263657

**Niraj Oza**  
Head-Legal & Company Secretary  
Membership No.:A20646

Mumbai  
2 May 2018

Mumbai  
2 May 2018



# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2018

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	3,196.84	1,172.45
Adjustments for:		
Depreciation and amortisation	883.48	903.01
Interest expenses	3,970.82	5,019.01
Foreign exchange loss	-	0.31
Interest income on bank deposits and others	(269.17)	(232.35)
Fair valuation of gold loan derivative	(180.52)	136.91
Loss on sales of PPE	3.22	6.96
Dividend income	(0.18)	(0.02)
Bad debts written off	-	4.53
Gain and liquidation of subsidiary	(33.27)	-
Provision (no longer require back) / for doubtful debts and advances	(151.51)	62.60
Assets written off	134.88	50.62
Interest income on income tax refund	(24.31)	(10.16)
<b>Operating cash flow before working capital changes</b>	<b>7,530.28</b>	<b>7,113.87</b>
<b>Movements in working capital</b>		
(Increase)/decrease in trade receivables	(2,075.03)	(159.25)
(Increase)/decrease in inventories	1,462.30	10,024.08
(Increase)/decrease in other current financial assets	(49.57)	(2.59)
(Increase)/decrease in other current assets	(307.08)	(138.09)
(Increase)/decrease in other non-current financial assets	35.18	(75.79)
(Increase)/decrease in other non-current assets	(453.90)	(174.88)
Increase /(decrease) in trade payables	508.65	(1,332.02)
Increase /(decrease) in other non-current financial liabilities	-	(0.01)
Increase /(decrease) in other current liabilities	(2,032.53)	(39.74)
Increase /(decrease) in non-current liabilities and provisions	163.58	(9.42)
Increase /(decrease) in short term provisions	(82.65)	(27.37)
<b>Cash generated for operations</b>	<b>4,699.23</b>	<b>15,178.79</b>
Income taxes (paid)/refund	(642.89)	118.03
<b>Net cash generated from operating activities (A)</b>	<b>4,056.34</b>	<b>15,296.82</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to property, plant and equipment, intangible assets (including capital work-in-progress and capital advances)	(922.38)	(749.01)
Proceeds from sale of property, plant and equipment	4.36	18.81
Bank deposits (having original maturity of more than three months)	(22.25)	587.02
Proceeds from / (Investments in) mutual funds	10.62	(3.16)
Dividend received	0.18	0.02
Interest received on deposits	136.73	188.03
<b>Net cash (used) / generated from investing activities (B)</b>	<b>(792.74)</b>	<b>41.71</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2018

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of non-current borrowings	(3.59)	(1,193.23)
Proceeds from / (repayment of) current borrowings	1,284.33	(9,265.23)
Finance cost paid	(3,969.70)	(5,068.41)
<b>Net cash (used) in financing activities</b>	<b>(C) (2,688.96)</b>	<b>(15,526.87)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>( A+B+C) 574.64</b>	<b>(188.34)</b>
<b>Cash and cash equivalent at beginning of year (refer note below)</b>	<b>528.03</b>	<b>716.37</b>
<b>Cash and cash equivalent at end of year (refer note below)</b>	<b>1,102.67</b>	<b>528.03</b>

## Notes to cash flow statement

- Components of cash and cash equivalents: (refer note 13)
 

Cash on hand	243.70	198.92
Balances with banks		
- on current accounts	858.97	329.11
	<b>1,102.67</b>	<b>528.03</b>
- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (IND AS-7), "Statement of cash flows".
- Reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities.

Particulars	31 March 2017	Non-cash changes	Cash Flow	31 March 2018
Non-current borrowings	16.62	-	(3.59)	13.03
Current borrowings	54,880.01	692.54	1,284.33	56,856.88
Total liabilities from financing activities	54,896.63	692.54	1,280.74	56,869.91

The notes referred to above form an integral part of the financial statements 3 to 37

As per our report of even date attached  
 For **B S R & Co. LLP**  
 Chartered Accountants  
 Firm's Registration No: 101248W/W-100022

**Vijay Mathur**  
 Partner  
 Membership No: 046476

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**  
 CIN: L27205MH2007PLC172598

**Shrikant Zaveri**  
 Chairman and Managing Director  
 DIN:00263725

**Binaisha Zaveri**  
 Whole-time Director  
 DIN:00263657

**Saurav Banerjee**  
 Chief Financial Officer

**Niraj Oza**  
 Head-Legal & Company Secretary  
 Membership No.:A20646

Mumbai  
 2 May 2018

Mumbai  
 2 May 2018

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2018

(₹ in Lakhs)

## A. Equity Share Capital

	Note	₹
<b>Balance as at 1 April 2016</b>	18	6,673.06
Changes in equity share capital during the year		-
<b>Balance as at 31 March 2017</b>		6,673.06
Changes in equity share capital during the year		-
<b>Balance as at 31 March 2018</b>		6,673.06

## B. Other Equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income (OCI)	Total
	Securities premium account	General reserve	Capital reserves	Retained earnings	Re-measurement of defined benefit plan	
<b>Balance as at 1 April 2016</b>	<b>16,791.35</b>	<b>1,401.47</b>	<b>36.96</b>	<b>19,409.01</b>	<b>-</b>	<b>37,638.79</b>
Profit for the year	-	-	-	1,292.89	-	1,292.89
Other comprehensive income for the year	-	-	-	-	(22.02)	(22.02)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,292.89</b>	<b>(22.02)</b>	<b>1,270.87</b>
<b>Balance as at 31 March 2017</b>	<b>16,791.35</b>	<b>1,401.47</b>	<b>36.96</b>	<b>20,701.90</b>	<b>(22.02)</b>	<b>38,909.66</b>
Profit for the year	-	-	-	2,126.08	-	2,126.08
Deletion during the year	-	-	(36.96)	-	-	(36.96)
Other comprehensive income for the year	-	-	-	-	(5.20)	(5.20)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(36.96)</b>	<b>2,126.08</b>	<b>(5.20)</b>	<b>2,083.93</b>
<b>Balance as at 31 March 2018</b>	<b>16,791.35</b>	<b>1,401.47</b>	<b>-</b>	<b>22,827.98</b>	<b>(27.22)</b>	<b>40,993.59</b>

As per our report of even date attached  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Vijay Mathur**  
Partner  
Membership No: 046476

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**  
CIN: L27205MH2007PLC172598

**Shrikant Zaveri**  
Chairman and Managing Director  
DIN:00263725

**Saurav Banerjee**  
Chief Financial Officer

**Binaisha Zaveri**  
Whole-time Director  
DIN:00263657

**Niraj Oza**  
Head-Legal & Company Secretary  
Membership No.:A20646

Mumbai  
2 May 2018

Mumbai  
2 May 2018

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

(Currency : ₹ in Lakhs)

## 1 Company Overview

Tribhovandas Bhimji Zaveri Limited ('TBZ or the "the Company" known under the brand 'TBZ- the Original' was incorporated on 24 July 2007 by conversion of a partnership firm Tribhovandas Bhimji Zaveri under Part IX of the Companies Act, 1956 whereby the partners of the partnership firm became shareholders with the shareholdings as agreed amongst the partners. The Company has been converted to a public limited company w.e.f. 3 December 2010. The Company is in the business of retail sales of ornaments made of gold, diamond, silver, platinum and precious stones through its 32 show rooms and 5 franchisee outlets located across India.

These consolidated financial statement comprise the company and its subsidiaries (referred to the collectively as the 'Group').

## 2 Basis of prepration of financial statement and significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

### 2.1 Basis of Preparation of financial statements

#### a. Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) as per the Companies (Indian Accounting Standard) Rules, 2015 notified under section 133 of Companies Act, 2013 (the 'Act') and the relevant provision of the Act.

The Group's consolidated financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Group's first consolidated financial statements prepared in accordance with Ind AS, Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 37.16.

The financial statements were authorized for issue by the Group's Board of Directors at their meeting held on 2 May 2018.

#### b. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest lakhs with two decimals unless otherwise indicated.

#### c. Basis of measurement

These financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value as required by relevant Ind AS:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), and
- Net defined benefit liability

#### d. Use of estimates and judgement

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Measurement of defined benefit obligations - Note 37.3
- (b) Measurement and likelihood of occurrence of provisions and contingencies - Note 37.1
- (c) Recognition of deferred tax assets - Note 8 (a) and (b)

## e. Current -non-current classification

All assets and liabilities are classified into current and non-current.

### Assets

An asset is classified as current when it satisfies any of the following criteria :

- a. it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

### Operating Cycle :

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

## f. Basis of consolidation:

The consolidated financial statements related to Tribhovandas Bhimji Zaveri Limited ("the Company") and entities controlled by the Company. Control is achieved when the Company has power over the entity, is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect the entity's returns by using its power over the entity.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

The standalone financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and unrealised profit or losses. These financial statements are prepared by applying uniform accounting policies in use at the Group. The excess of the Company's portion of equity of the subsidiaries as at the date of its investment over the cost of its investment is treated as Capital Reserve on consolidation. The excess of cost to the Company of its investment over the Company's portion of equity as at the date of investment is treated as Goodwill on consolidation.

Entities controlled by the Company are consolidated from the date the control commences until the date control ceases. The subsidiary companies which is included in the consolidation and the Company's holdings therein are as under:

Name of the Company	Country incorporation	Ownership interest 31 March 2018	Ownership interest 31 March 2017
Tribhovandas Bhimji Zaveri (Bombay) Limited	India	100%	100%
Konfiaance Jewellery Private Limited	India	~*	100%

\* The Group ceased to control the subsidiary on account of voluntary liquidation, which commence on 28 August 2017 and completed on 31 March 2018.

## 2.2 Significant accounting policies

### a) Property, Plant and Equipment ('PPE')

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any.

The cost of property, plant and equipment comprises its purchase price/acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from tax authorities), any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase/completion is capitalized only if it is probable that future economic benefit associated with the expenditure will flow to the company.

Property, plant and equipment not ready for the intended use on the date of balance sheet are disclosed as "Capital work-in-progress".

If significant parts of an item of property, plant and equipment have different lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses arising from disposal or retirement of property, plant and equipment are recognised in the Statement of Profit and Loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1<sup>st</sup> April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of property, plant and equipment (See Note No 3)

Depreciation on PPE has been provided under pro-rata basis using straight line method over its useful life in compliance with Schedule II of Companies Act, 2013. Freehold land is not depreciated.

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate.

Depreciation for the year is recognised in the Statement of profit and loss.

### b) Intangible assets

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of such assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. All costs relating to the acquisition are capitalised.

Intangible assets are amortised in the Statement of Profit or Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

The Company's intangible assets comprise of Computer software which are being amortised on a straight line basis over their estimated useful life of five years.

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

On transition to Ind AS, the Company has elected to continue with the carrying value of its intangible assets recognized as at 1<sup>st</sup> April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of intangible assets (see Note 5)

## c) Impairment of non financial assets

Assessment for impairment is done at each balance sheet date as to whether there is any indication that a non-financial asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the statement of profit and loss. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased, basis the assessment a reversal of an impairment loss for an asset other than goodwill is recognised in the Statement of profit and loss.

## d) Inventories

Inventories which comprise raw materials, finished goods, stock-in-trade and packing materials are carried at the lower of cost and net realizable value. Cost is determined on weighted average basis.

Cost of inventories comprises all costs of purchase and, other duties and taxes (other than those subsequently recoverable from tax authorities), costs of conversion and all other costs incurred in bringing the inventory to their present location and condition. In respect of purchase of goods at prices that are yet to be fixed at the year end, adjustments to the provisional amounts are recognised based on the year end closing gold rate.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

## e) Borrowing Costs

Borrowing costs consist of interest and other costs (including exchange differences to the extent regarded as an adjustment to the interest costs) incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of such assets. All other borrowing costs are recognized as an expense in the period in which they are incurred.

## f) Revenue recognition

Revenue is measured at fair value of consideration received or receivable net of returns, trade and scheme discounts, volume rebate excluding taxes or duties collected on behalf of the government.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

- i) **Sale of Goods :-** Revenue from the sale of goods are recognized when the goods are delivered and title have passed on fulfillment of following conditions :-
  - The Company has transferred to the buyer the significant risks and rewards of ownership of the goods which generally coincides when goods are billed and delivered to customers as per terms of the contract,
  - The Company retains neither continuing managerial involvement to the degree associated with ownership nor effective control over the goods ;
  - The amount of revenue can be measured reliably;
  - It is probable that economic benefit associated with the transaction will flow to the Company ; and
  - The costs incurred or to be incurred in respect of the transaction can be measured reliably.
- ii) **Service Income :** Service income is recognized on rendering of services.
- iii) **Gift Card sales** are recognized when the vouchers are redeemed and goods are sold to the customers.
- iv) **Interest Income :-** Interest income from a financial assets is recognized when it is probable that the economic benefits will flow to the company and amount of income can be measured reliably. Interest Income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.
- v) **Dividend income** is recognised when the right to receive payment is established.

## g) Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the dates of the transactions. Exchange differences arising on foreign currency transactions settled during the period are recognized in the Statement of Profit and Loss of that period.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into functional currency at the exchange rates at the reporting date. The resultant exchange differences are recognized in the Statement of Profit and Loss.

## h) Employee benefits

### Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

### Post-employment benefits

#### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays specified contribution to a Government administered scheme and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards Provident Fund and employee state insurance, which are a defined contribution plan, at the prescribed rates. The Group contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## Defined benefit plans

### Gratuity

The Group gratuity benefit scheme is a funded defined benefit plan. Contribution to the Group Gratuity Trust and provision towards gratuity are provided on the basis of an independent actuarial valuation carried out at the end of the year using the projected unit credit method and are debited to the Statement of profit and loss on an accrual basis. Actuarial gains and losses arising during the year are recognised in other comprehensive income.

## Other long-term employee benefits

### Compensated absences

The Group provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Group makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of profit and loss.

## i) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are generally recognized in statement of profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognized as an integral part of the total lease expense over the term of the lease.

Lease income from operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

## j) Income taxes

Income tax expense comprises current tax and deferred tax. It is recognised in the Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

Deferred tax assets are recognised only to the extent it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Current/deferred tax assets and current/deferred tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Minimum Alternate Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized, it is credited to the Statement of profit & loss and is considered as (MAT Credit Entitlement). Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Group for a specified period of time, hence, it is presented as Deferred Tax Asset.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## k) Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

## l) Provision, contingent liabilities and contingent assets

The Group creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are discounted to its present value if the effect of time value of money is considered to be material. These are reviewed at each year end date and adjusted to reflect the best current estimate. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may or may not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## m) Financial instruments

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

### Financial asset

#### Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition except if and in the period the company changes its business model for managing financial assets.

A 'financial assets' is measured at the amortized cost if both the following conditions are met

- The 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 (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of profit and loss. The losses arising from impairment are recognised in the Statement of profit and loss.

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of profit and loss

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## Equity investments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Group makes such election on an instrument-by-instrument basis. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of profit and loss.

## De-recognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

## Impairment of financial assets

In accordance with Ind-AS 109, the Group applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortized cost and financial assets measured at FVOCI. For financial assets other than trade receivables, as per Ind AS 109, the Group recognises 12 months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Group's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of profit and loss

## Financial liabilities

### Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities. Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

### De-recognition

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

### Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet, if the Group currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## n) Derivative financial instruments and hedge accounting

### Embedded derivative

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified variable. The Group enters into purchase gold contract, in which the amount payable is not fixed based on gold price on the date of purchase, but instead is affected by changes in gold prices in future. Such transactions are entered into to protect against the risk of gold price movement in the purchased gold. Accordingly, such unfixed payables (gold loan) are considered to have an embedded derivative. The Group designates the gold price risk in such instruments as hedging instruments, with gold inventory considered to be the hedged item. The hedged risk is gold prices movement.

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

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

## o) Standard issue but not effective

Ministry of Corporate Affairs ("MCA"), on March 28, 2018, through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the new standard for revenue recognition and amended certain existing Ind ASs which are effective for annual periods beginning on or after 1 April 2018.

### Ind AS 115 - Revenue from contract with customers

Ind AS 115 will supersede the existing revenue recognition standard 'Ind AS 18 – Revenue'. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The amendment will come into force from 1 April 2018. The Group does not expect the effect of this on the financial statements to be material based on preliminary evaluation.

### Other amendments

The Group does not expect the effect of other amendments notified by the Ministry of Corporate Affairs ("MCA"), on 28 March, 2018, through Companies (Indian Accounting Standards) Amendment Rules, 2018 in respect of Ind AS 12 - Income taxes, Ind AS 21 - The effect of changes in foreign exchange rates and Ind AS 40 - Investment property on the financial statements to be material based on preliminary evaluation.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## 3) Property, plant and equipment (PPE)

Particulars	Gross Block			Accumulated depreciation			Net Block	
	As at 1 April 2017	Additions	Deductions / adjustment during the year	As at 31 March 2018	As at 1 April 2017	Depreciation / amortisation for year	As at 31 March 2018	As at 31 March 2017
Freehold land	1,443.72	-	-	1,443.72	-	-	1,443.72	1,443.72
	(1,443.72)	-	-	(1,443.72)	-	-	(1,443.72)	(1,443.72)
Building	4,669.18	0.32	(6.67)	4,676.17	110.09	92.56	202.65	4,473.52
	(4,660.99)	(8.73)	(0.54)	(4,669.18)	-	(110.64)	(110.09)	(4,559.09)
Leasehold improvements	1,341.12	482.85	121.81	1,702.16	208.68	221.81	392.68	1,309.48
	(1,355.45)	-	(14.33)	(1,341.12)	-	(220.45)	(208.68)	(1,355.45)
Plant and machinery	1,614.46	291.84	(46.25)	1,952.55	156.57	148.56	273.90	1,678.65
	(1,502.53)	(135.88)	(23.95)	(1,614.46)	-	(157.85)	(156.57)	(1,457.89)
Furniture and fittings	1,321.32	287.65	144.07	1,464.90	189.89	223.74	420.04	1,044.86
	(1,224.92)	(117.13)	(20.73)	(1,321.32)	-	(194.40)	(189.89)	(1,131.43)
Computers	501.33	13.83	5.64	509.52	143.20	137.95	276.71	358.13
	(389.87)	(34.26)	(-77.20)	(501.33)	-	(143.80)	(143.20)	(389.87)
Vehicles	91.18	21.34	0.01	112.51	15.58	17.70	33.27	79.24
	(104.96)	(13.57)	(27.35)	(91.18)	-	(17.31)	(15.58)	(104.96)
<b>Total</b>	<b>10,982.32</b>	<b>1,097.83</b>	<b>218.61</b>	<b>11,861.53</b>	<b>824.00</b>	<b>842.32</b>	<b>1,599.25</b>	<b>10,262.29</b>
	<b>(10,682.44)</b>	<b>(309.57)</b>	<b>(9.70)</b>	<b>(10,982.32)</b>	<b>-</b>	<b>(844.45)</b>	<b>(824.00)</b>	<b>(10,158.32)</b>
								<b>(10,682.44)</b>

Notes:

a) PPE are pledged as security for working capital loans and vehicle against vehicle loans. (refer note 20 to 23)

b) Figures in brackets are the corresponding figures of the previous year.

The Group has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e. 31 March 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1 April 2016. Details of gross block and accumulated depreciation as per previous GAAP as at 1<sup>st</sup> April, 2016 are as given below:

Particulars (block of assets)	Gross block	Accumulated depreciation	Net block considered as deemed cost	Deemed cost for Ind AS as on 1 <sup>st</sup> April 2016
Freehold land	1,443.72	-	1,443.72	1,443.72
Building	5207.95	546.96	4660.99	4,660.99
Leasehold improvements	2,001.25	645.80	1,355.45	1,355.45
Plant and machinery	2,144.67	642.14	1,502.53	1,502.53
Furniture and fittings	2,012.52	787.60	1,224.92	1,224.92
Computers	985.99	596.12	389.87	389.87
Vehicles	270.50	165.54	104.96	104.96
	<b>14066.60</b>	<b>3384.16</b>	<b>10682.44</b>	<b>10682.44</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

Particulars	Closing Balance		
	As at	As at	As at
	31 March 2018	31 March 2017	1 April 2016
Capital Work in Progress	-	182.59	-
<b>Total</b>	-	<b>182.59</b>	-

Particulars	Gross Block				Accumulated depreciation / amortisation				Net Block	
	As at 1 April 2017	Additions	Deductions / adjustment during the year	As at 31 March 2018	As at 1 April 2017	Depreciation / amortisation for year	Deductions / adjustment during the year	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
	As at 1 April 2017	Additions	Deductions / adjustment during the year	As at 31 March 2018	As at 1 April 2017	Depreciation / amortisation for year	Deductions / adjustment during the year	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Computer Software	161.87	2.53	(1.01)	165.41	58.56	41.16	5.87	93.85	71.56	103.31
	(203.24)	(40.01)	(81.38)	(161.87)	-	(58.56)	-	(58.56)	(103.31)	(203.24)
<b>Total</b>	<b>161.87</b>	<b>2.53</b>	<b>(1.01)</b>	<b>165.41</b>	<b>58.56</b>	<b>41.16</b>	<b>5.87</b>	<b>93.85</b>	<b>71.56</b>	<b>103.31</b>
	<b>(203.24)</b>	<b>(40.01)</b>	<b>(81.38)</b>	<b>(161.87)</b>	<b>-</b>	<b>(58.56)</b>	<b>-</b>	<b>(58.56)</b>	<b>(103.31)</b>	<b>(203.24)</b>

Figures in brackets are the corresponding figures of the previous year.

The Group has elected to measure all its intangible assets at the previous GAAP carrying amount i.e. 31<sup>st</sup> March 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1<sup>st</sup> April 2016. Details of gross block and accumulated depreciation as per previous GAAP as at 1<sup>st</sup> April, 2016 are as given below:

Particulars ( block of assets )	Gross block	Accumulated depreciation	Net block considered as deemed cost	Deemed cost for Ind AS as on 1 <sup>st</sup> April 2016
Computer software	870.24	667.00	203.24	203.24
Goodwill	43.59	43.59	-	-
<b>Total</b>	<b>913.83</b>	<b>710.59</b>	<b>203.24</b>	<b>203.24</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

	31 March 2018	31 March 2017	1 April 2016
<b>6 Other Investments:</b>			
- Investments in mutual funds carried at fair value through Profit and Loss Account (quoted)			
Dena Bank			
17,300 (31 March 2017: 17,300 and 1 April 2016: 17300) equity shares of ₹ 10 each, fully paid up of Dena Bank	3.25	6.64	4.98
SBI Mutual Fund Magnum Insta Cash Fund	-	0.13	0.12
Nil (31 March 2017: 7.721 and 1 April 2016: 7.356) units of ₹ 1,675.03 each			
SBI Equity Opportunities Fund	-	7.10	5.61
Nil (31 March 2017: 50,000 and 1 April 2016: 50,000) units of ₹ Nil (31 March 2017: ₹ 14.20 and 1 April 2016: ₹ 11.23 each)			
	<b>3.25</b>	<b>13.87</b>	<b>10.71</b>
- Investments in equity instruments at cost (unquoted)			
1,150 (31 March 2017: 1,150 and 1 April 2016: 1,150) equity shares of Rs.10 each, fully paid-up of Saraswat Co-operative Bank Ltd	0.12	0.12	0.12
	<b>0.12</b>	<b>0.12</b>	<b>0.12</b>
	<b>3.37</b>	<b>13.99</b>	<b>10.83</b>
Aggregate book value of quoted non current investment	3.25	13.87	10.71
Aggregate book value of unquoted non current investment	0.12	0.12	0.12

	31 March 2018	31 March 2017	1 April 2016
<b>7 Loans</b>			
(Unsecured, considered good)			
<b>To related parties</b>			
- Security deposits (refer note 37.7)	76.53	70.21	64.41
<b>To parties other than related parties</b>			
- Security deposits	863.71	800.39	701.37
Aggregate book value of quoted non current investment	<b>940.24</b>	<b>870.60</b>	<b>765.78</b>

	31 March 2018	31 March 2017	1 April 2016
<b>8 Deferred tax assets (net)</b>			
<b>The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet</b>			
Deferred tax assets	431.29	655.21	-
Deferred tax Liability	(601.36)	(572.96)	-
<b>Net deferred tax assets/(Liabilities)</b>	<b>(170.07)</b>	<b>82.25</b>	<b>-</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## 8 (a): Tax expense

### (i) Amounts recognised in profit and loss

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current income tax	981.00	-
Changes in estimates relating to prior years	2.71	(203.46)
<b>Deferred income tax liability / (asset), net</b>		
Origination and reversal of temporary differences	87.05	83.02
<b>Deferred tax expense</b>	<b>87.05</b>	<b>83.02</b>
<b>Tax expense for the year</b>	<b>1,070.76</b>	<b>(120.44)</b>

### (ii) Amounts recognised in other comprehensive income

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of defined benefit plans	19.27	13.45

### (iii) Reconciliation of effective tax rate

	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before tax	3,196.84	1,172.45
Company's domestic tax rate	34.608%	34.608%
<b>Tax using the company's domestic tax rate</b>	<b>1,106.36</b>	<b>405.76</b>
<b>Tax effect of:</b>		
Expense not allowed for tax purposes	6.83	16.79
Income not considered for tax purpose/ Exempt income	(0.05)	(0.00)
Difference in Tax rate	(1.80)	-
Set-off against earlier years carry forward losses	(26.36)	(462.90)
Deferred tax not recognised in earlier years	-	123.37
Others	(16.93)	
	<b>1,068.05</b>	<b>83.02</b>
Current tax	981.00	-
Deferred tax	87.05	83.02
<b>Total tax</b>	<b>1,068.05</b>	<b>83.02</b>

## 8 (b): Deferred tax

### Movement in deferred tax balances for the year ended 31 March 2018

Particulars	Net balance 31 March 2017	Recognised in profit or loss	MAT credit utilised	Net balance 31 March 2018
Property, plant and equipment and intangible assets	(572.96)	(34.68)		(538.28)
Employee benefits	305.50	(29.38)		334.88
Fair valuation of gold loan derivative	46.12	109.20		(63.08)
Provision for doubtful debts	26.15	(0.25)		26.40
Leases	42.69	(10.39)		53.08
Deferred Tax on Elimination	-	(16.93)		16.93
Carry forward loss	69.48	69.48		-
MAT Credit Entitlement	165.27	-	(165.27)	-
<b>Deferred tax asset/(liabilities)</b>	<b>82.25</b>	<b>87.05</b>	<b>(165.27)</b>	<b>(170.07)</b>
<b>Net deferred tax assets/(liability)</b>	<b>82.25</b>	<b>87.05</b>		<b>(170.07)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## Movement in deferred tax balances for the year ended 31 March 2017

Particulars	Net balance 1 April 2016	Recognised in profit or loss	MAT credit utilised	Net balance 31 March 2017
Property, plant and equipment and intangible assets	-	(572.96)		(572.96)
Employee benefits	-	305.50		305.50
Fair valuation of gold loan derivative	-	46.12		46.12
Provision for doubtful debts	-	26.15		26.15
Leases	-	42.69		42.69
Carry forward loss	-	69.48		69.48
MAT Credit Entitlement	-	165.27		165.27
<b>Deferred tax asset/(liabilities)</b>	<b>-</b>	<b>82.25</b>		<b>82.25</b>
<b>Net deferred tax assets</b>	<b>-</b>	<b>82.25</b>		<b>82.25</b>

## Tax losses carried forward

### 31 March 2018

Year ended	Amount	Expiry date
	-	NA

### 31 March 2017

Year ended	Amount	Expiry date
AY 2016-2017	200.77	31 March 2024

	31 March 2018	31 March 2017	1 April 2016
<b>9 Other tax assets</b>			
Advance tax (net of provision for tax of ₹ 1051.18 (31 March 2017: ₹ 257.70 Lakhs and 1 April 2016: ₹ 10,612.24 Lakhs)	134.19	266.16	322.39
	<b>134.19</b>	<b>266.16</b>	<b>322.39</b>

	31 March 2018	31 March 2017	1 April 2016
<b>10 Other non current assets</b>			
Prepaid lease rental	188.68	172.86	207.70
Advances for capital expenditure (Gross)	258.84	249.17	74.00
Less: Provision for doubtful advances	-	(34.87)	-
Net Advance for capital expenditure	258.84	214.30	74.00
Balance with government authorities	887.90	484.67	274.96
	<b>1,335.42</b>	<b>871.83</b>	<b>556.66</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

	31 March 2018	31 March 2017	1 April 2016
<b>11 Inventories*</b>			
(valued at the lower of cost and net realisable value)			
Raw material	16,164.06	14,036.44	12,825.99
Finished goods**	45,112.24	68,075.21	81,113.28
Stock-in-trade**	40,824.46	20,568.20	18,563.72
Packing material	31.59	41.73	70.24
	<b>102,132.35</b>	<b>102,721.58</b>	<b>112,573.23</b>

\*Working capital borrowing are secured by hypothecation of inventories of the Company (refer note 23).

\*\*Cost of precious stones forming part of the jewellery is determined by management based on technical estimate of the purity and clarity of diamonds used, on which the auditors have placed reliance, as this being a technical matter.

	31 March 2018	31 March 2017	1 April 2016
<b>12 Trade receivables*</b>			
Unsecured, considered good**	2,296.19	221.17	69.05
Doubtful	5.06	5.06	7.67
	<b>2,301.25</b>	<b>226.23</b>	<b>76.72</b>
Less: Provision for doubtful receivables	(5.06)	(5.06)	(7.67)
<b>Total</b>	<b>2,296.19</b>	<b>221.17</b>	<b>69.05</b>

\*Working capital borrowing are secured by hypothecation of trade receivables of the Company (refer note 23).

\*\* Includes receivable from credit card companies amounting to ₹ 126.32 Lakhs (31 March 2017: ₹ 71.99 Lakhs and 1 April 2016: ₹ 26.69 Lakhs)

**The movement in allowance for doubtful receivables is as follows:**

	31 March 2018	31 March 2017	1 April 2016
Balance as at beginning of the year	5.06	7.67	7.67
Provision reversed during the year	-	(2.61)	-
Balance as at the end of the year	<b>5.06</b>	<b>5.06</b>	<b>7.67</b>

	31 March 2018	31 March 2017	1 April 2016
<b>13 Cash and cash equivalents</b>			
Balances with banks			
- on current accounts	858.97	329.11	590.95
Cash on hand	243.70	198.92	125.42
	<b>1,102.67</b>	<b>528.03</b>	<b>716.37</b>

	31 March 2018	31 March 2017	1 April 2016
<b>14 Bank balances other than cash and cash equivalents</b>			
Investment in term deposits with original maturity for more than 3 months but less than 12 months*	2,651.57	2,629.32	3,216.33
Earmarked balance with banks			
- Unclaimed dividend#	0.70	0.70	0.71
- Unclaimed share application money#	0.34	0.34	0.34
	<b>2,652.61</b>	<b>2,630.36</b>	<b>3,217.38</b>

#Includes restricted amounts towards Unclaimed dividend of ₹ 0.70 Lakhs (31 March 2017: ₹ 0.70 Lakhs and 1 April 2016: ₹ 0.71 Lakhs) and share application money due for refund of ₹ 0.34 Lakhs (31 March 2017: ₹ 0.34 Lakhs and 1 April 2016: ₹ 0.34 Lakhs).

\*Deposits with a carrying amount of ₹ 5.54 Lakhs (31 March 2017: ₹ 4.78 Lakhs and 1 April 2016: ₹ 3.78 Lakhs) are under lien with VAT authorities as deposits.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

\*Deposits with a carrying amount of ₹ 2,635.30 Lakhs (31 March 2017: ₹ 2,617.04 Lakhs and 1 April 2016: ₹ 3,205.05 Lakhs) are under lien to secure working capital facilities availed from banks.

\*Deposits with a carrying amount of ₹ 7.50 Lakhs (31 March 2017: ₹ 7.50 Lakhs and 1 April 2016: ₹ 7.50 Lakhs) are towards base capital given to Multi Commodity Exchange India Ltd.

	31 March 2018	31 March 2017	1 April 2016
<b>15 Loans</b>			
<b>(Unsecured, considered good)</b>			
To parties other than related parties			
- Security deposits	112.16	62.59	60.00
	<b>112.16</b>	<b>62.59</b>	<b>60.00</b>
	<b>31 March 2018</b>	<b>31 March 2017</b>	<b>1 April 2016</b>
<b>16 Other financial assets</b>			
<b>(Unsecured, considered good)</b>			
Interest accrued on fixed deposits	73.01	34.06	55.91
	<b>73.01</b>	<b>34.06</b>	<b>55.91</b>
	<b>31 March 2018</b>	<b>31 March 2017</b>	<b>1 April 2016</b>
<b>17 Other current assets</b>			
<b>To parties other than related parties</b>			
Advance to suppliers	59.97	171.18	88.70
Less: Provision for doubtful advances	-	(30.35)	-
Net Advance to suppliers	59.97	140.83	88.70
Prepaid lease rental	74.00	93.91	65.74
Advances to employees and others	17.37	13.59	17.76
Prepaid expenses	281.45	206.74	200.31
Balance with government authorities	354.54	25.18	-
	<b>787.33</b>	<b>480.25</b>	<b>372.51</b>
	<b>31 March 2018</b>	<b>31 March 2017</b>	<b>1 April 2016</b>
<b>18 Equity share capital</b>			
<b>Authorised</b>			
75,000,000 (31 March 2017: 75,000,000 and 1 April 2016: 75,000,000) equity shares of ₹ 10 each	7,500.00	7,500.00	7,500.00
	<b>7,500.00</b>	<b>7,500.00</b>	<b>7,500.00</b>
<b>Issued, subscribed and fully paid up</b>			
66,730,620 (31 March 2017: 66,730,620 and 1 April 2016: 66,730,620) equity shares of ₹ 10 each fully paid-up	6,673.06	6,673.06	6,673.06
	<b>6,673.06</b>	<b>6,673.06</b>	<b>6,673.06</b>

**Note :**

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

	31 March 2018		31 March 2017		1 April 2016	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
<b>Equity shares</b>						
At the beginning and at the year end	66,730,620	6,673.06	66,730,620	6,673.06	66,730,620	6,673.06
<b>At the end of the year</b>	66,730,620	6,673.06	66,730,620	6,673.06	66,730,620	6,673.06

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## b Terms / rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his share of paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

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

	31 March 2018		31 March 2017		1 April 2016	
	% holding in class	No. of Shares	% holding in class	No. of Shares	% holding in class	No. of Shares
<b>Equity shares of ₹ 10 each fully paid up held by:</b>						
Shrikant Zaveri	50.06%	33,402,275	50.06%	33,402,275	50.06%	33,402,275
Binaisha Zaveri	7.92%	5,285,000	7.92%	5,285,000	7.92%	5,285,000
Raashi Zaveri	6.85%	4,572,500	6.85%	4,572,500	6.85%	4,572,500
Bindu Zaveri	5.24%	3,500,000	5.24%	3,500,000	5.24%	3,500,000

## d Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	31 March 2015	
	No. of shares	(₹ in Lakhs)
Equity shares allotted as fully paid bonus shares by capitalization of security premium	40,000,000	4,000.00

	31 March 2018	31 March 2017	1 April 2016
<b>19 Other equity</b>			
Securities premium account	16,791.35	16,791.35	16,791.35
General reserves	1,401.47	1,401.47	1,401.47
Capital reserve	-	36.96	36.96
Surplus in profit and loss	22,827.98	20,701.90	19,409.01
Other Comprehensive Income	(27.22)	(22.02)	-
	<b>40,993.59</b>	<b>38,909.66</b>	<b>37,638.79</b>

### Notes:

#### Securities premium account

Premium collected on issue of securities are accumulated as part of securities premium. Utilisation of such reserves is restricted by the Companies Act, 2013.

#### General reserves

Represents appropriation of profit by the Group.

#### Capital reserves

Reserves arising on consolidation of a subsidiary.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## Surplus in profit and loss

Retained earnings comprise of the Group's undistributed profits after taxes.

## Other comprehensive income

Items of other comprehensive income consist of re-measurement of defined benefit plan.

## Other comprehensive income accumulated in Other Equity, net of tax

The disaggregation of changes in other comprehensive income by each type of reserve in equity is shown below:

	Remeasurements of defined benefit plans	Total
As at 1 April 2016		
Remeasurement gain/(loss) on defined benefit plans	(35.47)	(35.47)
Income tax effect	13.45	13.45
As at 31 March 2017	(22.02)	(22.02)
Remeasurement gain/(loss) on defined benefit plans	(24.47)	(24.47)
Income tax effect	19.27	19.27
As at 31 March 2018	(27.22)	(27.22)

	31 March 2018	31 March 2017	1 April 2016
<b>20 Non current borrowings</b>			
<b>Secured</b>			
<b>Term loans</b>			
- from banks	7.90	11.33	746.31
- from non banking financial companies	-	-	8.18
	<b>7.90</b>	<b>11.33</b>	<b>754.49</b>
<b>Amount disclosed as current maturities of long term borrowings under the head other current liabilities (refer note 25)</b>			
- from banks	5.13	5.30	440.02
- from non banking financial companies	-	-	15.35
	<b>5.13</b>	<b>5.30</b>	<b>455.37</b>

The term loans from banks carry interest in the range of 10.00% - 11.75% p.a (31 March 2017: 10.00% - 11.75% p.a. and 1 April 2016: 10.00% - 11.75% p.a). The loans are repayable in equated monthly installments of 60 months (31 March 2017: 60 months and 1 April 2016: 60 to 72 months) with installments of ₹ 0.23 (31 March 2017: ₹ 0.44 lakhs and 1 April 2016: ₹ 0.23 to ₹ 32.50 lakhs). The loans are secured by hypothecation of vehicle purchased (31 March 2017: hypothecation of vehicle purchased and 1 April 2016: first mortgage charge of assets purchased i.e. premises at Nariman point, Mumbai and IT equipment, hypothecation of vehicle purchased, first mortgage charge on immovable properties situated at Punjagutta, Hyderabad and second mortgage charge on the property located at Kandivali Industrial Estate, Mumbai).

The loan from non-banking financial companies comprised of vehicle loan which carried interest at 10.78% p.a. The loan was repayable in 36 monthly installments of 1.62 lakhs alongwith interest, commencing from the date of loan. The loan has been fully repaid during the previous year.

	31 March 2018	31 March 2017	1 April 2016
<b>21 Non-current provisions</b>			
Provision for employee benefits			
- Provision for gratuity (refer note 37.3(b))	551.41	376.48	315.63
- Provision for compensated absences	-	44.30	65.03
	<b>551.41</b>	<b>420.78</b>	<b>380.66</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

	31 March 2018	31 March 2017	1 April 2016
<b>22 Other non-current liabilities</b>			
From other than related parties			
- Deferred rent liability	106.77	73.82	123.36
	<b>106.77</b>	<b>73.82</b>	<b>123.36</b>
	31 March 2018	31 March 2017	1 April 2016
<b>23 Current borrowings</b>			
- <b>Secured</b>			
<b>Loans repayable on demand from Banks</b>			
- Working capital demand loan	34,589.88	29,406.91	34,379.95
- Cash credit	22,252.00	25,453.26	29,356.14
	<b>56,841.88</b>	<b>54,860.17</b>	<b>63,736.09</b>
- <b>Unsecured Loan</b>			
<b>Loans repayable on demand</b>			
- From directors (refer note 37.7)	15.00	15.00	95.19
Others	-	4.84	4.61
	15.00	19.84	99.80
	<b>56,856.88</b>	<b>54,880.01</b>	<b>63,835.89</b>

Working capital demand loan and the Cash credit facilities are part of a consortium arrangement with banks. The above facilities carry interest ranging between 2.70% to 11.50% (31 March 2017: 2.70% - 11.75% p.a. and 1 April 2016: 2.85% - 12% p.a.) and are secured by primary security by way of hypothecation charge on the entire current assets of the Company, present and future, on first pari passu basis among the members of the consortium.

Further, the facility is secured by collateral security on first pari passu charge basis among the members of the consortium

- By way of mortgage over premises at Zaveri Bazar, Mumbai, premises at Surat, premises at Kandivali Industrial Estate, Mumbai, premises at Nariman Point, Mumbai, premises at Punjagutta, Hyderabad.
- By way of hypothecation charge over Property, Plant and Equipment installed/erected at Surat, at Kandivali Industrial Estate, Mumbai, at Pune, and all movable and immovable assets present in all the Company's showrooms.

The facility is also secured by way of extension of mortgage charge on Second pari passu basis over commercial premises at Santacruz, Mumbai belonging to Shri Shrikant Zaveri (Chairman and Managing Director) and the personal guarantee of Shri Shrikant Zaveri the Chairman and Managing Director of the Company.

Further, bank deposits of ₹ 2,635.30 lakhs (31 March 2017: ₹ 2,617.04 lakhs and 1 April 2016: ₹ 3,205.05 lakhs) are under lien with the banks as a security for the above facilities. The facilities are also secured by stand-by Letter of credit and Bank Guarantee of ₹ 24,710.00 lakhs (31 March 2017: ₹ 19,450 lakhs and 1 April 2016: ₹ 16,127 lakhs) and Letter of comfort of ₹ Nil lakhs (31 March 2017: ₹ 10,800 lakhs and 1 April 2016: ₹ 14,956 lakhs).

Loan from directors is interest free and repayable on demand.

Other borrowings carry interest in the range of Nil (31 March 2017: 5% -10% p.a and 1 April 2016: 5% -10% p.a). These are repayable at the end of 361 days from the date of borrowing.

	31 March 2018	31 March 2017	1 April 2016
<b>24 Trade payables</b>			
Due to			
- Micro, Small and Medium Enterprises (refer note 37.2)	10.11	-	-
- due to others	8,319.62	7,821.08	9,152.79
	<b>8,329.73</b>	<b>7,821.08</b>	<b>9,152.79</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

	31 March 2018	31 March 2017	1 April 2016
<b>25 Other financial liabilities</b>			
Current maturities of long term borrowings (refer note 20)	5.13	5.30	455.36
Interest accrued but not due on borrowings	80.68	79.57	128.96
Share application money due for refund*	0.34	0.34	0.34
Amount liable to be deposited in Investor Education and Protection Fund but not yet due for deposit			
- Unclaimed dividend	0.70	0.70	0.71
	<b>86.85</b>	<b>85.91</b>	<b>585.37</b>

\*During May 2012, the Company had received application money for allotment of equity shares via Initial Public Offer (IPO). However, due to over subscription the application money became due for refund. There is no interest payable on share application money.

	31 March 2018	31 March 2017	1 April 2016
<b>26 Current provisions</b>			
<b>Provision for employee benefits</b>			
- Provision for gratuity (refer note 37.3(b))	32.12	88.10	95.35
- Provision for compensated absences	295.43	322.10	342.22
	<b>327.55</b>	<b>410.20</b>	<b>437.57</b>

	31 March 2018	31 March 2017	1 April 2016
<b>27 Other current liabilities</b>			
Advance from customers	2,304.05	1,175.08	1,694.76
Customers dues under schemes / arrangements	3,039.09	5,873.38	5,993.96
Statutory liabilities#	179.14	793.48	267.75
Creditors for capital expenditure	98.27	93.20	134.89
Deferred rent liability	45.15	49.55	39.03
Accrual for expenses	2,133.88	1,956.55	1,893.42
	<b>7,799.58</b>	<b>9,941.24</b>	<b>10,023.81</b>

#Statutory liabilities includes Tax deducted source, Goods and service tax, Employee state insurance, Provident fund and Profession tax.

	31 March 2018	31 March 2017
<b>28 Revenue from operations</b>		
<b>28.1 Sale of products (including excise duty)</b>		
- Finished goods	101,356.04	131,689.27
- Traded goods	74,151.16	38,064.78
<b>Total</b>	<b>175,507.20</b>	<b>169,754.05</b>
<b>Details of Sales</b>		
- Jewellery	175,507.20	169,754.05
<b>28.2 Other operating revenue</b>		
- Repairing revenue	61.31	42.15
	<b>61.31</b>	<b>42.15</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

	31 March 2018	31 March 2017
<b>29 Other income</b>		
Interest Income		
- Interest income on bank deposits	175.68	166.18
- Income tax refund	24.31	10.16
- Interest Income (Other)	93.49	66.17
Dividend Income		
- Investments - Mutual Funds	0.18	0.02
- Foreign exchange gain (net)	1.38	-
- Gain on liquidation of subsidiary	33.27	-
- Miscellaneous Income	119.27	62.65
- Liabilities/Provisions no longer required written back	151.51	-
<b>Total</b>	<b>599.09</b>	<b>305.18</b>
	<b>31 March 2018</b>	<b>31 March 2017</b>
<b>30 Cost of material consumed</b>		
Inventory at the beginning of the year	14,036.44	12,825.99
Add: Purchases	85,153.71	100,912.51
	<b>99,190.15</b>	<b>113,738.50</b>
Less: Inventory at the end of the year	(16,164.06)	(14,036.44)
<b>Cost of material consumed</b>	<b>83,026.09</b>	<b>99,702.06</b>
	<b>31 March 2018</b>	<b>31 March 2017</b>
<b>31 Purchase of stock-in-trade</b>		
Purchase of stock-in-trade	62,834.44	33,053.16
	<b>62,834.44</b>	<b>33,053.16</b>
	<b>31 March 2018</b>	<b>31 March 2017</b>
<b>32 Changes in inventories of finished goods and stock-in-trade</b>		
Opening inventory		
- Finished goods	68,075.21	81,113.28
- Stock-in-trade	20,568.20	18,563.72
	<b>88,643.41</b>	<b>99,677.00</b>
Closing inventory		
- Finished goods	45,112.24	68,075.21
- Stock-in-trade	40,824.46	20,568.20
	<b>85,936.70</b>	<b>88,643.41</b>
Decrease in stock	2,706.71	11,033.59



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

	31 March 2018	31 March 2017
<b>33 Employee benefits expenses</b>		
Salaries, wages and bonus	7,080.59	7,220.44
Contribution to provident and other funds (refer note 37.3(a))		
- Provident fund	261.78	272.89
- Other fund	71.69	40.39
Gratuity expenses (refer note 37.3(b))	166.98	100.11
Compensated absences (refer 37.3(c))	7.70	39.87
Staff welfare expenses	249.69	310.04
<b>Total</b>	<b>7,838.43</b>	<b>7,983.74</b>

	31 March 2018	31 March 2017
<b>34 Finance costs</b>		
Interest expenses borrowings	3,541.20	4,661.33
Other borrowing costs	429.62	357.68
	<b>3,970.82</b>	<b>5,019.01</b>

	31 March 2018	31 March 2017
<b>35 Depreciations and amortisation expenses</b>		
Depreciation on property, plant and equipment (refer note 3)	842.32	844.45
Amortisation on intangible assets (refer note 5)	41.16	58.56
	<b>883.48</b>	<b>903.01</b>

	31 March 2018	31 March 2017
<b>36 Other expenses</b>		
Power and fuel	542.28	561.91
Water charges	17.18	21.48
Boxes and packing material	199.73	177.12
Repairs and maintenance		-
- Plant & machinery	168.42	102.28
- Others	322.13	433.62
Jobwork charges	718.76	637.07
Rent (refer note 37.6)	2,519.62	2,484.30
Advertisement and sales promotion	3,964.32	2,822.15
Freight and forwarding charges	148.57	190.54
Stores and spares consumed	412.42	410.88
Commission and service charges	27.48	5.29
Insurance	44.32	88.56
Travelling and conveyance expenses	229.55	240.12
Rates and taxes	103.47	197.70
Legal and professional fees	528.45	626.93
Royalty	84.33	112.87
Postage, telegrams and telephone charges	88.33	112.88
Payment to auditors:		
- Statutory audit	40.70	33.61
- Limited review of quarterly results	23.10	21.00
- Certification fees	1.65	1.50
- Out of pocket expenses	1.90	4.12

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

	31 March 2018	31 March 2017
Security charges	251.28	271.43
Foreign exchange loss (net)	-	0.31
Loss on sale of PPE	3.22	6.96
Asset written off	134.88	50.62
Loss on commodity hedging transaction	9.99	1.16
Bank charges	469.36	507.61
Provision for doubtful debts/advances	-	62.60
Bad debts written off	-	4.53
Contribution towards Corporate Social Responsibility (refer note 37.5)	23.03	47.96
Directors sitting fees	6.01	6.13
Commission to directors (refer note 37.7)	22.65	15.00
Miscellaneous expenses	175.92	178.20
	<b>11,283.05</b>	<b>10,438.44</b>

## 37.1 Contingent liabilities and commitments

### Contingent Liabilities

Claims against the Group not acknowledged as debts

Particulars	31 March 2018	31 March 2017	1 April 2016
Income tax matters	Nil	Nil	188.58
Sales tax matters	308.54	376.06	429.14
Local body tax matters	31.54	31.54	Nil
Custom duty matters	<b>18.25</b>	<b>18.25</b>	<b>18.25</b>

- The Group pending litigations comprise of proceedings pending with Sales/VAT tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.
- It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgement / decisions pending with various forums/authorities.
- The Group does not expect any reimbursements in respect of the above contingent liabilities.

### Commitments

Contracts remaining to be executed on capital account and not provided for as at 31 March 2018 is ₹ 11.89 lakhs (31 March 2017: ₹ 25.90 Lakhs and 1 April 2016 Nil) (net of advances).

## 37.2 Dues to Micro, Small and Medium Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprise.

On the basis of the information and records available with management, the following disclosures are made for the amounts due to Micro, Small and Medium enterprises who have registered with the Competent authorities.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Principal amount and interest due thereon remaining unpaid to any supplier as at the year end	10.11	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-	-
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 the MSMED	-	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

## 37.3 Employee Benefits:

### a) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employees State Insurance, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund and other funds for the year aggregated to ₹ 333.47 Lakhs (31 March 2017: ₹ 313.28 Lakhs) which is shown under notes to financial statements 33 – 'Employee benefits'.

### b) Defined benefit plans

Particulars	Gratuity (funded)		
	31 March 2018	31 March 2017	1 April 2016
<b>I Change in Benefit Obligation</b>			
Liability at the beginning of the year	587.93	518.42	-
Interest cost	36.71	34.76	-
Current service cost	133.61	116.35	-
Benefit paid	(36.93)	(118.73)	-
Actuarial (gain) / loss on obligations	24.47	37.13	-
Liability at the end of the year	745.79	587.93	-
<b>II Amount recognised in the Balance Sheet</b>			
Liability at the end of the year	745.79	587.93	518.42
Fair value of plan assets at the end of the year	(162.26)	(123.35)	(107.44)
Amount recognised in the Balance Sheet	583.53	464.58	410.98
<b>III Expenses recognised in the Statement of Profit and Loss</b>			
Current service cost	133.61	116.35	-
Interest cost	36.71	34.76	-
Expected return on plan assets	(7.66)	(9.43)	-
Net actuarial (gain) / loss to be recognised	-	9.43	-
Gratuity paid	4.32	-	-
Adjustment to opening balance of plan assets	-	(51.00)	-
Expense recognised in Statement of Profit and Loss	166.98	100.11	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

Particulars	Gratuity (funded)		
	31 March 2018	31 March 2017	1 April 2016
<b>IV Expenses recognised in the Other Comprehensive Income</b>			
Change in demographic assumptions	(158.06)	-	-
Change in Financial assumptions	(118.55)	24.23	-
Experience variance (i.e Actual experience vs assumptions)	301.21	11.23	-
Return on plan assets	(0.13)	-	-
Expense recognised in the other comprehensive income	24.47	35.47	-
<b>V Balance Sheet Reconciliation</b>			
Opening net liability	464.58	410.98	-
Adjustment to opening balance	-	-	-
Expense recognized in the Statement of Profit and Loss	166.98	100.11	-
Expense recognized in the Statement of OCI	24.47	35.47	-
Gratuity paid	(22.50)	(0.82)	-
Contribution Paid	(50.00)	(81.16)	-
Amount recognised in Balance Sheet	583.53	464.58	-
<b>IV Composition of plan assets</b>			
Qualifying insurance policies*	162.26	123.35	107.44
A split of plan asset between various asset classes is as below:			
Unquoted other debt instruments	162.26	123.35	107.44
<b>VII Movement in fair value of plan assets</b>			
Fair value of plan assets at the beginning of the year	123.36	107.45	-
Adjustment to opening balance of plan assets	-	51.00	-
Contributions paid into the plan	50.00	81.16	-
Benefits paid by the plan	(22.13)	(116.25)	-
Expected return on plan assets	7.66	9.43	-
Actuarial (losses) / gains	-	(9.43)	-
Fair value of plan assets at the end of the year	158.89	123.36	-
<b>VIII Principal actuarial assumptions</b>			
Discount rate per annum	8.15%	6.69%	7.46%
Expected rate of return on plan Assets	8.15%	6.69%	7.46%
Salary escalation rate per annum	5.00%	5.00%	5.00%
Mortality	Indian Assured lives Mortality (2006-08) Ultimate	Indian Assured lives Mortality (2006-08) Ultimate	Indian Assured lives Mortality (2006-08) Ultimate
Employee Turnover rate	0% - 28.00%	0% - 28.00%	0% - 28.00%

## IX Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	31 March 2018	31 March 2017
Defined Benefit Obligation (Base)	745.79	587.93

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

Particulars	31 March 2018		31 March 2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	838.58	640.85	660.03	486.53
(% change compared to base due to sensitivity)	11.06%	(-16.38%)	12.26%	(-17.25%)
Salary Growth Rate (- / + 1%)	638.06	840.53	487.41	657.74
(% change compared to base due to sensitivity)	(-16.89%)	11.27%	(-17.10%)	11.87%
Attrition Rate (- / + 50% of attrition rates)	733.20	727.50	576.66	604.70
(% change compared to base due to sensitivity)	(-1.72%)	2.52%	(-1.92%)	2.85%
Mortality Rate (- / + 10% of mortality rates)	728.28	730.68	572.48	601.88
(% change compared to base due to sensitivity)	(-2.41%)	2.07%	(-2.63%)	2.37%

## X Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cashflows)	15 years
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Expected cash flows over the next (valued on undiscounted basis):	Indian Rupees (INR)
1 year	24.26
2 to 5 years	196.38
6 to 10 years	96.04
More than 10 years	2,495.71

The Company expects to pay ₹ 75 lakhs (31 March 2017 ₹ 75 lakhs) to the fund in the following year.

\*The Company has maintained funds with Life Insurance Corporation of India and HDFC Life. The details of major category of plan assets held by the insurance companies is not available and hence the disclosure thereof is not made. The expected long-term rate of return on plan assets is based exclusively on the historical returns, without adjustments.

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

## c) Other long-term employee benefits

### Compensated absences

The liability towards compensated absences (annual and sick leave) for the year ended 31 March 2018 based on actuarial valuation carried out by using Projected unit credit method resulted in a (reversal)/charged of ₹ (36.22) Lakhs (31 March 2017: ₹ 39.87 Lakhs).

### Annual and sick leave assumptions

Particulars	31 March 2018	31 March 2017	31 March 2016
Discount rate per annum	8.15%	6.69%	7.46%
Salary escalation rate per annum	5.00%	5.00%	5.00%
Mortality	Indian Assured lives Mortality (2006-08) Ultimate	Indian Assured lives Mortality (2006-08) Ultimate	Indian Assured lives Mortality (2006-08) Ultimate
Employee turnover rate	0 - 26.00%	0 - 28.00%	0 - 28.00%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## 37.4 Long-term contracts

The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and determined that there are no long term contracts (including derivative contracts) which require provision under any law / accounting standards for material foreseeable losses.

## 37.5 Corporate social responsibility (CSR)

As per Section 135 of the Companies Act 2013, a CSR Committee has been formed by the Company. The areas of CSR activities are to eradicate hunger, poverty and malnutrition, promoting healthcare, including preventive health care and sanitation. The Company also wants to promote education, including special education and employment, enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. As part of above, the Company has undertaken CSR activities through Cancer Patient Aid Association (CPAA), Ahmedabad Women's Action Group (AWAG), Stree Mukti Sanghatan, Voice Tree Technologies Private Limited, Baroda Citizen Council (BCC), Bharatiya Street Shakti and West Wind Foundation which are specified in Schedule VII of the Companies Act, 2013.

Particulars	31 March 2018	31 March 2017
Gross amount required to be spent during the year	23.01	67.26
Amount spent during the year on :		
1) Construction / acquisition of assets		
a) Paid in cash	-	-
b) Yet to be paid	-	-
2) Other than (1) above		
a) Paid in cash	23.03	47.96
b) Yet to be paid	-	-
<b>Total</b>	<b>23.03</b>	<b>47.96</b>

## 37.6 Leases

### Operating leases as a lessee

The Company has recognized the showroom rent expenses in the books of accounts. Rental expenses under operating leases (including cancelable and non – cancelable) aggregating ₹ 2,519.62 Lakhs (31 March 2017: ₹ 2,484.30 Lakhs) have been included under "other expenses" in the Statement of Profit and Loss as disclosed under note 36.

The future minimum lease payments in respect of non-cancellable operating leases as at 31 March 2018 are as follows -

Particulars	31 March 2018	31 March 2017	1 April 2016
Amount due within one year from the balance sheet date	2,561.07	2,075.60	2,201.91
Amount due for the period after one year and before five years	6,259.44	6,130.33	7,085.15
Amount due for the period after five years	1,434.02	660.95	812.55

## 37.7 Information on related party transactions as required by the Indian Accounting Standard (IND AS) - 24 for the year ended 31 March 2018

### I. Name of related parties

#### Key Managerial Personnel

- 1 Shrikant Zaveri, Chairman and Managing Director
- 2 Binaisha Zaveri, Whole Time Director
- 3 Raashi Zaveri, Whole Time Director
- 4 Saurav Banerjee, Chief Financial Officer
- 5 Niraj Oza, Company Secretary
- 6 Ajay Mehta, Independent Director
- 7 Kamlesh Vikamsey, Independent Director
- 8 Sanjay Asher, Independent Director



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## Relative of Key Managerial Personnel

- 1 Kunal S Vaishnav

## Entities over which Key Managerial personnel and/or their relatives exercise significant influence

- 1 TBZ Limited Employees Gratuity Trust

Transactions during the year and balances as at year end with related parties:

Nature of transaction	Key Managerial Personnel	Relative of Key Managerial Personnel	Entities over which Key Managerial personnel and/or their relatives exercise significant influence
<b>Transaction during the period *</b>			
Remuneration paid**	840.94	-	-
	(649.00)	-	-
Sitting fees paid	6.00	-	-
	(5.90)	-	-
Commission paid	22.65	-	-
	(15.00)	-	-
Gratuity trust fund	-	-	50.00
	-	-	(80.00)
Rent paid	148.00	-	-
	(195.60)	-	-
Legal fees paid	-	3.23	-
	-	(3.44)	-
<b>Balance as at 31 Mar 2018*</b>			
Loans payable	15.00	-	-
	(15.00)	-	-
Remuneration payable	37.65	-	-
	(112.38)	-	-
Deposit receivable	76.53	-	-
	(70.21)	-	-
Commission payable	22.50	-	-
	(15.00)	-	-
Trade payable	-	0.17	-
	-	(0.36)	-
<b>Balance as at 1 April 2016</b>			
Loans payable	95.19	-	-
Remuneration payable	127.22	-	-
Deposit receivable	64.41	-	-

## Notes:

- 1) All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.
- 2) Provident Fund and ESIC is not applicable to KMP.
- 3) \*Amounts pertaining to year ended 31 March 2017 are in brackets.
- 4) \*\*Remuneration to key managerial personnel does not include charge for gratuity and leave encashment as employee-wise break-up is not available.
- 5) The borrowing is secured by personal guarantee of the Chairman and Managing Director of the Company (refer note 23)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## 37.8 Earning Per Share (EPS)

Particulars	31 March 2018	31 March 2017
Profit after taxation (₹ in lakhs)	2,126.08	1,292.89
Weighted Average Number of Equity Shares	66,730,620	66,730,620
Add: effect of potential issues of options	Nil	Nil
Number of shares considered as weighted average shares and potential shares outstanding	66,730,620	66,730,620
Basic earnings per share (₹)	3.19	1.94
Diluted earnings per share (₹)	3.19	1.94

## 37.9 Dividend on Equity Shares

Particulars	31 March 2018	31 March 2017
Dividend on equity shares paid during the year	-	-
Proposed dividend on equity shares recognised as liability	-	-
Proposed dividend on equity shares not recognised as liability	-	-
Final dividend of ₹ 0.75/- per share for FY 2017-2018	500.48	-
Dividend distribution tax on final dividend	102.88	-

## 37.10 Segment reporting

The Company is engaged in manufacturing/ trading and selling of jewellery mainly in India, which is the primary business segment based on the nature of products manufactured/traded and sold. Thus, the Company has only one reportable business which is manufacturing/trading and selling of jewellery and only one reportable geographical segment. Accordingly the segment information as required by Ind AS 108 on 'Operating Segments' is not required to be disclosed.

## 37.11 Entities consolidated as subsidiaries in accordance with Accounting Standard 21-Consolidated Financial Statements

Name of the Entity	Country of Incorporation	% of holding as on 31 March 2018	Accounting period
Konfinance Jewellery Private Limited	India	-	1 April 2017 to 28 August 2018
Tribhovandas Bhimji Zaveri (Bombay) Limited	India	100.00%	1 April 2017 to 31 March 2018

The Group ceased to control the subsidiary on account of voluntary liquidation, which commence on 28 August 2017 and completed on 31 March 2018.

## 37.12 Additional Information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as subsidiaries

Name of the Entity	Aa at 31 March 2018		For the year ended 31 March 2018					
	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 (₹ in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of consolidated total comprehensive income	Amount (₹ in lakhs)
<b>Parent</b>								
Tribhovandas Bhimji Zaveri Limited	102.10%	48,667.11	99.03%	2,105.48	700.38%	(36.42)	97.56%	2,069.06
<b>Subsidiaries</b>								
Tribhovandas Bhimji Zaveri (Bombay) Limited	(-1.61%)	(766.61)	0.54%	11.46	(-600.38%)	31.22	2.01%	42.68
Konfinance Jewellery Private Limited	-	-	0.00%	(0.08)	-	-	0.00%	(0.08)
Total eliminations	(-0.49%)	(233.85)	0.43%	9.22	-	-	0.43%	9.22
<b>Total</b>	<b>100.00%</b>	<b>47,666.65</b>	<b>100.00%</b>	<b>2,126.08</b>	<b>100.00%</b>	<b>(5.20)</b>	<b>100.00%</b>	<b>2,120.88</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## 37.13 Hedging activity and derivatives

### Fair value hedge of gold price risk in inventory

The Group enters into contracts to purchase gold wherein the Group has the option to fix the purchase price based on market price of gold during a stipulated time period. The prices are linked to gold prices. Accordingly, these contracts are considered to have an embedded derivative (represented in the said option to fix the price) that is required to be separated from the host contract which is the gold loan liability. Such feature is kept to hedge against exposure in the value of inventory of gold due to volatility in gold prices. The Group designates the embedded derivative in the payable for such purchases as the hedging instrument in fair value hedging of inventory. The Group designates only the spot-to-spot movement of the gold inventory as the hedged risk. The carrying value of inventory which are designated under fair value hedge relationship are measured at fair value at each reporting date. There is no ineffectiveness in the relationships designated by the Company for hedge accounting.

Disclosure of effects of fair value hedge accounting on financial position:

Hedged item - Changes in fair value of inventory attributable to change in gold prices

Hedging instrument - Changes in fair value of the option to fix prices of gold purchases, as described above

### As at 31 March 2018

Commodity price risk	Carrying amount of hedged item		Carrying amount of hedging instrument		Maturity date	Balance sheet classification	Impact of change in fair value relating to the hedged risk (spot)
	Assets	Liabilities	Assets	Liabilities			
Hedged item - Inventory of gold	28,020.40	-	NA	NA	Range - with in 6 months	Inventory	873.06
Hedging instrument - Option to fix gold price	NA	NA	-	692.54	Range - with in 6 months	Current borrowing	873.06

### As at 31 March 2017

Commodity price risk	Carrying amount of hedged item		Carrying amount of hedging instrument		Maturity date	Balance sheet classification	Impact of change in fair value relating to the hedged risk (spot)
	Assets	Liabilities	Assets	Liabilities			
Hedged item - Inventory of Gold	26,020.06	-	NA	NA	Range - with in 6 months	Inventory	172.44
Hedging Instrument - Option to Fix gold price	NA	NA	-	309.34	Range - with in 6 months	Current borrowing	172.44

### Note 37.14: Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The primary objective of the Group Capital Management is to maximise shareholder value. The Group manages its capital structure and makes adjustments in the light of changes in the economic environment and the requirements of the financial covenants, if any.

The Group monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

The Group adjusted net debt to equity ratio was as follows.

Particulars	31 March 2018	31 March 2017	1 April 2016
Total borrowings	56,854.91	54,876.80	64,945.95
Less: Cash and cash equivalent	1,102.67	528.03	716.37
<b>Adjusted net debt</b>	<b>55,752.25</b>	<b>54,348.77</b>	<b>64,229.58</b>
<b>Total equity</b>	<b>47,666.65</b>	<b>45,582.72</b>	<b>44,311.85</b>
<b>Adjusted net debt to equity ratio</b>	<b>1.17</b>	<b>1.19</b>	<b>1.45</b>

## Note 37.15 : Financial Instruments - Fair values and risk management

### 37.15.1: Financial Instruments - Fair values

#### Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

- a) The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements)

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

31 March 2018	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-current financial assets</b>							
Investments	3.37	-	<b>3.37</b>	3.37	-	-	3.37
Loans	-	940.24	<b>940.24</b>	-	-	-	-
<b>Current financial assets</b>							
Trade receivables	-	2,296.19	<b>2,296.19</b>	-	-	-	-
Cash and cash equivalents	-	1,102.67	<b>1,102.67</b>	-	-	-	-
Bank balances other than above	-	2,652.61	<b>2,652.61</b>	-	-	-	-
Loans	-	112.16	<b>112.16</b>	-	-	-	-
Others	-	73.01	<b>73.01</b>	-	-	-	-
<b>Non-current financial liabilities</b>							
Borrowings	-	7.90	<b>7.90</b>	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Current financial liabilities</b>							
Borrowings	27,839.88	29,017.00	<b>56,856.88</b>	27,839.88	-	-	<b>27,839.88</b>
Trade payables	-	8,329.73	<b>8,329.73</b>	-	-	-	-
Others	-	86.85	<b>86.85</b>	-	-	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

31 March 2017	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-current financial assets</b>							
Investments	13.99	-	<b>13.99</b>	13.99	-	-	<b>13.99</b>
Loans	-	870.60	<b>870.60</b>	-	-	-	-
<b>Current financial assets</b>							
Trade receivables	-	221.17	<b>221.17</b>	-	-	-	-
Cash and cash equivalents	-	528.03	<b>528.03</b>	-	-	-	-
Bank balances other than above	-	2,630.36	<b>2,630.36</b>	-	-	-	-
Loans	-	62.59	<b>62.59</b>	-	-	-	-
Others	-	34.06	<b>34.06</b>	-	-	-	-
<b>Non-current financial liabilities</b>							
Borrowings	-	11.33	<b>11.33</b>	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Current financial liabilities</b>							
Borrowings	26,156.97	28,723.04	<b>54,880.01</b>	26,156.97	-	-	<b>26,156.97</b>
Trade payables	-	7,821.08	<b>7,821.08</b>	-	-	-	-
Others	-	85.91	<b>85.91</b>	-	-	-	-

1 April 2016	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-current financial assets</b>							
Investments	10.83	-	<b>10.83</b>	10.83	-	-	<b>10.83</b>
Loans	-	765.78	<b>765.78</b>	-	-	-	-
<b>Current financial assets</b>							
Trade receivables	-	69.05	<b>69.05</b>	-	-	-	-
Cash and cash equivalents	-	716.37	<b>716.37</b>	-	-	-	-
Bank balances other than above	-	3,217.38	<b>3,217.38</b>	-	-	-	-
Loans	-	60.00	<b>60.00</b>	-	-	-	-
Others	-	55.91	<b>55.91</b>	-	-	-	-
<b>Non-current financial liabilities</b>							
Borrowings	-	754.49	<b>754.49</b>	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Current financial liabilities</b>							
Borrowings	27,379.94	36,455.94	<b>63,835.89</b>	27,379.95	-	-	<b>27,379.95</b>
Trade payables	-	9,152.79	<b>9,152.79</b>	-	-	-	-
Others	-	585.37	<b>585.37</b>	-	-	-	-

b) Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices for investments in mutual funds.
- Use of market available inputs such as gold prices for option to fix prices of gold in purchase contracts

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## 37.15.2: Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk

### Risk management framework

The Group board of directors has overall responsibility for the establishment and oversight of the Group risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group risk management policies. The committee reports regularly to the board of directors on its activities.

The Group risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Group risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

#### A: Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's exposures to trade receivables (mainly institutional customers and credit sales), deposits with landlords for store properties taken on leases and other receivables including balances with banks.

#### Trade receivables and other deposits

The Group's retail business is predominantly on 'cash and carry' basis which is largely through cash and credit card collections. The credit risk on such credit card collections is minimal, since they are primarily owned by customers' card issuing banks. The Group has adopted a policy of dealing with only credit worth counterparties in case of institutional customers and credit sales and the credit risk exposure for institutional customers and credit sales are managed by the Group by credit worthiness checks. The Group also carries credit risk on lease deposits with landlords for store properties taken on leases, for which agreements are signed and property possessions timely taken for store operations. The risk relating to refunds of deposits after store shut down is managed through successful negotiations or appropriate legal actions, where necessary.

#### Other financial assets

The Group maintains exposure in cash and cash equivalents and term deposits with banks. The Cash and cash equivalents and term deposits are held with the banks with good credit ratings.

The Group's maximum exposure to credit risk as at 31<sup>st</sup> March 2018, 31 March 2017 and 1<sup>st</sup> April 2016 is the carrying value of each class of financial assets.

#### B: Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group reputation.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

## Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments:

31 March 2018	Carrying amount	Total	Less than 1 year	More than 1 year
<b>Non current, non derivative financial liabilities</b>				
Borrowings				
Secured Term loans from banks	7.90	7.90	-	7.90
<b>Current, financial liabilities</b>				
Borrowings				
Working capital demand loan from banks	34,589.88	34,589.88	34,589.88	-
Cash credit from banks	22,252.00	22,252.00	22,252.00	-
Loan from directors	15.00	15.00	15.00	-
Trade payables	8,329.73	8,329.73	8,329.73	-
Other current financial liabilities	86.85	86.85	86.85	-
<b>31 March 2017</b>				
	Carrying amount	Total	Less than 1 year	More than 1 year
<b>Non current, non derivative financial liabilities</b>				
Borrowings				
Secured Term loans from Banks	11.33	11.33	-	11.33
<b>Current, financial liabilities</b>				
Borrowings				
Working capital demand loan from banks	29,406.91	29,406.91	29,406.91	-
Cash credit from banks	25,453.26	25,453.26	25,453.26	-
Loan from directors	15.00	15.00	15.00	-
Other short term borrowings	4.84	4.84	4.84	-
Trade payables	7,821.08	7,821.08	7,821.08	-
Other current financial liabilities	85.91	85.91	85.91	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

1 April 2016	Carrying amount	Total	Less than 1 year	More than 1 year
<b>Non current, non derivative financial liabilities</b>				
Borrowings				
Secured Term loans from Banks	746.31	746.31	-	746.31
Secured Term loans from non-banking financial companies	8.18	8.18	-	8.18
<b>Current, financial liabilities</b>				
Borrowings				
Working capital demand loan from banks	34,379.95	34,379.95	34,379.95	-
Cash credit from banks	29,356.14	29,356.14	29,356.14	-
Loan from directors	95.19	95.19	95.19	-
Other short term borrowings	4.61	4.61	4.61	-
Trade payables	9,152.79	9,152.79	9,152.79	-
Other current financial liabilities	585.37	585.37	585.37	-

As of 31 March 2018, 31 March 2017 and 1 April 2016 the Company had unutilized credit limits from banks of ₹ 10,712.66 lakhs, ₹ 18,450.02 lakhs and ₹ 9,290.70 lakhs respectively.

## C: Market risk

### Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### i. Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

There are no exposure to currency risk as on 31 March 2018, 31 March 2017 and 1 April 2016.

#### ii. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

#### Exposure to interest rate risk

The interest rate profile of the Group interest-bearing financial instruments as reported to the management of the Group is as follows.

Particulars	Nominal amount		
	31 March 2018	31 March 2017	1 April 2016
<b>Fixed-rate instruments</b>			
<b>Financial assets</b>			
Deposits with banks	2,651.57	2,629.32	3,216.33
<b>Financial liabilities</b>			
Term loan	13.03	16.62	1,209.86
WCDL facility	6,750.00	3,250.00	7,000.00
<b>Floating-rate instruments</b>			
<b>Financial liabilities</b>			
Cash credit facilities	50,091.88	51,610.17	56,736.09

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

The Group fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

## Sensitivity

The sensitivity to profit and loss in case of a reasonable possible change in interest rate of +/- 25 basis points (previous year +/- 25 basis points), keeping all other variables constant, would have resulted in an impact on profits by ₹ 130.24 Lakhs (previous year ₹ 138.41 Lakhs)

### iii. Price risk

#### Exposure from investments in mutual funds:

The Company's exposure to price risk arises from investment in mutual funds held by the Group and classified in the balance sheet as fair value through profit and loss.

#### Exposure from Borrowings:

The Group exposure to price risk also arises from borrowings of the Group that are at unfixed prices, and therefore, payment is sensitive to changes in gold price. The option to fix gold prices are classified in the balance sheet as fair value through profit or loss. The option to fix gold prices are at unfixed prices to hedge against potential losses in value of inventory of gold held by the Group.

The Group applies fair value hedge for the gold purchased whose price is to be fixed in future. Therefore, there will no impact of the fluctuation in the price of the gold on the Group profit for the period.

### Note 37.16: First time adoption of Ind AS

These consolidated financial statements, for the year ended 31 March 2018, are the first financial statements prepared by the Group in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Group prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP' or 'Previous GAAP').

Accordingly, the Group has prepared consolidated financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these consolidated financial statements, the Group's opening Ind AS balance sheet was prepared as at 1 April 2016, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Previous GAAP consolidated financial statements, including the balance sheet as at 1 April 2016 and the consolidated financial statements as at and for the year ended 31 March 2017.

The Group has applied Ind AS 101 in preparing these first consolidated financial statements. The effect of transition to Ind AS on equity, total comprehensive income and reported cash flows are presented in this section and are further explained in the notes accompanying the tables.

### Ind AS optional exemptions:

#### a. Deemed cost for property, plant and equipment, intangible assets and investment property.

The Company has elected to measure all its property, plant and equipment, intangible assets and investment property at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

### Ind AS mandatory exceptions:

#### a. Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

#### b. Classification and measurement of financial assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## Reconciliation of Equity as at 1 April 2016

Particulars	Notes	Previous GAAP*	Adjustment	Amount under Ind As
<b>ASSETS</b>				
<b>1) Non-current assets</b>				
a) Property, Plant and Equipment	3	10,682.44	-	10,682.44
b) Capital work-in-progress	4	-	-	-
c) Intangible assets	5	203.24	-	203.24
d) Financial Assets				
(i) Other Investments	6	10.30	0.53	10.83
(ii) Loans	7	1,076.37	(310.59)	765.78
(e) Other tax assets	9	322.39	-	322.39
(f) Other non current assets	10	348.96	207.70	556.66
		<b>12,643.70</b>	<b>(102.36)</b>	<b>12,541.34</b>
<b>2) Current assets</b>				
(a) Inventories	11	112,573.23	-	112,573.23
(b) Financial Assets				
(i) Trade receivables	12	69.05	-	69.05
(ii) Cash and cash equivalents	13	716.37	-	716.37
(iii) Bank Balance other than (ii) above	14	3,217.38	-	3,217.38
(iv) Loans	15	60.00	-	60.00
(v) Others financial assets	16	55.91	-	55.91
(c) Other current assets	17	306.76	65.75	372.51
		<b>116,998.70</b>	<b>65.75</b>	<b>117,064.45</b>
<b>Total Assets</b>		<b>129,642.40</b>	<b>(36.61)</b>	<b>129,605.79</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1) Equity</b>				
(a) Equity Share capital	18	6,673.06	-	6,673.06
(b) Other Equity	19	36,933.14	705.65	37,638.79
		<b>43,606.20</b>	<b>705.65</b>	<b>44,311.85</b>
<b>2) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	20	754.49	-	754.49
(b) Provisions	21	380.66	-	380.66
(c) Other non-current liabilities	22	570.13	(446.77)	123.36
		<b>1,705.28</b>	<b>(446.77)</b>	<b>1,258.51</b>
<b>3) Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	23	63,835.89	-	63,835.89
(ii) Trade payables	24	9,152.79	-	9,152.79
(iii) Other financial liabilities	25	585.37	-	585.37
(b) Provisions	26	437.57	-	437.57
(d) Other current liabilities	27	10,319.30	(295.49)	10,023.81
		<b>84,330.92</b>	<b>(295.49)</b>	<b>84,035.43</b>
		<b>129,642.40</b>	<b>(36.60)</b>	<b>129,605.79</b>

\* The Previous GAAP figures have been reclassified/regrouped to conform to Ind AS presentation requirements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## Reconciliation of Equity as at 31 March 2017

Particulars	Notes	Previous GAAP*	Adjustment	Amount under Ind AS
<b>ASSETS</b>				
<b>1) Non-current assets</b>				
a) Property, Plant and Equipment	3	10,158.32	-	10,158.32
b) Capital work-in-progress	4	182.59	-	182.59
c) Intangible assets	5	103.31	-	103.31
d) Financial Assets				
(i) Other Investments	6	10.31	3.68	13.99
(ii) Loans	7	1,070.39	(199.79)	870.60
(e) Deferred tax assets (net)	8	165.27	(83.02)	82.25
(f) Other tax assets	9	252.71	13.45	266.16
(g) Other non current assets	10	698.96	172.88	871.83
		<b>12,641.86</b>	<b>(92.81)</b>	<b>12,549.05</b>
<b>2) Current assets</b>				
(a) Inventories	11	102,721.58	-	102,721.58
(b) Financial Assets				-
(i) Trade receivables	12	221.17	-	221.17
(ii) Cash and cash equivalents	13	528.03	-	528.03
(iii) Bank Balance other than (ii) above	14	2,630.36	-	2,630.36
(iv) Loans	15	171.56	(108.97)	62.59
(v) Others financial assets	16	30.28	3.78	34.06
(c) Other current assets	17	386.37	93.88	480.25
		<b>106,689.35</b>	<b>(11.31)</b>	<b>106,678.04</b>
<b>Total Assets</b>		<b>119,331.21</b>	<b>(104.12)</b>	<b>119,227.09</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1) Equity</b>				
(a) Equity Share capital	18	6,673.06	-	6,673.06
(b) Other Equity	19	38,407.17	502.49	38,909.66
		<b>45,080.23</b>	<b>502.49</b>	<b>45,582.72</b>
<b>2) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	20	11.33	-	11.33
(b) Provisions	21	420.78	-	420.78
(c) Other non-current liabilities	22	549.96	(476.14)	73.82
		<b>982.07</b>	<b>(476.14)</b>	<b>505.93</b>
<b>3) Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	23	54,743.11	136.90	54,880.01
(ii) Trade payables	24	7,821.08	-	7,821.08
(iii) Other financial liabilities	25	85.91	-	85.91
(b) Provisions	26	410.20	-	410.20
(d) Other current liabilities	27	10,208.61	(267.37)	9,941.24
		<b>73,268.91</b>	<b>(130.47)</b>	<b>73,138.44</b>
		<b>119,331.21</b>	<b>(104.12)</b>	<b>119,227.09</b>

\* The Previous GAAP figures have been reclassified/regrouped to conform to Ind AS presentation requirements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

## Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Notes	Previous GAAP*	Adjustment	Amount under Ind AS
<b>INCOME</b>				
<b>Revenue from operations</b>	28			
Sale of product (excluding excise duty)	28.1	169,982.05	228.00	169,754.05
Other operating revenue	28.2	42.15	-	42.15
		<b>170,024.20</b>	<b>228.00</b>	<b>169,796.20</b>
Other income	29	239.00	(66.18)	305.18
<b>Total revenue</b>		<b>170,263.20</b>	<b>161.82</b>	<b>170,101.38</b>
<b>EXPENSES</b>				
Cost of material consumed	30	99,702.06	-	99,702.06
Purchase of stock-in-trade	31	32,916.26	(136.90)	33,053.16
Changes in inventories of finished goods and stock-in-trade	32	11,033.59	-	11,033.59
Excise duty		-	(795.92)	795.92
Employee benefits expense	33	7,989.82	6.08	7,983.74
Finance costs	34	5,019.01	-	5,019.01
Depreciation and amortisation expense	35	903.01	-	903.01
Other expenses	36	11,428.88	990.44	10,438.44
<b>Total expenses</b>		<b>168,992.63</b>	<b>63.70</b>	<b>168,928.93</b>
<b>Profit/(Loss) before tax</b>		<b>1,270.57</b>	<b>98.12</b>	<b>1,172.45</b>
<b>Tax expense</b>	8			
- Current tax / MAT		165.27	-	165.27
- MAT credit		(165.27)	-	(165.27)
- Provision (reversal of provision) pertaining to earlier years		(203.46)	-	(203.46)
- Deferred tax charge		-	(83.02)	83.02
<b>Total tax expense</b>		<b>(203.46)</b>	<b>(83.02)</b>	<b>(120.44)</b>
<b>Profit/(Loss) for the year</b>		<b>1,474.03</b>	<b>181.14</b>	<b>1,292.89</b>
<b>Other Comprehensive Income</b>				
Items that will not be reclassified subsequently to profit or loss				
a) Re-measurement of defined benefit plan		-	(35.47)	(35.47)
b) Income tax relating to items that will not be reclassified to profit or loss		-	13.45	13.45
<b>Total Comprehensive Income</b>		<b>1,474.03</b>	<b>203.16</b>	<b>1,270.87</b>

\* The Previous GAAP figures have been reclassified/regrouped to conform to Ind AS presentation requirements for the purpose of this note.

## Adjustments to Statement of Cash Flows

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

## Notes to the reconciliations

### a. Measurement of leases

Under Previous GAAP, any escalation in operating lease rentals were straight-lined over the lease term.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

Under Ind AS, operating lease rentals are not straight lined over the lease term if the payments to the lessor are structured to increase in line with expected general inflation. Further, under Ind AS, rental expense is also attributed to operating lease incentives, like rent free period.

**b. Fair valuation of Investment**

Under Previous GAAP, current investments were stated at lower of cost and fair value.

Under Ind AS, these financial assets have been classified as Fair Value Through Profit and Loss ('FVTPL') on the date of transition to Ind AS and fair value changes after the date of transition have been recognised in the statement of profit and loss.

**c. Remeasurements of defined benefit liability**

Under the Previous GAAP, these remeasurements were forming part of the profit or loss for the year.

Under Ind AS, remeasurements i.e. actuarial gains or losses, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of the statement of profit and loss.

**d. Provision for KP scheme**

Under Previous GAAP, provision for KP scheme was accrued and recognised over the period of the scheme.

Under Ind AS, discount offered to customers under KP scheme need to be recognised as and when actual sales happen. Hence, provision created for KP scheme under Previous GAAP has been reversed and discount under the scheme is recognised as reduction of revenue at the time of actual sale.

**e. Deferred tax**

Under Previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/ liability on timing differences between taxable income and accounting income. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/ liability on temporary differences between the carrying amount of an asset/ liability in the Balance Sheet and its corresponding tax base. The adjustments in equity and net profit, as discussed above, resulted in additional temporary differences on which deferred taxes are calculated.

**f. Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in the statement of profit and loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under Previous GAAP.

**g. Proposed dividend**

Under Previous GAAP, proposed dividends and related dividend distribution tax was recognised as a provision in the year to which they relate, irrespective of when they are declared. Under Ind AS, dividends and related dividend distribution tax are recognised as a liability in the year in which it is approved by the shareholders in the Annual General Meeting of the Company.

**h. Excise duty**

Under Previous GAAP, excise duty was netted off against sale of goods. However, under Ind AS, excise duty is included in sale of goods and is separately presented as expense on the face of Statement of Profit and Loss. Thus, sale of goods under Ind AS has increased with a corresponding increase in expenses.

**i. Hedge Accounting**

Under Previous GAAP, in respect of purchase of goods at prices that are yet to be fixed at the period end, adjustments to the provisional amounts invoiced by the vendor were recognised in the cost of inventory based on the closing gold rate.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 (Continued)

(Currency : ₹ in Lakhs)

Under Ind AS, in respect of purchase of goods at prices that are fixed subsequent to the date of purchase, the Group has applied hedge accounting w.e.f. 1 April 2016 wherein the option to fix prices is designated as a hedging instrument and change in fair value of inventory attributable to change in prices between the date of purchase and the date of fixing prices or reporting date (as applicable) is designated as hedged item.

The hedging relationship is considered a fair value hedge. The gain or loss on the hedging instrument is recognised in statement of profit and loss and the corresponding gain or loss on the hedged item is adjusted in the carrying amount of the hedged item and recognised in statement of profit and loss.

## j. Financial assets and liabilities

Under Previous GAAP, the financial assets and financial liabilities were carried at the contractual amount receivable or payable.

Under Ind AS, certain financial assets and financial liabilities are initially recognised at fair value and subsequently measured at amortised cost which involves the application of effective interest method. Hence, security deposits have been recorded initially at fair value using an appropriate discount rate. The difference between the present value and the amount paid is recognised as a prepaid rent. The unwinding of the security deposit as per the effective interest rate method will be recognised as a finance income over the period of the lease.

### 37.17 The details of Specified Bank Notes (SBN) held and transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 are as follows:-

Particulars	Specified Bank Notes (SBN)	Other denomination Notes	Amount (₹ in lakhs)
Closing cash in hand as on 08.11.2016	616.56	21.43	637.99
(+) Permitted receipts	-	2,271.23	2,271.23
(-) Permitted payments	-	116.08	116.08
(-) Amount deposited in Banks	616.56	2,047.09	2,663.65
Closing cash in hand as on 30.12.2016	-	129.49	129.49

As per our report of even date attached  
 For **B S R & Co. LLP**  
 Chartered Accountants  
 Firm's Registration No: 101248W/W-100022

**Vijay Mathur**  
 Partner  
 Membership No: 046476

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**  
 CIN: L27205MH2007PLC172598

**Shrikant Zaveri**  
 Chairman and Managing Director  
 DIN:00263725

**Saurav Banerjee**  
 Chief Financial Officer

**Binaisha Zaveri**  
 Whole-time Director  
 DIN:00263657

**Niraj Oza**  
 Head-Legal & Company Secretary  
 Membership No.:A20646

Mumbai  
 2 May 2018

Mumbai  
 2 May 2018

## NOTES

**TRIBHOVANDAS BHIMJI ZAVERI LIMITED**

CIN: L27205MH2007PLC172598 Regd. Off.: 241/43, Zaveri Bazar, Mumbai - 400 002.

Tel. No.:(022) 3956 5001/ 40465000/ 01. Fax No.(022) 39565056.

Corporate Off.: 1106 to 1121, 11th Floor, West Wing, Tulsiani Chambers,  
212, Backbay Reclamation, Free Press Journal Road,  
Nariman Point, Mumbai – 400 021.

Tel. No.: (022) 30735000/ 49255000. Fax No.: (022) 30735088.

Website: [www.tbztheoriginal.com](http://www.tbztheoriginal.com). Email: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com).



**CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM**

Dear Shareholder,

Pursuant to Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, your Company has sent the Annual Report through electronic mode to those Shareholders whose E-mail IDs are registered. Please note that as a Shareholder you will be entitled to receive physical copies of all notices and documents free of cost, upon specific request to the Company.

The Annual Report and the Notice of General Meetings and other documents will also be available on the Company's website at [www.tbztheoriginal.com](http://www.tbztheoriginal.com).

Shareholders holding shares in physical mode and wishing to register / update their E-mail ID to receive the Annual Report and other documents in electronic mode are requested to fill the form below and send the same to our Registrar and Share Transfer Agents viz., **Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032**. The Company will not be in a position to send the documents in electronic mode unless the duly filled in form given below is received.

Shareholders holding shares in the dematerialized mode and wishing to register / update their E-mail ID to receive the Annual Report and other documents in electronic mode are requested to register / update their E-mail ID with the Depository Participants where their demat account is maintained.

Best Regards,

**Niraj Oza**

**Head - Legal & Company Secretary**

**TRIBHOVANDAS BHIMJI ZAVERI LIMITED**

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**CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM**

I / We agree to receive documents in electronic mode pursuant to Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014. Please register / update\* the E-mail ID as mentioned below:

\*Strike out whichever is not applicable.

1. Name(s) of Shareholder(s) : \_\_\_\_\_  
(including joint holders, if any)
2. No. of Shares held : \_\_\_\_\_
3. Registered Folio No. / DP ID & CLIENT ID No. : \_\_\_\_\_
4. E-mail ID for receipt of documents in electronic mode : \_\_\_\_\_

Place: \_\_\_\_\_

\_\_\_\_\_  
(Signature of First Holder)

Date: \_\_\_\_\_

\_\_\_\_\_  
(Name of First Holder)

For physical share: Kindly send to Karvy Computershare Private Limited.

For Demat shares: Kindly register / update the E-mail ID with the Depository Participant where demat account is maintained.



**ATTENDANCE SLIP**

**TRIBHOVANDAS BHIMJI ZAVERI LIMITED**

CIN: L27205MH2007PLC172598 Regd. Off.: 241/43, Zaveri Bazar, Mumbai - 400 002.

Tel. No.:(022) 3956 5001/ 40465000/ 01. Fax No.(022) 39565056.

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Website: [www.tbztheoriginal.com](http://www.tbztheoriginal.com). Email: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com).



**PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL**

**AND HAND IT OVER AT THE ENTRANCE**

I/We hereby record my/our presence at the 11<sup>th</sup> Annual General Meeting of Tribhovandas Bhimji Zaveri Limited held at M. C. Ghia Hall, 4<sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001 on Tuesday, 31<sup>st</sup> July, 2018 at 3.30 p.m.

Folio No.

\_\_\_\_\_

DP ID No\*.

\_\_\_\_\_

Client ID No\*.

\_\_\_\_\_

Name of Member

\_\_\_\_\_

\_\_\_\_\_  
Signature

Name of the Proxy Holder

\_\_\_\_\_

\_\_\_\_\_  
Signature

1. Only Member/ Proxy holder can attend the Meeting.
2. Member/ Proxy holder should bring his/ her copy of the Annual Report for reference at the Meeting.
3. Those Members who have multiple folios with different joint holders may use copies of this Attendance Slip.
4. If you intend to appoint a proxy, please complete the Proxy Form and deposit it at the Company's Registered Office at least 48 hours before the Meeting.

\* Applicable for investors holding shares in electronic form.





**Form No. MGT-11****Proxy Form****TRIBHOVANDAS BHIMJI ZAVERI LIMITED**

CIN: L27205MH2007PLC172598 Regd. Off.: 241/43, Zaveri Bazar, Mumbai - 400 002.

Tel. No.:(022) 3956 5001/ 40465000/ 01. Fax No.(022) 39565056.

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Website: [www.tbztheoriginal.com](http://www.tbztheoriginal.com). Email: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com).**[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

CIN :	L27205MH2007PLC172598
Name of the Company :	Tribhovandas Bhimji Zaveri Limited
Registered Office :	241/43, Zaveri Bazar, Mumbai – 400 002. Tel. No.: (022) 39565001 / 40465000 / 01 Fax No.: (022) 39565056 E-mail ID: <a href="mailto:investors@tbzoriginal.com">investors@tbzoriginal.com</a> Website: <a href="http://www.tbztheoriginal.com">www.tbztheoriginal.com</a>
Name of the member (s) :	
Registered Address :	
E-mail ID :	
Folio No. / Client ID :	D.P. ID:

I / We being member (s) of Tribhovandas Bhimji Zaveri Limited holding\_\_\_\_ equity shares of the above named Company, hereby appoint

1.	Name	
	Address	
	E-mail Id	
	Signature	or failing him/ her
2.	Name	
	Address	
	E-mail Id	
	Signature	or failing him/ her
3.	Name	
	Address	
	E-mail Id	
	Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 11<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, 31<sup>st</sup> July, 2018 at 3.30 p.m. at M. C. Ghia Hall, 4<sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	For	Against
<b>Ordinary Business</b>			
1	Adoption of Balance Sheet, Statement of Profit & Loss, Directors' Report and Auditors' Report for the year ended 31 <sup>st</sup> March, 2018.		
2	To declare dividend on Equity Shares for the financial year ended 31 <sup>st</sup> March, 2018.		
3	To appoint a Director in place of Ms. Raashi Zaveri (DIN: 00713688), who retires by rotation and being eligible, offers herself for re-appointment.		
4	To Appoint Statutory Auditors of the Company from conclusion of ensuing 11 <sup>th</sup> Annual General Meeting till the conclusion of the 16 <sup>th</sup> Annual General Meeting and to fix their remuneration.		

Resolution No.	Resolution	For	Against
<b>Special Business</b>			
5	To fix the commission payable to Non-Executive Directors / Independent Directors.		
6	To re-appoint Mr. Kamlesh Vikamsey (DIN: 00059620), as a Non-Executive Independent Director of the Company for further term of five consecutive years, i.e. from 1 <sup>st</sup> April, 2019 up to 31 <sup>st</sup> March, 2024.		
7	To re-appoint Mr. Sanjay Asher (DIN:00008221), as a Non-Executive Independent Director of the Company for further term of five consecutive years, i.e. from 1 <sup>st</sup> April, 2019 up to 31 <sup>st</sup> March, 2024		
8	To reappoint Mr. Ajay Mehta (DIN: 00028405), as a Non-Executive Independent Director of the Company for further term of five consecutive years, i.e. from 1 <sup>st</sup> April, 2019 up to 31 <sup>st</sup> March, 2024.		
9	To fix remuneration payable to Mr. Shrikant Zaveri (DIN: 00263725), Chairman & Managing Director of the Company for the balance period of two years of his appointment, i.e. from 1 <sup>st</sup> January, 2019 to 31 <sup>st</sup> December, 2020.		
10	To fix remuneration payable to Ms. Binaisha Zaveri (DIN: 00263657), Whole-time Director of the Company for the balance period of two years of her appointment, i.e. from 1 <sup>st</sup> January, 2019 to 31 <sup>st</sup> December, 2020.		
11	To fix remuneration payable to Ms. Raashi Zaveri (DIN: 00713688), Whole-time Director of the Company for the balance period of two years of her appointment, i.e. from 1 <sup>st</sup> January, 2019 to 31 <sup>st</sup> December, 2020.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

Signature of shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_



**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Please complete all details including details of member(s) before submission.

## NOTES

## NOTES



**Registered Office**

241/43, Zaveri Bazar,  
Mumbai - 400 002.

Tel. No. (022) 3956 5001 / 4046 5000 / 01

Fax No. (022) 3956 5056

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