

Date: 21<sup>st</sup> September, 2016

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

Dear Sir,

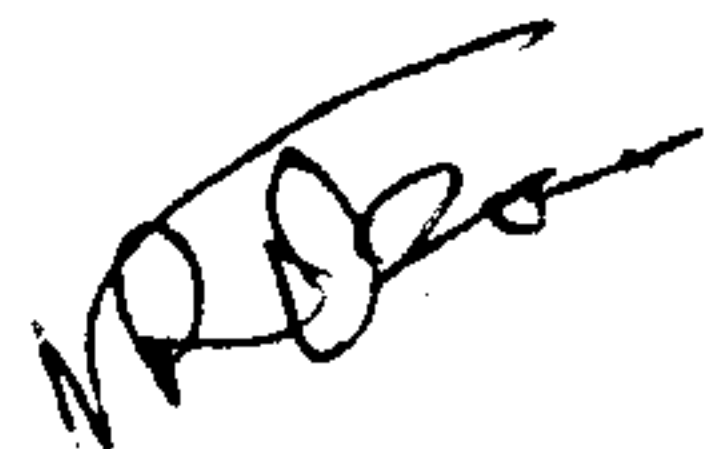
Re: **Tribhovandas Bhimji Zaveri Limited. Script Code & ID: 534369 / TBZ**  
Sub: **Submission of Annual Report 2015-16 duly Approved and Adopted by the members of the Company at the 9<sup>th</sup> Annual General Meeting of the Company pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We are enclosing herewith the Annual Report 2015-16 as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the members of the Company, as per the provisions of the Companies Act, 2013, at the 9<sup>th</sup> Annual General Meeting of the Company which was held on Monday, 19<sup>th</sup> September, 2016 at M. C. Ghia Hall, 4<sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001.

Kindly take the same on record and acknowledge the receipt of the same.

Thanking You.

Yours faithfully,  
For Tribhovandas Bhimji Zaveri Limited



Niraj Oza  
Head - Legal & Company Secretary



**tbz**<sup>®</sup>

The original since 1864

TRIBHOVANDAS BHIMJI ZAVERI LTD.

CIN No : L27205MH2007PLC172598

Regd. Office: 241/43, Zaveri Bazar, Mumbai - 400 002. Tel.: +91.22.3956 5001, Fax : +91.22.3956 5056.

Corp. Office : 1106 to 1121, 11th Floor, West Wing, Tulsiani Chambers, 212, Backbay Reclamation, Free Press Journal Road, Nariman Point, Mumbai - 400 021. Tel.: +91.22.3073 5000, Fax : +91.22.3073 5088.

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



The original since 1864

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TRIBHOVANDAS BHIMJI ZAVERI  
SHRIKANT ZAVERI GROUP

## EVOLVING STRATEGIES SUSTAINING VALUES

ANNUAL REPORT 2015-16

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,

Mahalaxmi, 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 1500 / 2222

Fax No. (040) 2342 0814

Toll Free No. 1800 3454 001

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

Website Add.: [www.karvycomputershare.com](http://www.karvycomputershare.com)

### Registered Office

241/43, Zaveri Bazar,

Mumbai – 400 002.

CIN No.: L27205MH2007PLC172598

Tel. No. (022) 3956 5001

Fax No. (022) 3956 5056

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

Website Add.: [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) 3073 5000

Fax No. (022) 3073 5088

9<sup>th</sup>

### Annual General Meeting

**Day & Date:** Monday,  
19<sup>th</sup> September, 2016

**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.

## The Universe of TBZ - The Original



An eponymous brand synonymous with a rich legacy of over 150 years, the universe of TBZ - The Original revolves around high quality timeless, contemporary jewellery designed for consumers who value beautiful creations. Our state-of-the-art integrated manufacturing facilities and experienced craftsmen accentuate our ability to launch new collections which are inspirational and futuristic several times during the year.

From the timeless classic collection which is the epitome of luxury for the quintessential woman of beauty to the ultra modern collection that shatters the stereotypes of formal everyday jewellery to adorn women with elegance, style and sophistication.

From the stylish cocktail collections for the celestial style divas to the charming collection for the gracious homemakers to the exclusive wedding collection which fulfils the innate needs of the new age brides and makes her the cynosure of all eyes, TBZ - The Original creates jewellery that reflects the many facets of our customers' personalities.

TBZ - The Original has always pioneered new standards of excellence over the years which includes making lightweight precious jewellery, offering Lifetime buy-back scheme and introducing 100% BIS hallmarked 22 karat Gold jewellery in India. This 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.

Having risen to its present eminence through this milieu, TBZ - The Original has become a master of such trend-setting strategies while delivering and sustaining value to our stakeholders. We are present in 23 cities in 10 states across India and plan to expand further through a mix of owned stores and the 'asset-light' franchisee model. It has been a most incredible journey in one of the world's most incredible nations so far and by constantly innovating we are confident of being 'partners for life' for our customers for many generations in future. We are also confident of being able to cater to the demand growth and the dynamism that the industry has on offer.



30

Retail stores  
across the country

98,200 sq. ft.

Retail space spread

23

Presence in Cities

3

Franchisee agreements  
signed in 2015-16

42

Designers

#### Annual Production Capacity

>100,000

Carats of diamond jewellery

Refining

>4,000 kg

of gold

Manufacturing

4,500 kg

of gold jewellery components

**Evolving Strategies,  
Sustaining Values**





The human connection with jewellery is deep-seated. From the earliest days, mankind has sought to express itself with things of beauty and things that touch the soul. As tastes evolved over centuries, simplicity gave way to intricacy and appreciation for craftsmanship grew. Keeping pace with such evolution has been our forte. Our strategies keep India as the kernel while layering our products with international sensibilities. The promise to deliver quality, perfection and customer satisfaction forms the basis of our values.

Milestones have been crossed. And many more are ahead. A few years ago, we began a new phase in our business by going public, and now we are poised to grow through a new store expansion model. Our model of the 'franchisee owned, franchisee operated' stores is the most cost-effective way of expanding pan India. Our franchisee stores would be run in precisely the same way as the company-owned stores as we take our franchisee partners through the

necessary learning curve to ensure the ambience and service standards are maintained everywhere in the country.

The franchisee model supplements the 'hub and spoke' model of company-owned stores, under which has one large format 'hub' store (3,000 sq. ft.) with a larger inventory surrounded by smaller 'spoke' stores (1,000-1,500 sq. ft.). Going forward, our expansion will be done through a mix of company-owned stores and franchisee stores.

As a part of our business strategy, our focus also involves discovering distinctive ways to enhance customer engagements while offering the best in class in-store experience.

Cognizant of the seismic shift that technology has unleashed and accelerated the customer reach exponentially, we have with a bold conviction also expanded our footprints to the online world.

We have entered into with partnership with existing e-commerce majors like Snapdeal, Amazon and Flipkart to provide new level of convenience and are excited to see the response so far.

And as all things big and small harmoniously blend together in the unique world of TBZ - The Original, we continue to create that one moment of extraordinary delight for every lover of fine jewellery and deliver value to all our stakeholders.



## Chairman's Statement



As the e-commerce space burgeons, we have associated with Snapdeal, Amazon and Flipkart - the leading online retailers. We have created a line of daily wear TBZ - The Original diamond jewellery exclusively for online consumers, in addition to our TBZ - The Original gold coins



### Dear Shareholders,

It is always my pleasure and privilege to share performance highlights of your Company and give you a glimpse of our strategic growth plans for the near and mid-term.

TBZ - The Original is one of those rare companies that has a unique combination of rich legacy and contemporariness, endearing it across generations as the most trusted brand for jewellery. At the heart of our lasting success has been our deep understanding of our customers' evolving aspirations, ability to create designs that become trendsetters, and yet, retain our core values of trust and fine workmanship. It is this uniqueness of heritage with contemporariness that makes us different.

We continue to expand our footprint in India with a presence across 23 cities in 10 states. We have evolved an 'asset-light' FOFO (franchisee owned, franchisee operated) model, requiring nominal capex, that shall enable us to multiply our presence rapidly. Our franchisee model combines the entrepreneurial spirit of India with the TBZ - The Original experience and expertise, creating an

ideal platform that provides the TBZ - The Original brand experience and value to more customers. The year saw TBZ - The Original sign four franchisee agreements, for stores in Dhanbad, Patna, Ranchi and Jaipur. The Dhanbad store was our 30<sup>th</sup>, opening in November 2015, shortly after the inauguration of our 29<sup>th</sup> company-owned store in Bandra, Mumbai. I take this opportunity to once again warmly welcome our business franchisee partners on board as we traverse the path of value creation for our customers and stakeholders.

As the e-commerce space burgeons, we have associated with Snapdeal, Amazon and Flipkart - the leading online retailers. We have created a line of daily wear TBZ - The Original diamond jewellery exclusively for online consumers, in addition to our TBZ - The Original gold coins. With the TBZ - The Original certification backing every purchase, we have ensured the same level of trust and faith for the online consumer that is associated with purchase at a TBZ - The Original store.

The franchisee model and e-commerce foray have enabled your Company to target both the traditionally high-

spending elite as well as the rising affluent classes willing to invest in the best - another example of our constant endeavour to move ahead with time and yet retain timeless values.

### Financial overview

FY2016 was a particularly challenging year for the Indian gems and jewellery industry, of which your Company has been a pioneer and a leader for more than 150 years. The industry, as you are well aware, is a significant employment generator, a leading foreign exchange earner for the country, and contributes around 6-7% to the country's GDP.

Macro-factors like sub-par monsoon, volatile international prices of gold and weak Indian Rupee led to muted consumer sentiments that affected both demand as well as input costs. The imposition of 1% excise duty on non-silver jewellery led to a 42-day nationwide strike that adversely affected customer walk-ins and revenues.

To counter these external challenges, we recalibrated our operating strategies. We rationalised our diamond inventory, reduced financing cost on a year-on-year basis, and increased our customer



base through our loyalty program - the Kalpavruksha scheme. We looked at every feasible opportunity to tighten overhead costs.

However, the external environment had a cascading effect on our financial results. Your Company's total operating revenue declined 14.45% from ₹ 1,93,419.57 lakh in FY2015 to ₹ 1,65,477.72 lakh in FY2016. Same store sales declined by 16.5% during the year. The average ticket size was almost the same as in FY 2015 (₹ 84,000 compared to ₹ 85,000) and only marginally lower for diamond (₹ 132,000 compared to ₹ 139,000). Though store footfalls dropped by about 10 per cent, the conversion rate was nearly the same year-on-year (79 per cent in FY2015 and 78 per cent in FY2016).

However, your Company has the correct fundamentals in place – design orientation and design differentiation from the rest of the competition, managed by state-of-the-art design studio, and an established and well-managed supply chain and manufacturing units; brand appeal to buyers across generations; pricing that makes TBZ - The Original accessible to

aspiring collectors of precious jewellery; sales personnel trained to ensure a high degree of customer delight; and a national presence. Above all, the brand equity of TBZ - The Original is our biggest asset.

### Looking ahead

The appetite for gold has been growing. According to the World Gold Council, despite a 400% rise in Rupee gold price in the past decade, demand has gone up. The Council predicts 15 million weddings every year in India over the next decade due to the relatively young population. It is estimated that the jewellery market in India will grow at a CAGR of about 16% over the period 2014-19. The monsoons are also predicted to be normal this year, leading to an all-round rise in demand.

In light of this, we remain cautiously optimistic of a recovery in the short term while being confident of a healthy demand over the long term. We have all the building blocks in place for an exciting journey as the Indian economy powers ahead as the fastest growing economy in the world. We are poised and prepared.

My sincere gratitude to all our stakeholders for the faith and trust reposed in us. A special thanks to all our employees who are our most visible brand ambassadors. Since becoming a listed entity, we have enjoyed the unstinted support of our esteemed shareholders, lenders and stakeholders, for which we are immensely grateful.

Thank you

**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 four 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 showrooms, out of which twenty nine are Company's own showrooms and one is a franchisee showroom, in twenty three cities and ten states across India.

During the current financial year, with his vision, your Company has started its first franchisee showroom at Dhanbad (Jharkhand) and your Company has also started its business activities on Ecommerce Platform with Snapdeal, Flipkart and Amazon. He has also taken up the additional responsibility of Chief Executive Officer of your Company.

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

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

### 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 twelve years. She is involved in all aspects of the business including human capital management, operations, finance, business development, marketing and merchandising. She has been actively involved and has been a key player in the opening of showrooms in twenty three cities across ten 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 eight years. She is involved in the management of your Company's enterprise resource planning systems and is actively engaged in accounting, 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 three 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



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 & Accounting 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 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 2005-07. 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 in 2005-06.

Mr. Vikamsey joined the TBZ - The Original 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 one years of experience with chemical, petrochemical, fertiliser, manufacturing and investment companies. He is presently the Managing Director of Deepak Nitrite 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 TBZ - The Original 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 the 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**

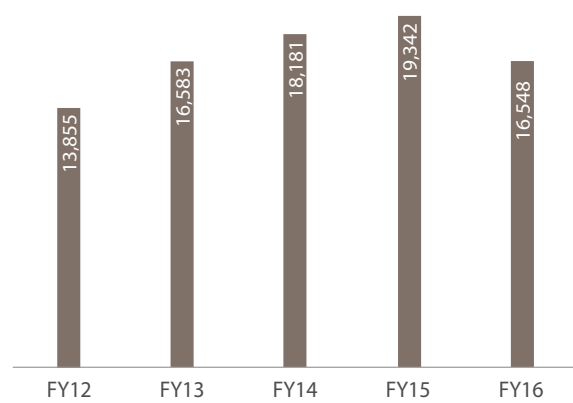
Independent Director

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 six 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, laws of mergers and acquisitions and capital market transactions.

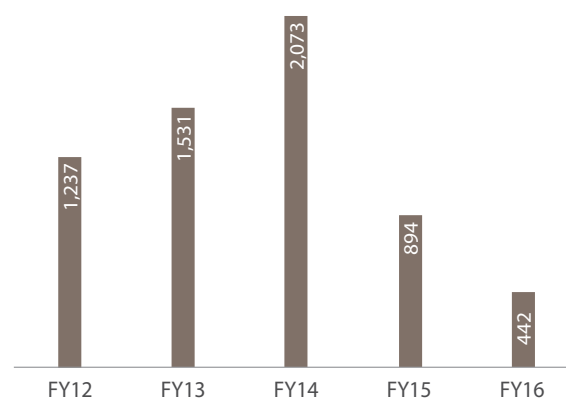
Mr. Asher joined TBZ - The Original Board on 14<sup>th</sup> December, 2010 and has given valued contribution to the Board of Directors. He is a member of the Nomination and Remuneration Committee.

## 5-Year Financial Information

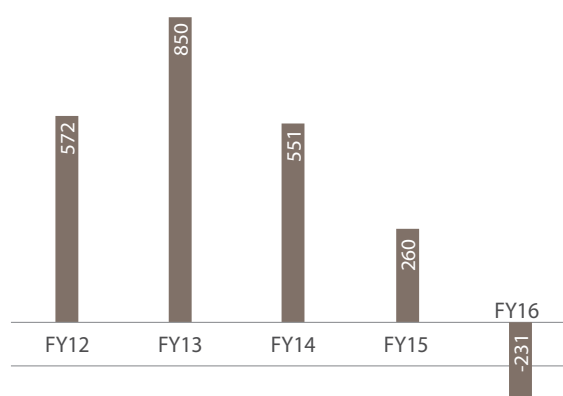
### Operating Income (₹ Million)



### EBITDA (₹ Million)



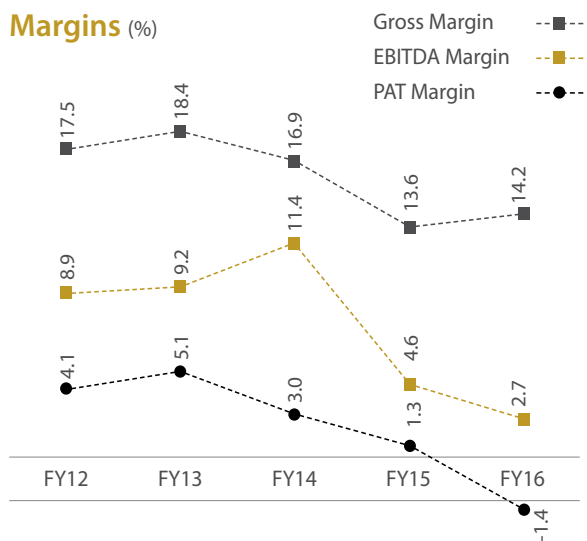
### PAT (₹ Million)



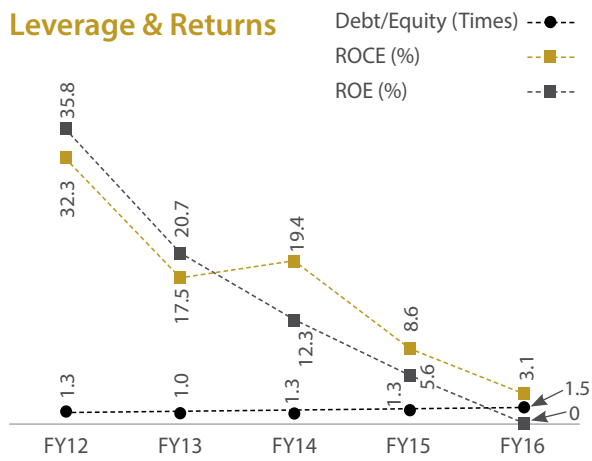
\*FY2015 PAT includes the after-tax impact of ₹ 87.37 mn due to an exceptional gain from change in depreciation policy.



## Margins (%)



## Leverage & Returns



## Corporate Social Responsibility

### Community Development

Need-based analysis of the social impact of business

### Gender Empowerment

Setting up of 4 counselling centres at the General Hospitals of Mumbai & Thane district for victims of domestic violence

### Awareness & Education

Construction & development of a multipurpose hall at Manav Mandir High School

### CSR Strategy

Here at Tribhovandas Bhimji Zaveri Ltd., we integrate Corporate Social Responsibility as a business strategy that shapes the values underpinning our Company's mission and the choices made each day by its executives, managers and employees as they engage with society. We believe that social investment defines the essence of corporate citizenship, and that every company should apply them in a manner appropriate to its distinct needs: minimising harm, maximising benefit, being accountable and responsive to stakeholders, and supporting strong financial results.

We hereby, pledge to conduct our business complying with the most socially responsible behaviour as a corporate entity and deliver our maximum potential in uplifting the underprivileged sections of the society, hence contributing towards nation-building.



**Ms Binaisha Zaveri**  
Whole-time Director  
Tribhovandas Bhimji Zaveri Ltd.



## Community Development- Phase I

TBZ - The Original initiated its CSR activities focussing on the upliftment of the jewellery community by conducting a need-based analysis with all the karigars and jewellery vendors and suppliers. This was a two-month study under which 77 gold & diamond company owners and karigars were interviewed and surveyed through a questionnaire.

The objective of the activity was to understand the socio-economic impact of our business on the lives of karigars and the community in general, and then to select an intervention group to develop and implement socially responsible projects for them.

Key findings of the study were:



Towards the end of the study, it was concluded that the impact of the business was largely negative when it came to women, even though they form a major stakeholder segment, this being a jewellery brand and the customer base being mainly women. This showed the way forward in developing the second phase, which was about women's empowerment projects.

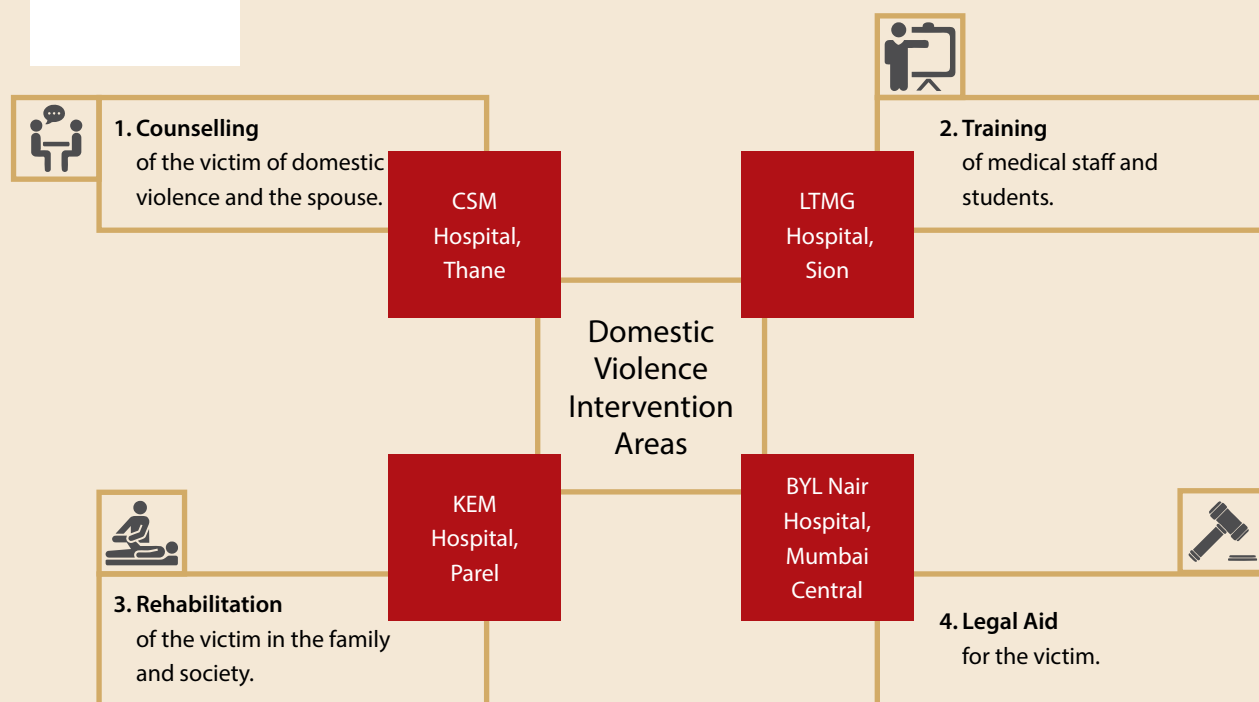


Diagram showcasing the approach of the project on prevention of domestic violence

## Gender Empowerment - Phase II

The fifth Sustainable Development Goal (SDG) of the United Nations describes gender equality not only as a fundamental human right for women, but also a necessary foundation for a peaceful, prosperous and sustainable world. It further states that while the world has achieved some progress towards gender equality and women's empowerment under the Millennium Development Goals (including access to primary education for girls and boys), women and girls continue to suffer discrimination and violence in every part of the world.

One of the targets of this SDG is eliminating all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.

Globally, 15-71% of women suffer physical, psychological or sexual intimate partner violence. Studies show that 33-60% of Indian women have faced spousal violence and 28% of married urban women have experienced physical violence.

The past decade has witnessed a 120% increase in reported gender-based crimes; more than 300,000 such crimes were reported in 2013. Maharashtra alone witnessed a 47% increase in gender-based crime in 2013 from the previous year. Sexual assault accounted for 18% of gender-based crimes in Mumbai; such figures highlight the domestic and global magnitude of the problem.

We realised that the issue was such that it would connect with all stakeholders of TBZ - The Original; it was also understood that there was a huge gap in implementation. Hence, the Company explored collaboration with organisations that delivered on-ground impact and focussed on pooling resources to scale up the work.

One of the organisations with which TBZ - The Original has collaborated is SNEHA - a Mumbai-based non-profit, which believes that investing in women's health is essential for viable urban communities. SNEHA works in four public health domains: maternal and new-born health; child health and nutrition; adolescent health and sexuality; and prevention of violence against women and children.

### The objectives of the project were:

- To integrate counselling and crisis intervention services in the public health system.
- To increase the identification, reporting and referral of cases of gender-based violence by health care providers through the use of technology.
- To facilitate the implementation of protocols to respond to cases of gender-based violence.
- To provide need-based and timely referrals to the victims of domestic violence.

### Project implementation:

Under the project, TBZ - The Original along with SNEHA established crisis cells, now known as Women's OPDs (out-patient departments) in four general hospitals.

### The activities conducted were:

- Ensured full-time running of Women's OPDs in partnership with the staff of Lokmanya Tilak Municipal General Hospital, Sion; King Edward Memorial Hospital, Parel; BYL Nair Charitable Hospital, Mumbai Central; and



Chhatrapati Shivaji Maharaj Hospital, Thane. The OPDs help survivors of gender-based violence with crisis intervention and counselling.

- Contributed to increasing health care providers' awareness and understanding of violence against women and children for referral of cases.
- Enhanced the capacity of health care providers to screen and respond to women and children facing violence in a timely, appropriate, and sensitive manner and to properly document cases of abuse.
- Established operational policies, partnerships and referral services in public hospitals to facilitate response to and referral of those affected by gender-based violence.
- Organised legal consultation to women and children facing violence.
- Conducted sensitisation training for six key departments (Psychiatry, Gynaecology & Obstetrics, Medicine, Surgery, Orthopaedics, and Paediatrics) on screening of domestic violence victims.

## Awareness & Education

TBZ - The Original has contributed towards the construction of a multipurpose hall at Manav Mandir High School, Walkeshwar, Mumbai district. This was done within the approved CSR project for educational infrastructural development for the year 2015-16.

The hall, which has 152 sq.m plinth area with complete electrification, and ladies and gents toilet facilities, was handed over to the school authorities at a grand inaugural function on June 17, 2016. It was inaugurated by Binaisha Zaveri, Director, TBZ - The Original. Members of the Company's CSR Committee, school staff, students and the trustees of Manav Mandir Trust were also present.

The facility provided by TBZ - The Original will be utilised as a co-curricular learning centre, prayer assembly during the monsoon season, school meetings, programmes, medical camps, government programmes on social issues etc.



## Awards



During the year under review, the Company was bestowed with the following awards:

### 2015

#### **11<sup>th</sup> Annual Gemfields & Nazraana Retail Jeweller India Awards 2015 in two categories:**

360 Degree Marketing Campaign of the year, and  
Social Media Marketing Campaign of the year

### 2016

#### **“Best Necklace Design Award”**

Under the category of necklace design under  
₹ 10,00,000 at “JJS-IJ Jewellers’  
Choice Design Awards 2015” at Jaipur



## Management Discussion and Analysis

### Global economy

The global economy, after having grown by 3.4% in FY2014 and showing signs of recovery, witnessed a slightly lower growth of 3.1% in FY2015 amid slowdown in investments, declining oil prices, and capital flows to emerging economies, geopolitical tensions etc.

Growth in the emerging and developing nations slowed down from 4.6% in FY2014 to 4% in 2015, owing to consolidation and rebalancing in China's economy and recession in Brazil and Russia. In FY2015, China grew 6.9% (compared to 7.3% in FY2014), while the economies of Brazil and Russia registered negative growth figures of -3.8% and -3.7% respectively, down from 0.1% and 0.7%, respectively, in FY2014.

The growth rate in advanced economies remained constant at 1.9%. Recovery in the euro area, which grew at 1.7% in FY2015 compared to 0.9% in FY2014, was offset by the shrinking economies of the UK (down to 2.2% from 3.1%) and Canada (down to 1.1% from 2.5%), even as the powerful US economy remained stable at 2.4% in FY2014 and FY2015.

Unfavourable demographics, lingering after-effects of the global financial crisis and low productivity weighed down some of these economies.

The world GDP figure is estimated to be 3.1% in 2016 and 3.4% in FY2017. The impact of Brexit will be mostly felt in the euro area with minimal impact on the global economy. However, with rising uncertainty, concerns of China's unwinding of prior excesses, global volatility in asset market, decelerating growth rate in advanced economies, macro-economic problems in the emerging and low-income countries and other non-economic stresses may result in weaker growth. (Source: World Economic Outlook, July 2016 – International Monetary Fund)

### Indian economy

The Indian economy witnessed another successful year, growing at 7.6% (based on the revised base of FY2011-12) in FY2015-16 compared to 7.2% in FY2014-15. Private consumption rose following weaker oil prices and higher real incomes. The economy grew strongly in Q1 and Q2 FY2015-16 at 7.5% and 8.3% respectively. However, in the second half, the fiscal activities slowed due to declining investments, weak rural consumption, ongoing fiscal consolidation and deficit rainfall impacting agricultural productivity. Inflation and fiscal deficit remained under control, falling down to 4.83% and 3.99% respectively as on March 31, 2016, driven by tighter monetary policy, lower commodity prices and supply side measures. The foreign exchange reserves reached an all-time high of USD 361.30 bn in April 2016.

### Sector-wise growth in Gross Value Added (GVA)

| (In %)                            |         |         |
|-----------------------------------|---------|---------|
| Sectors                           | 2014-15 | 2015-16 |
| Agriculture and Allied Activities | -0.2    | 1.2     |
| Industry                          | 6.5     | 7.4     |
| Services                          | 9.4     | 8.9     |



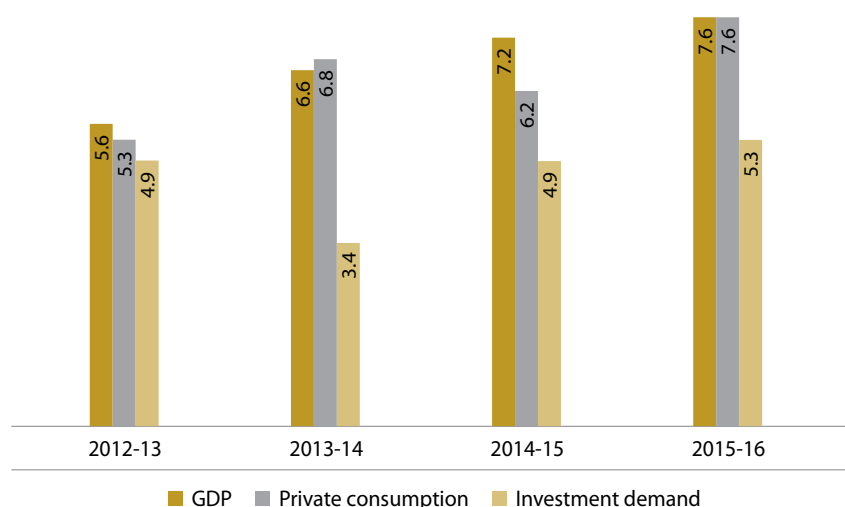
## USD 38.59 bn

Indian gems and jewellery industry contributed to the country's foreign exchange earnings.

The exceptional performance of the Indian economy was primarily driven by strong growth in the manufacturing activities, where GVA grew from 5.5% in FY2014-15 to 9.3% in FY2015-16. The services sector continued expanding at nominal rates, whereas the agriculture sector witnessed a marginal growth despite deficient rainfall.

Government of India measures – thrust on 'Make in India'; improving infrastructure; commitment to fiscal targets; and focus on 'Start-up India' for boosting entrepreneurship – is likely to create positive economic environment. Also, a forecast of above normal rainfall would drive higher growth in agriculture. With these factors, the real GDP growth in India is expected to be 7.6% in FY2016-17. (Source: RBI: Monetary Policy Report, Central Statistics Office)

**Year-on-year changes in GDP, private consumption and investment demand (in %)**



### Gems and jewellery industry review

India is a major hub for the global jewellery market, owing to its low-cost and highly-skilled labour advantage. The gems and jewellery sector contributes nearly 6-7% to the country's GDP, 15% to the export basket and provides employment to nearly 2.5 million people. It is considered an important focus area for export promotion by the Government of India, with a high growth potential. India is

also the world's largest diamond-cutting and polishing centre and second largest gold jewellery centre. The country exports 95% of the world's diamonds, as per statistics from the Gems and Jewellery Export Promotion Council.

In FY2015-16, the Indian gems and jewellery industry contributed USD 38.59 bn to the country's foreign exchange earnings. (Source: Indian Brand Equity Foundation, Gems & Jewellery Export Promotion Council)

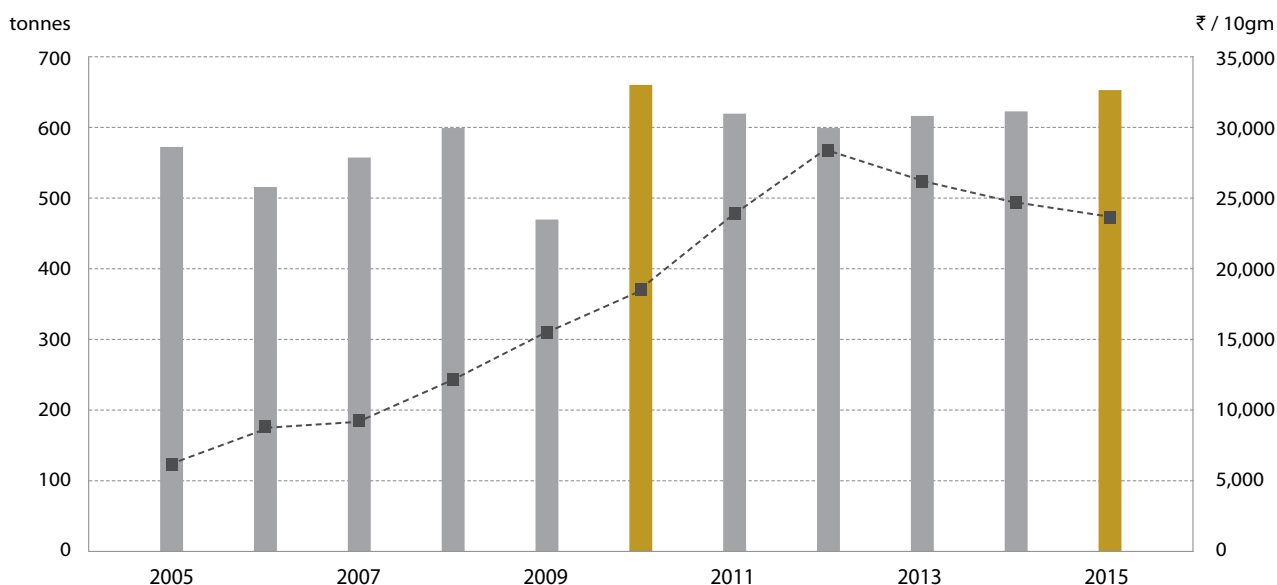
### Domestic jewellery industry update

**Demand:** The gold jewellery demand in India during FY2015 increased 5% to 654.3 tonnes, its highest growth since 2010. The demand picked up significantly during November and December, thanks to Diwali and the wedding season coupled with low gold prices. (Source: World Gold Council)

The overall demand for jewellery in India is expected to be around 825 tonnes in FY2016 despite the levy of 1% excise duty on manufacturing. Although, the sector is likely to record 5-6% value growth, as organised players expand and rural demand increases. (Source: ICRA ratings)

**5% increased**  
gold jewellery demand in  
India during FY2015

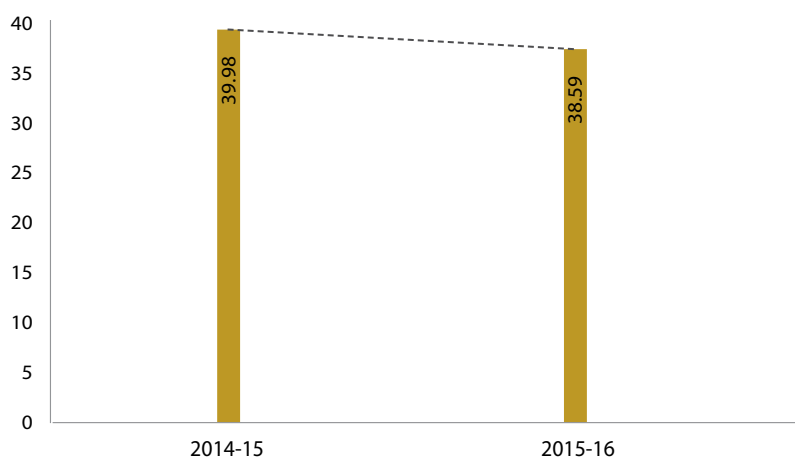
### Gold jewellery demand in India



(Source: ICRA ratings)

**Exports and imports:** The overall exports of gems and jewellery from India declined by 3.48% in FY2015-16 compared to the previous year, owing to a slowdown in the global economy.

### Exports of Gems and Jewellery (USD billion)



(Source: Gems & Jewellery Export Promotion Council)



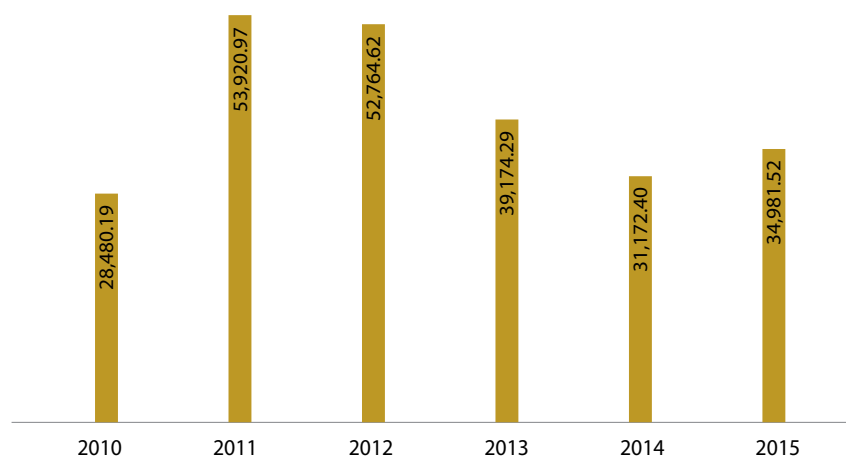
The decline was primarily driven by a sharp fall in exports of cut and polished diamonds (CPD) by 13.69% from USD 23.16 bn in FY2014-15 to USD 19.99 bn in FY2015-16 and gold jewellery by 13.03% from USD 9.90 bn in FY2014-15 to USD 8.61 bn in FY2015-16. This fall was partly compensated for by a surge in exports of gold medallions and coins, and silver jewellery. CPD, gold jewellery and silver jewellery accounted for 52%, 22% and 8%, respectively, of overall gems and jewellery export. The UAE was the top export market, accounting for 32% of

the exports, followed by Hong Kong and the US, accounting for 28% and 22%, respectively. (Source: Gems & Jewellery Export Promotion Council)

During the festive season in FY2015, as international gold prices fell, imports rose significantly. In December, the import figure crossed 100 tonnes. By December, the total gross import in FY2015 crossed 900 tonnes, and total value was almost USD 35 bn, compared to gold imports of USD 31.17 bn in FY2014. (Source: Business Standard)



### Gold imports (USD million)

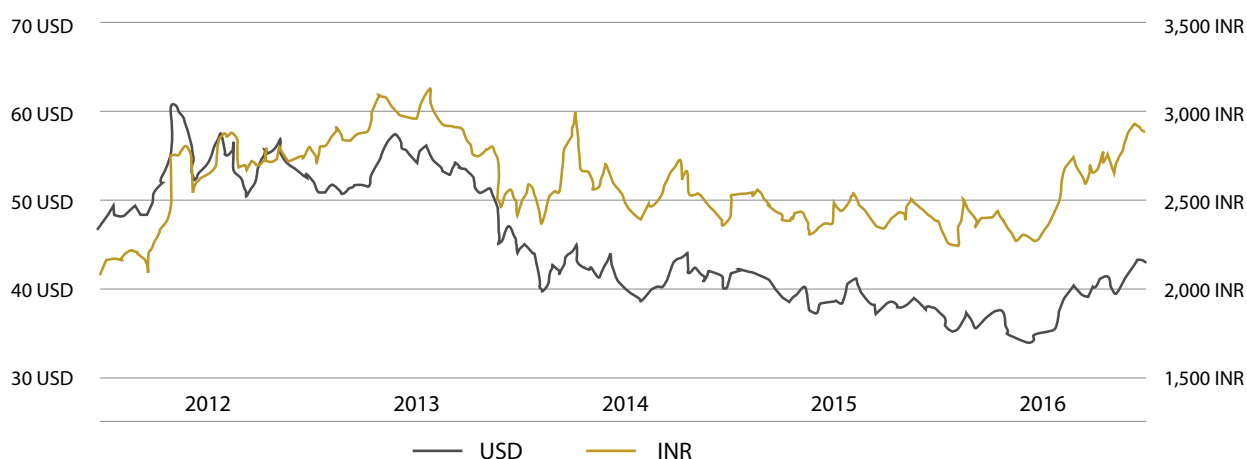


(Source: [http://www.business-standard.com/article/markets/gold-import-bill-up-12-reaches-35-bn-in-2015-116011600181\\_1.html](http://www.business-standard.com/article/markets/gold-import-bill-up-12-reaches-35-bn-in-2015-116011600181_1.html))

### Gold price trends

#### Gold Price

Source: LBHA, Datastream, BullionDesk/FastMarkets, World Gold Council



(Source: <http://www.gold.org/investment/interactive-gold-price-chart>)

### Domestic jewellery - industry structure

The Indian gems and jewellery market comprises jewellery (gold and silver), diamonds, coloured stones and pearls, among others. Gold jewellery accounts for about 80% of the market, followed by diamond and platinum jewellery with 19% and 1% share, respectively. The organised sector accounts for about 22%

of the total market share. However, an increasing number of large showrooms with diverse products, guarantee for purity and value for money have quickly gained trust among customers.

Driven by these factors, the organised sector is expected to grow at a steady pace and increase its market share in the future.



### Recent regulatory scenario

The major regulatory changes announced in the Union Budget 2016-17 include:

#### Sector-wise growth in Gross Value Added (GVA)

|                                                                                   |                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Excise Duty</b>                                                                | Imposition of 1% excise duty without input tax credit or 12.5% with input tax credit on articles of jewellery (which excludes silver jewellery, other than studded with diamonds and some other precious stones)                                                                                                      |
| <b>Documentation</b>                                                              | Mandatory furnishing of PAN card for gold jewellery transactions above ₹ 2,00,000 from the earlier level of ₹ 5,00,000                                                                                                                                                                                                |
| <b>Gold Monetisation Scheme</b>                                                   | Introduction of Gold Monetisation Scheme, as a replacement for Gold Deposit and Gold Metal Loan Schemes. This shall allow depositors of gold earn interest in their metal accounts and jewellers to obtain loans in their metal accounts. The move shall further trim imports and alleviate pressure on trade balance |
| <b>Sovereign Gold Bond Scheme</b>                                                 | In consultation with the Ministry of Finance, the Union Cabinet also approved an introduction of Sovereign Gold Bond Scheme, which would allow issuance of gold bonds in denominations of grams by RBI                                                                                                                |
| <b>Is this a regulatory measure? MoU between India and Russia for source data</b> | A Memorandum of Understanding (MoU) between India (a leading global processor of diamonds) and Russia (the largest producer of rough diamonds) to source data on diamond trade between two countries                                                                                                                  |

### Gems and jewellery outlook

The Indian gems and jewellery market is expected to witness consistent growth, driven by evolving lifestyle, strong economic momentum and improvement in demand from Tier II and Tier III cities and rural markets. The industry is likely to grow at a compounded annual rate of nearly 16% to reach ₹ 5.5 trillion by FY2018. Rising penetration of large organised retailers, having wider product range and designs, is likely to be a major contributor to growth.

### Opportunities and threats

#### Opportunities

The major growth drivers for the industry are:

- **Safe investment:** Gold is one of the best performing and most stable assets across the globe over the long run.
- **Traditional demand:** In India, gold demand is mostly for jewellery and, of that, 50-60% is for weddings. With nearly 50% of India's population being under the age of 29, and about 15 million weddings expected annually in the next decade, the demand for gold jewellery shall be steady.

- **Rising disposable income:** The per capita income in India rose from ₹ 49,492 in FY2010 to ₹ 93,231 in FY2015 and is expected to increase to ₹ 1,00,000 by FY2017. Growing disposable income is expected to drive demand for gems and jewellery in the country. (Source: Business Standard)
- **Rising literacy rates:** Literacy rates in India have increased from 64.8% in FY2001 to 72.99% in FY2011. The rising literacy and increasing awareness of gold's returns and stability shall prompt individuals to purchase jewellery and coins for investment.

- **Penetration of organised players:** Organised retailers, expanding aggressively, are expected to contribute increasingly to the growth of the industry. The organised sector is capitalising on its financial strength, trust factor, product portfolio, quality, and ability to provide various financing options to customers.
- **Rising female workforce:** With increasing job opportunities, rising demand for skilled labour and for India to maintain its growth momentum, there is a drive to encourage participation of women. Women being primary consumers of gold jewellery, their increasing entry into the workforce and disposable income would drive demand. (Source: The Hindu)
- **New demand:** In India, jewellery purchase was mostly limited to weddings and festivals. However, with growing Westernisation and increasing disposable income, the demand for fashion jewellery in precious metal and precious stones is growing, too.

#### Threats

**Changing consumer preferences:** The gems and jewellery sector, being driven by latest fashion and trends, is highly

fluctuating in nature with consumer preference changing quickly. This can severely impact the liquidity position of the Company, in case products do not match the consumer requirements.

**Competition from unorganised players:** The unorganised sector dominates the gems and jewellery industry in India, accounting for about 78% share. These players are mostly family jewellers having strong and long-standing relationship with middle-class consumers.

### Company overview

Tribhovandas Bhimji Zaveri Limited (TBZ - The Original) is a 150-year-old jewellery manufacturer that began operations from one store in Zaveri Bazaar (Mumbai). Over the years, the Company earned huge trust and confidence from customers to emerge as a leading player. Today, it has established itself to become one of the leading premium jewellery brands in India. TBZ - The Original has always followed a customer-centric approach to create a strong brand connect.

Focussing on innovation and nurturing people skills, TBZ - The Original is renowned for its exclusive jewellery designs, manufactured through world-class processes and technology, the products conforming to the highest

specifications. Product offerings cater mainly to the wedding and fashion segments.

Our in-house design strength, combining traditional craftsmanship with modern research and computer-aided design, and in-house diamond jewellery manufacturing capability result in market-leading collections.

TBZ - The Original's strong intellectual capital with varied experience across business domains ensures optimal sourcing, quality and cost control, giving it an edge over unorganised players.

#### Pan-India presence

Company operations are spread across 23 cities in 10 Indian states with a total retail space of 98,200 sq. ft. The Company has a total of 30 showrooms, including its first 'franchisee owned, franchisee operated' store in Dhanbad. Three more FOFO stores are to open in Patna, Ranchi and Jaipur.

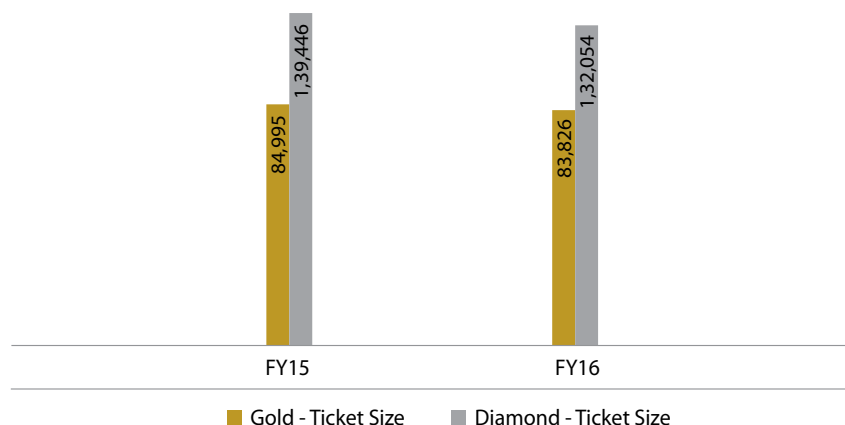
#### Product portfolio

TBZ - The Original is well known for its product quality, trend-setting designs and intricate craftsmanship. Our product portfolio includes:

|                                       |                                                                                                                                                                                                                                         |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Product range</b>                  | Rings, earrings, pendants, bracelets, necklaces and bangles                                                                                                                                                                             |
| <b>Product mix</b>                    | Plain gold, diamond-studded, semi-precious stone-studded, diamond-studded platinum jewellery, jewellery with coloured stones in gold and diamond, loose diamond solitaires, loose precious and semi-precious stones and jadau jewellery |
| <b>Signature jewellery collection</b> | The Temple Jewellery Collection, Surprise Collection, Necklace Collection and the Showstoppers Collection                                                                                                                               |

| Business segment | Revenues      | Proportion of total revenue | Operations                                                                                                                                       |
|------------------|---------------|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Diamond          | ₹ 355.26 cr   | 21%                         | Diamond-studded jewellery is manufactured at the Company's manufacturing unit in Kandivali, Mumbai.                                              |
| Gold             | ₹ 1,258.14 cr | 76%                         | Gold jewellery is manufactured by artisans (karigars) spread across India, based on their skills for manufacturing a particular jewellery style. |

## Average Ticket Price (₹)



## Differentiating capabilities

### Brand name

TBZ - The Original is undoubtedly one of the most recognised jewellery brand names in India. The Company undertakes various sales promotion activities to ensure high visibility and strong brand recall. It also leverages the reach of social media to spread awareness and news on every product launch, garnering attention from potential new customers alongside its existing consumer base.

### Personalised attention

The Company's retail outlets provide an exquisite and customer-friendly shopping experience through the use of contrasting colours, stylish product display, ambient lighting, elegant and appealing interiors, comfortable seating and extremely well-trained sales executive. Patrons receive personalised attention and customised services, with an added facility to consult the senior showroom staff of the TBZ - The Original team. The retail outlets stock a wide range of innovative and attractive jewellery designs for fashion-conscious men and women. The Company also provides the value-added service of manufacturing custom-made products. Employees are imparted with regular training for product knowledge development and customer approach skills.

### Product design & range

TBZ - The Original has a wide range of product designs catering to diverse cultural requirements (traditional Indian,

Western, Indo-Western) and price segments based on socio-economic backgrounds. The Company has an experienced team of skilled designers (including trained computer-aided designers) capable of developing collections for various occasions and tastes. A number of new collections – about eight on an average – for the wedding and fashion markets are introduced every year to keep the brand dynamic and always fresh for consumers. When a TBZ - The Original showroom opens in a new region, the store has designs based on the local jewellery heritage but given a contemporary makeover.

### Manufacturing facilities

The Company's state-of-the-art manufacturing facility is equipped with gem-testing labs, carat meters and various advanced machinery to ensure the highest quality. Most of the production is done in-house and a small portion is procured from recognised vendors and suppliers.

### Strong supply chain relations

The Company enjoys long-term relationships with leading gold and diamond suppliers (to ensure the quality and availability of raw materials at the best rates) and best in the industry karigars (to ensure the quality of manufactured products).

### Efficient inventory management

The Company uses automated systems for efficient inventory management.

This eliminates any form of manual errors and further enables the Company to undertake important inventory planning decisions for each showroom.

## Growth strategy for FY2017

### Focus on innovation and quality

Fashion trends in jewellery are changing faster than expected. The Company focusses on developing innovative product designs with the best possible craftsmanship and finish to match the evolving customers' expectations both in terms of price and quality. Through this strategy, the Company aims to reduce ageing of stocks and gain market share.

### Asset-light model of expansion

The Company focusses on the franchisee-based asset-light expansion model, reaching out to a wider gamut of customers across new geographies. It has also ventured into e-commerce through a tie-up with Snapdeal, Amazon and Flipkart; an exclusive line of daily wear diamond jewellery was launched on these major platforms, besides selling TBZ - The Original gold coins.

The franchising opportunity shall provide entrepreneurs across India an opportunity to open TBZ - The Original stores and market the brand's product, comprising more than 20,000 in-house designs.

### Enhancing shareholder value

The Company has focussed on enhancing shareholder value by improving margins through various initiatives that include:

- Expansion based on the FOFO (franchisee owned, franchisee operated) model that is “asset-light” and shall reduce overheads and financing cost of the Company during store network expansion.
- Complete rationalisation of diamond inventory to enhance liquidity for working capital expenses.
- Re-launching the ‘Kalpavruksha’ scheme that eventually results in increased revenues and a huge loyal customer base.
- Enhancing the gold inventory procurement through gold on lease, which safeguards from commodity price fluctuations and reduces interest cost.

### Research & development

The Company understands the importance of research and development in an ever-changing business scenario. It lays great emphasis on knowledge management

and absorption of new technologies for greater operational efficiencies, product quality, innovation and fresher product designs, in a drive to maximise sales and profitability. The Company has invested in technologies that can, among other things, enable product tracking during the entire manufacturing process.

### Management outlook

The demand for branded jewellery is rising in India owing to quality and trust factors. This has led to an explosion of jewellery retail stores across the country. TBZ - The Original is poised to capitalise on this by spreading its operations and winning over new customers with its unique design appeal. It aims to leverage its position as a highly prestigious jewellery brand to reach out to customers who are increasingly aspirational and sophisticated.

Going forward, TBZ - The Original aims to increase its market share, revenues and profitability to maximise shareholder value. The Company intends to target customers from several economic segments, encouraging them to invest in jewellery that is both a fashion statement and an asset whose value appreciates over time.



## Financial Overview

| Financial particulars:                                  | (₹ in lakhs) |             |
|---------------------------------------------------------|--------------|-------------|
|                                                         | FY2015-16    | FY2014-15   |
| Operating Income                                        | 1,65,477.72  | 1,93,419.57 |
| Gross Profit                                            | 23,527       | 26,411      |
| EBITDA                                                  | 4,418.39     | 8,934.79    |
| Finance Cost                                            | 5,569.48     | 5,021.68    |
| Depreciation & Amortisation                             | 1,008.51     | 837.95      |
| Profit Before Tax                                       | (2,159.60)   | 3,948.95    |
| Profit After Tax                                        | (2,312.98)   | 2,604.09    |
| Basic Earnings Per Share (EPS) (₹)                      | (3.47)       | 3.90        |
| Dividend per Share – Normal (₹)                         | NIL          | 1.00        |
| Dividend per Share – Special (₹)                        | NIL          | NIL         |
| Networth                                                | 44,243.31    | 46,555.19   |
| Short-term Borrowings (including working capital loans) | 63,835.89    | 56,671.04   |
| Borrowings                                              | 65,045.74    | 58,325.76   |
| Inventory                                               | 1,12,564.02  | 1,11,367.47 |
| Debtors                                                 | 69.05        | 79.54       |
| Net Block                                               | 10,530.57    | 10,933.42   |
| Cash & Bank Balance                                     | 3,833.68     | 3,254.71    |

## Operating Revenue

The total operating revenue of the Company has declined 14.45% from ₹ 1,93,419.57 lakhs in FY2015 to ₹ 1,65,477.72 lakhs in FY2016. The drop in revenues was mainly on account of the nationwide jewellers' agitation against the imposition of 1% excise duty in the month of March 2016. The revenues from gold and diamond business declined 13.6% and 18.1% respectively during the year. The proportion of revenues from the gold business increased from 75.3% of total sales in FY2015 to 76% in FY2016, while that of the diamond business declined from 22.4% in FY2015 to 21.5% in FY2016. The same store sales registered a decline of 16.5% in FY2016.



## Gross Profit

The Company's gross profit decreased 10.92% from ₹ 26,411 lakhs in FY2015 to ₹ 23,527 lakhs in FY2016, as sales in absolute numbers declined. However, in terms of margins, it increased 56 basis points from 13.7% in FY2015 to 14.2% in FY2016 due to favourable gold demand mix and lower discounting.

## EBITDA

The Company's EBITDA declined 50.55% from ₹ 8,935 lakhs in FY2015 to ₹ 4,418 lakhs in FY2016, while EBITDA margin declined 195 basis points from 4.62% in FY2015 to 2.67% in FY2016. The decline in EBITDA margin was primarily on account of increase in employee costs by 16.28% and a hedging loss of ₹ 950 lakhs.

## Profit after Tax

The Company's PAT was wiped out, declining from ₹ 2,604.09 lakhs in FY2015 to reach a loss of ₹ 2,312.98 lakhs in FY2016 due to a drop in sales and lower EBITDA margins, which were insufficient to meet the increased financing costs of ₹ 5,569.48 lakhs in FY2016 compared to ₹ 5,021.68 lakhs in FY2015.

## Networth

The Company's Networth decreased from ₹ 46,555.19 lakhs as on March 31, 2015, to ₹ 44,243.31 lakhs as on March 31, 2016.

## Reserves

The Company's reserves decreased from ₹ 39,883.2 lakhs on March 31, 2015 to ₹ 37,570.25 lakhs as on March 31, 2016, due to the net loss during the year. It comprises securities premium, general reserve and profit & loss account.

## Borrowings

The Company's book debts as on March 31, 2016, stood at ₹ 65,045.74 lakhs as compared to ₹ 58,325.76 lakhs on March 31, 2015. The debt to equity ratio increased from 1.25 in the previous year to 1.47 in the current year.

## Risk & Concerns

### Economic risks

Economic slowdown, rising inflation and interest rates, declining disposable income and low consumer confidence can adversely impact jewellery sales.

The current Indian economic scenario is quite strong as commodity prices and interest rates have declined. Consumer confidence is also quite high, which is likely to enhance jewellery sales. In India, jewellery demand has always been associated with weddings and other traditional occasions, and the relatively young population of this country means millions more weddings and corresponding jewellery sales.

### Margin risks

Inability of the Company to control costs can lead to lower profitability and, therefore, can impact expansion prospects.

The Company has selectively resorted to expansion through a franchisee model that would enhance sales and EBITDA margins, as the Company would save on overheads costs and interest costs. The re-launch of the 'Kalpavruksha' scheme has enhanced the liquidity position of the Company, resulting in lower utilisation of bank limits. The Company looks forward to complete rationalisation of its diamond inventory, which would lead to enhanced operating cash flows to meet working capital expenses and aid a reduction in debt cost. The Company also intends to enhance the percentage of procurement of gold through gold on lease to reduce debt cost.

These strategic initiatives shall enable the Company to increase its margins, EBITDA and PAT thereby enhancing shareholder value. It shall ensure that the Company's Balance Sheet is leaner, stronger and healthier.

### Competition risks

The jewellery market in India is highly competitive, with the unorganised accounting for a much larger share in the market.



The Company's 150+ years of experience, unique designs, high quality and widest product portfolio in the industry allows it to cater to diverse segments of customers and cultural leanings, separating TBZ - The Original from competitors. It enjoys a leadership position in the wedding jewellery segment. The Company's customer-centricity provides patrons an exclusive shopping experience. Schemes like 'Kalpavruksha' allow customers to buy gold through EMIs, making purchases easy and attractive. The Company also creates strong brand visibility through striking advertisements and campaigns.

#### **Raw material risks**

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

TBZ - The Original has centralised procurement policy, whereby the team anticipates stock requirement and makes bulk purchases at a time when gold prices are low. The economies of scale and correct procurement timing enable the Company to significantly reduce raw material cost. Relationships with major suppliers ensure timely availability. The Company procures a certain quantity of gold on lease from banks, buying the gold on a daily basis on the actual sales made by it. This model safeguards the Company from gold price fluctuation and cuts interest costs.

### **Human Resources**

Human resource is a significant function at TBZ - The Original, as much of the operations involve directly dealing with members of the public who are looking to make an expensive purchase. Employees are considered a critical aspect of business growth and sustainability. The Company has a diverse employee base with unique creative skills, technical knowledge and functional proficiency. Employee skills are regularly upgraded through training, which includes training in the latest manufacturing technologies.

The Company ensures a safe, conducive and productive work environment. HR policies nurture a work culture that leads to employee satisfaction, unflagging motivation, and high retention. During the year under review, there were no complaints from employees. As on March 31, 2016, the Company had a total of 1,501 employees.

### **Internal Controls**

The Company has a well-defined and structured internal control mechanism, commensurate with the size and nature of the business. The Company follows stringent procedures to ensure accuracy in financial information recording, asset safeguarding from unauthorised use, and compliance with statutes and laws. The Company conducts its internal audit through a well-known audit firm that regularly monitors the operations and

its observations and recommendations are discussed with the Management and Audit Committee. The internal audit team independently reviews and strengthens the control measures.

Moreover, the Company has invested in state-of-the-art information technology for security and protection of sensitive data. The Company is also a certified partner in C-TPAT (Customs-Trade Partnership against Terrorism) that aims to improve supply chain security worldwide. The Company stringently follows the security criteria, best practices and implementation procedures stipulated under C-TPAT.

### **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, 2015-16.*

# NOTICE

**Notice is hereby given that the Ninth 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 Monday, 19<sup>th</sup> September, 2016 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, 2016, including audited Balance Sheet as at 31<sup>st</sup> March, 2016, 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 appoint a Director in place of Ms. Raashi Zaveri (DIN: 00713688), who retires by rotation and being eligible, offers herself for re-appointment.
3. To ratify the appointment of Statutory Auditors 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), the Company hereby ratifies the appointment of M/s. B S R & Co. LLP (Firm Registration No. 101248W/W-100022), Chartered Accountants, Mumbai as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the tenth AGM of the Company to be held in the year 2017 at a remuneration as may be decided by the Board of Directors.”

## **SPECIAL BUSINESS:**

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

**“RESOLVED THAT** pursuant to Sections 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and subject to approval of the Central Government and any other statutory authority, as may be required, consent of the members be and hereby accorded for reappointment of Mr. Shrikant Zaveri (DIN: 00263725) as Chairman &

Managing Director of the Company for a period of 5 (Five) years with effect from 1<sup>st</sup> January, 2016 (i.e. from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2020) and on the terms and conditions as detailed in the explanatory statement attached hereto and the draft salary agreement for the said appointment and fixing of the remuneration for 3 (Three) years with effect from 1<sup>st</sup> January, 2016 (i.e. from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2018) with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or salary agreement in such manner as may be agreed to between the Board of Directors and Mr. Shrikant Zaveri.

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

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

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

**“RESOLVED THAT** pursuant to Sections 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and subject to approval of the Central Government and any other statutory authority, as may be required, consent of the members be and hereby accorded for reappointment of Ms. Binaisha Zaveri (DIN: 00263657) as Whole-time Director of the Company for a period of 5 (Five) years with effect from 1<sup>st</sup> January, 2016 (i.e. from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2020) and on the terms and conditions as detailed in the explanatory statement attached hereto and the draft salary agreement for the said appointment and fixing of the remuneration for 3 (Three) years with effect from 1<sup>st</sup> January, 2016 (i.e. from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2018) with authority to the Board of Directors to alter and vary the terms and conditions of

# NOTICE

the said re-appointment and / or salary agreement in such manner as may be agreed to between the Board of Directors and Ms. Binaisha Zaveri.

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

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

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

**"RESOLVED THAT** pursuant to Sections 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and subject to the approval of the Members by way of Special Resolution at the ensuing Annual General Meeting of the Company and approval of the Central Government and any other statutory authority, as may be required, consent of the members be and hereby accorded for reappointment of Ms. Raashi Zaveri (DIN: 00713688) as Whole-time Director of the Company for a period of 5

(Five) years with effect from 1<sup>st</sup> January, 2016 (i.e. from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2020) and on the terms and conditions as detailed in the explanatory statement attached hereto and the draft salary agreement for the said appointment and fixing of the remuneration for 3 (Three) years with effect from 1<sup>st</sup> January, 2016 (i.e. from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2018) with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or salary agreement in such manner as may be agreed to between the Board of Directors and Ms. Raashi Zaveri.

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

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

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 3<sup>rd</sup> August, 2016

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

**Registered Office:**  
241 / 43, Zaveri Bazar,  
Mumbai - 400 002, India.  
CIN: L27205MH2007PLC172598

# NOTICE

## NOTES:

1. **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.**
2. 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. 3, 4, 5 and 6 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 and to consider re-appointment of Mr. Shrikant Zaveri, Chairman & Managing Director, Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors of the Company and fixing terms of appointment and remuneration at the ensuing Annual General Meeting as set out in item nos. 2, 4, 5 and 6 of the Notice, are 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 **Tuesday, 13<sup>th</sup> September, 2016 to Monday, 19<sup>th</sup> September, 2016** (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 1500, (040) 6716 2222 Fax No: +91 (040) 2342 0814. 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.

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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 2016 – 2017.

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 2015

– 2016 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 2015 – 2016 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).

# NOTICE

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 9<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 send 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 9<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 9<sup>th</sup> Annual General Meeting and the Annual Report 2015 – 2016 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 9<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 9<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 9<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.

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(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<br>(E-voting Event<br>Number) | USER ID | PASSWORD/PIN |
|------------------------------------|---------|--------------|

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

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. **Monday, 12<sup>th</sup> September, 2016** 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. **Monday, 12<sup>th</sup> September, 2016**, 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 (040) 6716 1500 / 2222 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 Wednesday, 14<sup>th</sup> September, 2016 (9.00 a.m. IST) and ends on Sunday, 18<sup>th</sup> September, 2016 (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 Monday, 12<sup>th</sup> September, 2016, 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 Monday, 12<sup>th</sup> September, 2016.

(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.

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- (viii) The scrutinizer shall, immediately after the conclusion of voting at the 9<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 atleast 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 favour 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 9<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

Place: Mumbai  
Date: 3<sup>rd</sup> August, 2016

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

**Registered Office:**  
241 / 43, Zaveri Bazar,  
Mumbai - 400 002, India.  
CIN: L27205MH2007PLC172598

# NOTICE

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

### Item No. 3

#### To ratify the appointment of 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.

The shareholders of the Company have appointed B S R & Co. LLP (Firm Registration No. 101248W/W-100022), Chartered Accountants, Mumbai as the Statutory Auditors of the Company for the period of four years at the seventh Annual General Meeting (AGM) of the Company held on 24<sup>th</sup> September, 2014, to hold office from conclusion of the seventh AGM till conclusion of the eleventh AGM to be held in 2018.

As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM.

Accordingly, ratification of the members is being sought for appointment of statutory auditors as per the proposal contained in the Resolution set out at item no. 3 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. 3 of the Notice for the approval of the Members.

### Item No. 4

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

The proposal for the reappointment of Mr. Shrikant Zaveri (DIN: 00263725) as Chairman & Managing Director of the Company will be placed before the members. The members are informed that Mr. Shrikant Zaveri has spearheaded the Company since its incorporation as a private limited company and even much before that when it was in existence as the Partnership firm. Mr. Zaveri has contributed for more than 34 years for TBZ. He has contributed immensely to the growth of the business and it has been his untiring effort which has brought the Company to its current position. His contribution has been immense and his dedication has been absolute.

The members are further informed that the previous term of appointment of Mr. Shrikant Zaveri, Chairman & Managing Director of the Company as per the approval of Members by way of Special Resolution at the Extra Ordinary General Meeting dated 12<sup>th</sup> January, 2011 was for the period of five years from 1<sup>st</sup> January, 2011 upto 31<sup>st</sup> December, 2015 and his remuneration

was approved by the said Special Resolution for the period of three years i.e. from 1<sup>st</sup> January, 2011 to 31<sup>st</sup> December, 2013. Further, the revision of remuneration structure and fixing of remuneration payable was fixed for the period of three years i.e. from 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2015 as per the approval of Members by way of Special Resolution at the fifth Annual General Meeting of the Company dated 24<sup>th</sup> September, 2012. Further, the remuneration was fixed for the period of nine months i.e. from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> December, 2015 as per the approval of Members by way of Special Resolution at the eighth Annual General Meeting of the Company dated 9<sup>th</sup> September, 2015.

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 ninth Annual General Meeting of the Company has approved the re-appointment of Mr. Shrikant Zaveri as Chairman & Managing Director of the Company for the period of five (5) years, i.e. from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2020 and also fixed terms of his appointment for the said period of his appointment. The Board has also fixed the remuneration of Mr. Shrikant Zaveri, Chairman & Managing Director of the Company for the period of three (3) years, i.e. from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2018. The re-appointment of Mr. Shrikant Zaveri as Chairman & Managing Director of the Company is not liable to retire by rotation.

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

1. **Period of Remuneration:** From 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2018 (3 years)

2. **Remuneration:**

a) **Basic Salary:**

From 1<sup>st</sup> January, 2016 to 31<sup>st</sup> March, 2016 - ₹ 5,041,667 per month.

₹ 5,041,667 (Rupees Fifty Lakhs Forty One Thousand Six Hundred Sixty Seven Only) per month starting from 1<sup>st</sup> January, 2016 with an annual increment upto 20% starting from 1<sup>st</sup> April, 2016, 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

# NOTICE

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, Chairman & Managing Director all the actual expenses incurred wholly, necessarily, and exclusively for and on behalf of the Company and / or incurred in performance of duties of the Company.

**3. Minimum Remuneration:**

Notwithstanding anything to the contrary contained herein, where in any financial year, during the continuation of the tenure of Mr. Shrikant Zaveri as a Chairman & Managing Director, the Company has no profits or its profits are inadequate, Mr. Shrikant Zaveri shall be entitled to receive remuneration including commission 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.

All other terms and conditions of his appointment as may be mentioned in the draft salary Agreement to be entered into by and between the Company and Mr. Shrikant Zaveri, Chairman & Managing Director of the Company, initialed by the Company Secretary for the purpose of identification, is 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. 4 of the Notice for the approval of the Members.

**Item No. 5**

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

The proposal for the reappointment of Ms. Binaisha Zaveri (DIN: 00263657) as Whole-time Director of the Company will be placed before the members. The members are informed that Ms. Binaisha Zaveri has spearheaded the Company since its incorporation as a private limited company and even much before that when it was in existence as the Partnership firm. She has contributed immensely to the growth of the business and it has been her untiring effort which has brought the Company to its current position. Her contribution has been immense and her dedication has been absolute. She has a Bachelor's degree in Marketing & Finance from Stern School of Business, New York.

The members are further informed that the previous term of appointment of Ms. Binaisha Zaveri, Whole-time Director of the Company as per the approval of Members by way of Special Resolution at the Extra Ordinary General Meeting dated 12<sup>th</sup> January, 2011 was for the period of five years from 1<sup>st</sup> January, 2011 upto 31<sup>st</sup> December, 2015 and her remuneration was approved by the said Special Resolution for the period of three years i.e. from 1<sup>st</sup> January, 2011 to 31<sup>st</sup> December, 2013. Further, the remuneration was fixed for the period of two years i.e. from 1<sup>st</sup> January, 2014 to 31<sup>st</sup> December, 2015 as per the approval of Members by way of Special Resolution at the sixth Annual General Meeting of the Company dated 30<sup>th</sup> August, 2013.

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 ninth Annual General Meeting of the Company has approved the re-appointment of Ms. Binaisha Zaveri as Whole-time Director of the Company for the period of five (5) years, i.e. from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2020 and also fixed terms of her appointment for the said period of her appointment. The Board has also fixed the remuneration of Ms. Binaisha Zaveri, Whole-time Director of the Company for the period of three (3) years, i.e. from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2018. The re-appointment of Ms. Binaisha Zaveri as Whole-time Director of the Company is liable to retire by rotation.

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

**1. Period of Remuneration:** From 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2018 (3 years)

**2. Remuneration:**

**a) Basic Salary:**

From 1<sup>st</sup> January, 2016 to 31<sup>st</sup> March, 2016 - ₹ 2,592,000 per month.

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₹ 2,592,000 (Rupees Twenty Five Lakhs Ninety Two Thousand Only) per month starting from 1<sup>st</sup> January, 2016 with an annual increment upto 20% starting from 1<sup>st</sup> April, 2016, 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, Whole-time Director all the actual expenses incurred wholly, necessarily, and exclusively for and on behalf of the Company and / or incurred in performance of duties of the Company.

**3. Minimum Remuneration:**

Notwithstanding anything to the contrary contained herein, where in any financial year, during the continuation of the tenure of Ms. Binaisha Zaveri as a Whole-time Director, the Company has no profits or its profits are inadequate, Ms. Binaisha Zaveri shall be entitled to receive remuneration including commission 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.

All other terms and conditions of her appointment as may be mentioned in the draft salary Agreement to be entered into by and between the Company and Ms. Binaisha Zaveri, Whole-time Director of the Company, initialed by the Company Secretary for the purpose of identification is 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. 5 of the Notice for the approval of the Members.

**Item No. 6**

**To consider re-appointment of Ms. Raashi Zaveri (DIN: 00713688) as Whole-time Director of the Company and fixing terms of appointment and remuneration**

The proposal for the reappointment of Ms. Raashi Zaveri (DIN: 00713688) as Whole-time Director of the Company will be placed before the members. The members are informed that Ms. Raashi Zaveri, Whole-time Director of the Company has successfully implemented Oracle E-business suite for the Company. She has a Bachelor's Degree in Finance and Entrepreneurship from Kelly School of Business, Indiana University, USA; she is a Graduate Gemologist from Gemological Institute of America (GIA).

The members are further informed that the previous term of appointment of Ms. Raashi Zaveri, Whole-time Director of the Company as per the approval of Members by way of Special Resolution at the Extra Ordinary General Meeting dated 12<sup>th</sup> January, 2011 was for the period of five years from 1<sup>st</sup> January, 2011 upto 31<sup>st</sup> December, 2015 and her remuneration was approved by the said Special Resolution for the period of three years i.e. from 1<sup>st</sup> January, 2011 to 31<sup>st</sup> December, 2013. Further, the remuneration was fixed for the period of two years i.e. from 1<sup>st</sup> January, 2014 to 31<sup>st</sup> December, 2015 as per the approval of Members by way of Special Resolution at the sixth Annual General Meeting of the Company dated 30<sup>th</sup> August, 2013.

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 ninth Annual General Meeting of the Company has approved the re-appointment of Ms. Raashi Zaveri as Whole-time Director of the Company for the period of five (5) years, i.e. from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2020 and also fixed terms of her appointment for the said period of her appointment. The Board has also fixed the remuneration of Ms. Raashi Zaveri, Whole-time Director of the Company for the period of three (3) years, i.e. from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2018. The re-appointment of Ms. Raashi Zaveri as Whole-time Director of the Company is liable to retire by rotation.

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

1. **Period of Remuneration:** From 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2018 (3 years)

2. **Remuneration:**

- a) **Basic Salary:**

From 1<sup>st</sup> January, 2016 to 31<sup>st</sup> March, 2016 - ₹ 2,592,000 per month.

₹ 2,592,000 (Rupees Twenty Five Lakhs Ninety Two Thousand Only) per month starting from 1<sup>st</sup> January, 2016 with annual increment upto 20% starting from 1<sup>st</sup> April, 2016, 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, Whole-time Director all the actual expenses incurred wholly, necessarily, and exclusively for and on behalf of the Company and / or incurred in performance of duties of the Company.

3. **Minimum Remuneration:**

Notwithstanding anything to the contrary contained herein, where in any financial year, during the continuation of the tenure of Ms. Raashi Zaveri as a Whole-time Director, the Company has no profits or its profits are inadequate, Ms. Raashi Zaveri shall be entitled to receive remuneration including commission 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.

All other terms and conditions of her appointment as may be mentioned in the draft salary Agreement to be entered into by and between the Company and Ms. Raashi Zaveri, Whole-time Director of the Company, initialed by the Company Secretary for the purpose of identification, is 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. 6 of the Notice for the approval of the Members.

## **Statement as required under Schedule V of the Companies Act, 2013 forming part of Item No. 4 to 6:**

### **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 150 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, 2016, your Company has thirty (30) showrooms spread across India, in twenty three (23) cities across ten (10) states. Your Company has twenty nine (29) own showrooms and one (01) franchise showroom. Your Company primarily sells gold jewellery and diamond-studded jewellery, apart from that your Company also sells platinum jewellery, jadaw 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 150 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.

# NOTICE

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

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

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

## 3. Financial performance based on given indicators:

Financial performance for last three years:

(₹ in Lakhs)

| Particulars                    | 31 <sup>st</sup> March, 2016 | 31 <sup>st</sup> March, 2015 | 31 <sup>st</sup> March, 2014 | 31 <sup>st</sup> March, 2013 | 31 <sup>st</sup> March, 2012 |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Revenue                        | 165,431.05                   | 193,372.52                   | 181,773.98                   | 164,942.24                   | 138,039.32                   |
| Gross Profit (GP)              | 23,480.63                    | 26,363.58                    | 30,809.77                    | 30,312.20                    | 23,799.69                    |
| Gross Profit in %              | 14.19%                       | 13.63%                       | 16.95%                       | 18.37%                       | 17.24%                       |
| (Loss)/Profit Before Tax (PBT) | (2,159.60)                   | 3,948.95                     | 8,299.42                     | 12,356.46                    | 8,692.52                     |
| (Loss)/Profit After Tax (PAT)  | (2,312.98)                   | 2,604.09                     | 5,505.90                     | 8,500.10                     | 5,719.31                     |
| Shareholder Funds              | 44,243.31                    | 46,555.19                    | 44,766.90                    | 41,006.27                    | 15,957.55                    |

## 4. Export performance and net foreign collaborations:

Your Company does not have foreign collaboration agreement.

The export turnover/ performance of your Company as follows:

| Year    | Total Value (₹ in Lakhs) |
|---------|--------------------------|
| 2011-12 | NIL                      |
| 2012-13 | NIL                      |
| 2013-14 | NIL                      |
| 2014-15 | NIL                      |
| 2015-16 | 443.42                   |

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

Your Company does not have any foreign investments or collaborations.

## II Information about the Appointee:

### 1. Background Details-

#### 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 four 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 showrooms, out of which twenty nine are Company's own showrooms and one is franchisee showroom, in twenty three cities and ten states across India.

During the current financial year, with his vision, your Company has started its first franchise showroom at Dhanbad (Jharkhand) and your Company has started its business activities on Ecommerce Platform with Snapdeal, Flipkart and Amazon. He has also taken up the additional responsibility of Chief Executive Officer of your Company.

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

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.

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## 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 twelve years. She is involved in all aspects of the business including human capital management, operations, finance, business development, marketing and merchandising. She has been actively involved and has been a key player in the opening of showrooms in twenty three cities across ten 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 eight years. She is involved in the management of your Company's enterprise resource planning systems and is actively engaged in accounting, merchandising and general corporate management.

## 2. Past remuneration:

| Particulars                        | 31 <sup>st</sup> March, 2012 | 31 <sup>st</sup> March, 2013                                 | 31 <sup>st</sup> March, 2014 | 31 <sup>st</sup> March, 2015 | 31 <sup>st</sup> March, 2016 |
|------------------------------------|------------------------------|--------------------------------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Salary including commission</b> |                              |                                                              |                              |                              |                              |
| Mr. Shrikant Zaveri                | ₹ 94,500,000                 | ₹ 60,000,000<br>(including<br>Commission of<br>₹ 10,000,000) | ₹ 39,794,832                 | ₹ 16,426,897                 | ₹ 12,000,000                 |
| Ms. Binaisha Zaveri                | ₹ 18,900,000                 | ₹ 22,680,000                                                 | ₹ 20,515,500                 | ₹ 8,177,900                  | ₹ 3,600,000                  |
| Ms. Raashi Zaveri                  | ₹ 18,900,000                 | ₹ 22,680,000                                                 | ₹ 20,515,500                 | ₹ 8,177,900                  | ₹ 3,600,000                  |

## 3. Recognition or Awards:

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

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

Asia Retail Congress - Retail Leadership Award in 2013

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

## 4. Job profile and suitability

### Shrikant Zaveri, Chairman & Managing Director

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

### Binaisha Zaveri, Whole-time Director

- She is the Whole-time Director of your Company and is successfully administrating the functioning of TBZ with particular emphasis on human capital management, operations, finance, business development, marketing and merchandising functions. She is B.Sc. in Marketing & Finance from Stern School of Business, New York University thus

## 5. Remuneration proposed:

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

For details of remuneration refer to Item No. 4 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. 5 of the Explanatory Statement under Section 102 of the Companies Act, 2013 forming part of this Notice of this Annual General Meeting.

# NOTICE

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

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

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

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

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

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

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

## **III. Other information:**

### **1. Reason for loss or 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 due to the regulatory changes effected by the Central Government, for example, making the production and proof of the of PAN Card mandatory for jewellery purchase above ₹ 2 Lakhs. In addition to the above, 1% Excise Duty on purchase or sale of jewellery was imposed on the industry in the Union Budget. As a protest against this imposition, there was a nation-wide jewellers' agitation during the entire month of March 2016, resulting in loss of sales.

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

Your Company has ventured into an expansion plan based on judicious mix of the Franchisee Owned,

Franchisee Operated (FOFO) module as well as Company owned and operated showrooms. While it has opened its first franchisee showroom in Dhanbad in November 2015, on the other hand, your Company opened a showroom at Bandra, Mumbai in the month of October 2015. In addition to the above, it has signed three more franchise agreements. Your Company has also started 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.

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

The above statement annexed with the notice is disclosed pursuant to the provisions of Section 196 and 197 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. 4 to 6 of the Notice; and the same shall also be considered as a disclosure under the aforementioned provisions for the special resolutions passed at the general meetings of the shareholders for fixation and payment of the remuneration to Mr. Shrikant Zaveri, Chairman & Managing Director and Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors of the Company for the period from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> December, 2015.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 3<sup>rd</sup> August, 2016

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

**Registered Office:**  
241 / 43, Zaveri Bazar,  
Mumbai - 400 002, India.  
CIN: L27205MH2007PLC172598

# NOTICE

## Disclosure pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Details of Directors retiring by rotation, seeking re-appointment and for change in term of appointment at the ensuing Annual General Meeting:

| Name of the Director                                                                                                                  | Mr. Shrikant Zaveri                                                                                                                        | Ms. Binaisha Zaveri                                                                                                                        | Ms. Raashi Zaveri                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Birth                                                                                                                         | 07.12.1959                                                                                                                                 | 28.12.1982                                                                                                                                 | 26.12.1986                                                                                                                                                             |
| Date of Appointment                                                                                                                   | 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 34 years in Retail Jewellery Business                                                                         | Experience in human capital management, operations, finance, business development, marketing and merchandising                             | Company's Enterprise Resource Planning Systems and actively engaged in accounting, merchandising & general corporate management                                        |
| Directorships held in other Public Companies as on 31 <sup>st</sup> March, 2016 (excluding foreign Companies and Section 8 companies) | Tribhovandas Bhimji Zaveri (Bombay) Limited<br>Konfiaance Jewellery Private Limited<br>(both are wholly owned subsidiaries of the Company) | Tribhovandas Bhimji Zaveri (Bombay) Limited<br>Konfiaance Jewellery Private Limited<br>(both are wholly owned subsidiaries of the Company) | Tribhovandas Bhimji Zaveri (Bombay) Limited<br>(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, 2016              | Audit Committee - Member<br>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, 2016                             |                                                                                                                                            |                                                                                                                                            |                                                                                                                                                                        |
| a) Audit Committee                                                                                                                    | NIL                                                                                                                                        | NIL                                                                                                                                        | NIL                                                                                                                                                                    |
| b) Stakeholders Relationship Committee                                                                                                | NIL                                                                                                                                        | NIL                                                                                                                                        | NIL                                                                                                                                                                    |
| Disclosure of Relationship between Directors inter-se                                                                                 | Ms. Binaisha Zaveri and 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                                                                                                                                                              |

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.

# NOTICE

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

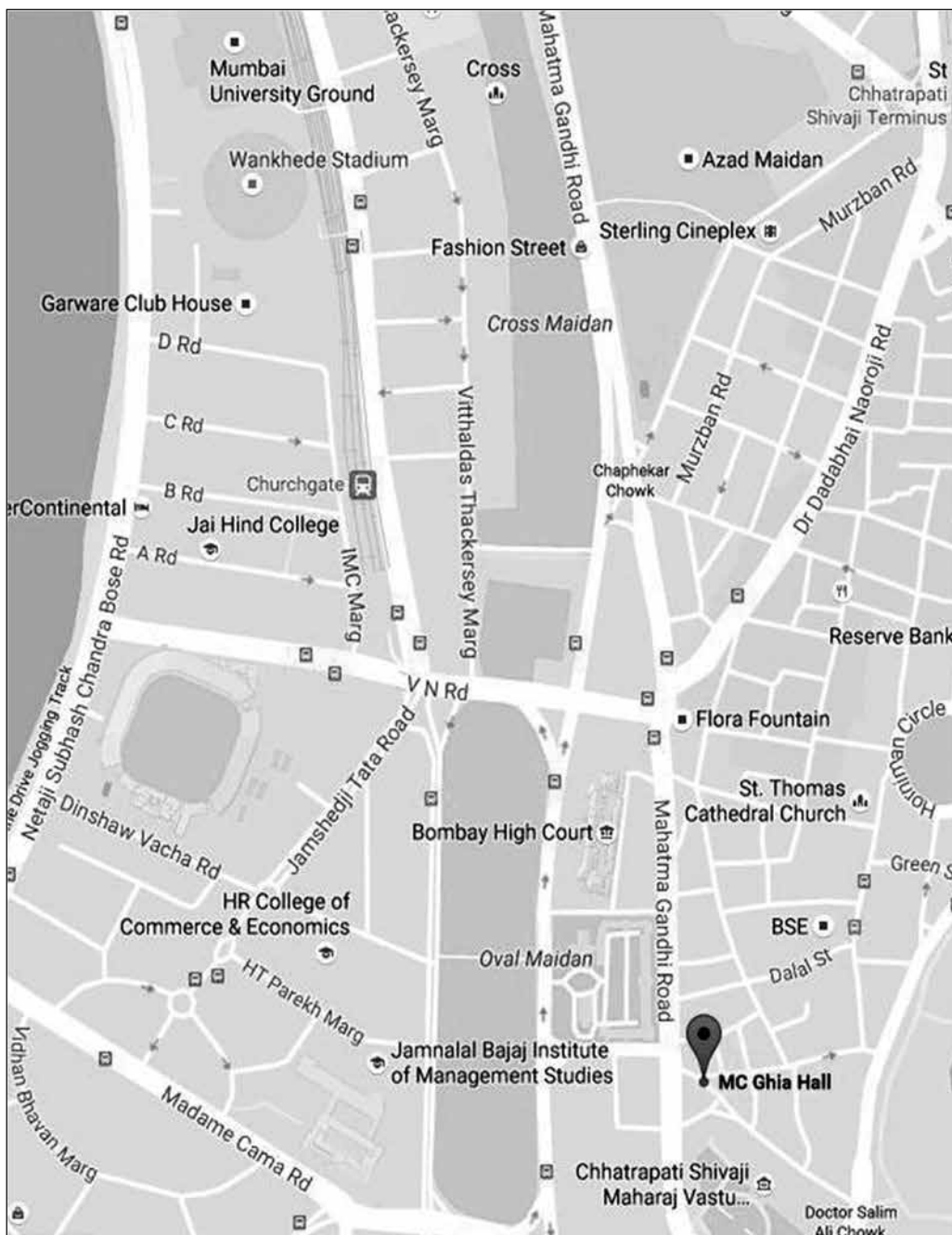
Day & Date: Monday, 19<sup>th</sup> September, 2016

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



**Source:** Google map  
Illustrative purpose only



# DIRECTORS' REPORT

To,  
The Members of  
Tribhovandas Bhimji Zaveri Limited,

Your Directors are pleased to present the Ninth 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, 2016:

## FINANCIAL RESULTS:

The financial performance of your Company for the financial year ended 31<sup>st</sup> March, 2016 is summarized below:

(₹ in Lakhs)

| Particulars                                                 | Standalone Financials        |                              |
|-------------------------------------------------------------|------------------------------|------------------------------|
|                                                             | 31 <sup>st</sup> March, 2016 | 31 <sup>st</sup> March, 2015 |
| Revenue from operations                                     | 165,477.72                   | 193,419.57                   |
| Other Income                                                | 462.80                       | 1,451.11                     |
| <b>Total Income</b>                                         | <b>165,940.52</b>            | <b>194,870.68</b>            |
| Earnings before Finance Cost, Depreciation and Amortization | 4,418.39                     | 8,934.79                     |
| Less:                                                       |                              |                              |
| Finance Cost                                                | 5,569.48                     | 5,021.68                     |
| Depreciation and Amortization                               | 1,008.51                     | 837.95                       |
| <b>Net Profit before Exceptional items &amp; Taxes</b>      | <b>(2,159.60)</b>            | <b>3,075.16</b>              |
| Add: Exceptional items                                      | -                            | 873.79                       |
| <b>Net Profit for the year before Taxes</b>                 | <b>(2,159.60)</b>            | <b>3,948.95</b>              |
| <b>Less: Provision for Taxes</b>                            |                              |                              |
| Current Tax                                                 | -                            | 712.12                       |
| Deferred Tax Assets                                         | 34.85                        | 632.74                       |

# DIRECTORS' REPORT

(₹ in Lakhs)

| Particulars                                                                | Standalone Financials        |                              |
|----------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                            | 31 <sup>st</sup> March, 2016 | 31 <sup>st</sup> March, 2015 |
| (Excess)/ Short Provision for tax of earlier years                         | 118.53                       | -                            |
| <b>Profit after tax</b>                                                    | <b>(2,312.98)</b>            | <b>2,604.09</b>              |
| Add: Balance Brought Forward from Previous Year                            | 21,690.41                    | 19,918.85                    |
| Add: Employee Stock Options outstanding at the commencement of the year    | -                            | -                            |
| <b>Surplus Available for Appropriation</b>                                 | <b>19,377.43</b>             | <b>22,522.94</b>             |
| <b>Appropriations:</b>                                                     |                              |                              |
| Transfer to General Reserve                                                | -                            | -                            |
| Proposed Dividend                                                          | -                            | 667.20                       |
| Dividend Tax                                                               | -                            | 164.93                       |
| Equity Dividend including dividend distribution tax paid for earlier years | -                            | 0.42                         |
| <b>Total Appropriations</b>                                                | <b>-</b>                     | <b>832.55</b>                |
| <b>Surplus Available after Appropriation</b>                               | <b>19,377.43</b>             | <b>21,690.39</b>             |
| Add: Addition/(reduction) on option granted                                | -                            | 16.62                        |
| Add : Balance in Security Premium Account                                  | 16,791.35                    | 16,775.59                    |
| Add : Balance General Reserve                                              | 1,401.47                     | 1,400.60                     |
| Add : Balance Capital Reserve                                              | -                            | -                            |
| <b>Balance carried forward to Balance Sheet</b>                            | <b>37,570.25</b>             | <b>39,883.20</b>             |

## Financial Performance:

Your Company has reported revenue loss during the financial year 2015 - 2016. Total income decreased to ₹ 165,940.52 Lakhs from ₹ 194,870.68 Lakhs in the previous financial year, at a reduction rate of 14.85%. The profit before tax decreased to ₹ (2,159.60) Lakhs, down by 154.69% while net profit after tax decreased to ₹ (2,312.98) Lakhs, down by 188.82%.

Sale of Gold Jewellery decreased by 13.63% to ₹ 125,814.13 Lakhs as compared to ₹ 145,669.74 Lakhs during the previous financial year. Sale of Diamond-studded Jewellery decreased by 18.05% to ₹ 35,526.47 Lakhs as compared to ₹ 43,351.40 Lakhs during the previous financial year.

The Gross Profit Margin for the financial year 2015 - 2016 has increased to 14.22% from 13.65% in the previous financial year. In the absolute term the Gross Profit has decreased to ₹ 23,527.30 Lakhs as compared to ₹ 26,410.63 Lakhs during the previous financial year.

The EBITDA for the financial year 2015 - 2016 has declined to 2.67% from 4.62% in the previous financial year.

During the current financial year, your Company has opened one new owned showroom at Bandra (West), Mumbai (Maharashtra) and opened its first franchise showroom at Dhanbad (Jharkhand), totaling the number of showrooms to thirty in twenty three cities and ten states.

## Dividend:

In view of losses and to conserve reserve for future expansion, your Directors have not recommended any dividend for the

financial year ended 31<sup>st</sup> March, 2016, against the dividend of ₹ 1 (one rupee only) per equity share of face value of ₹ 10 each, i.e. 10 % for the previous financial year ended 31<sup>st</sup> March, 2015.

The total outgo for the current financial year ended 31<sup>st</sup> March, 2016 is ₹ NIL, as compared to the total outgo of ₹ 80,315,404 (Rupees Eight Crores Three Lakhs Fifteen Thousand Four Hundred Four only) including dividend distribution tax of ₹ 13,584,784 (Rupees One Crore Thirty Five Lakhs Eighty Four Thousand Seven Hundred Eighty Four only) for the previous financial year ended 31<sup>st</sup> March, 2015.

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

During the financial year 2015 - 2016 there was no change in the nature of business of your Company.

## Material Changes:

There has been no material changes and commitments since the close of the financial year i.e. 31<sup>st</sup> March, 2016 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 2015 - 2016 there was no change in the Authorised Share Capital of your Company.

## Changes in Paid-up Share Capital:

During the financial year 2015 - 2016, the Paid-up Share Capital of your Company increased from ₹ 667,199,000 to ₹ 667,306,200 (i.e. from 66,719,900 Equity Shares to 66,730,620

# DIRECTORS' REPORT

Equity Shares), due to the fresh allotment of 10,720 Equity Shares made by your Company on 15<sup>th</sup> June, 2015 to the eligible employees who have exercised their Options under the 3<sup>rd</sup> tranche of 'TBZ ESOP, 2011'. Apart from this, your Company has not issued any shares with differential voting rights nor granted sweat equity shares during the year under review.

## Wholly owned Subsidiary Companies:

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

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of your Company, containing therein its standalone and the consolidated financial statements has been placed on the website of your Company, [www.tbztheoriginal.com](http://www.tbztheoriginal.com). Further, as per fourth proviso of the said section, audited annual accounts of each of the subsidiary companies have also been placed on the website of your Company, [www.tbztheoriginal.com](http://www.tbztheoriginal.com). Members interested in obtaining a copy of the audited annual accounts of the wholly owned subsidiary companies 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.

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 Obligations 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 Obligations and Disclosure Requirements) Regulations, 2015, the audited consolidated financial statements of your Company incorporating both its wholly owned subsidiary companies are prepared in accordance with applicable Accounting Standards are enclosed herewith.

## i) 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 its holding company.

Tribhovandas Bhimji Zaveri (Bombay) Limited, during the financial year 2015 - 2016, has reported a total revenue of ₹ 1,329.84 Lakhs, loss before tax of ₹ 401.29 Lakhs and net loss of ₹ 440.60 Lakhs.

## ii) Konfiaance Jewellery Private Limited

Konfiaance Jewellery Private Limited is a non-operational company. During the financial year 2015 - 2016, has not reported any revenue, loss before tax of ₹ 0.89 Lakh and net loss of ₹ 0.89 Lakh.

## Performance/ State of Company's Affairs:

As on 31<sup>st</sup> March, 2016, your Company was operating from thirty showrooms in twenty three cities and ten states out of which twenty nine showrooms are its own showrooms and one franchise showroom and your Company has one Corporate Office at Tulsiani Chambers, Nariman Point.

## Recent Development(s):

During the current financial year, your Company has opened one new owned showroom at Bandra (West), Mumbai (Maharashtra) and opened its first franchise showroom at Dhanbad (Jharkhand), totaling the number of showrooms to thirty in twenty three cities and ten states.

During the year under review, your Company has entered into retailing business on E-commerce platform through recognized service providers of the E-commerce platform, viz. Snapdeal, Flipkart and Amazon, which emerged as a potential retail platform with diverse customer base and which is widely accepted across India.

Your Company has shifted its Borivali showroom on 15<sup>th</sup> April, 2015 to new location which is bigger in size and is within 200 meters area of the old showroom. The new Borivali showroom is situated at 'Hirji Heritage' in 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.

During the year under review, due to imposition of 1% Excise Duty on jewellery industry, there was nationwide agitation by jewellery industry, which started from 2<sup>nd</sup> March, 2016 and continued till end of financial year i.e. 31<sup>st</sup> March, 2016. The agitation continued during the next financial year and ended in second week of April, 2016. Your Company's operations were affected due to this nationwide agitation by jewellery industry during this period.

# DIRECTORS' REPORT

## Awards & Recognition:

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

| Year | Awards                                                                                                                                                                                                         |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2015 | 11 <sup>th</sup> Annual Gemfields & Nazaraana Retail Jeweller India Awards 2015 in two categories -<br>(i) 360 Degree Marketing Campaign of the year, and<br>(ii) Social Media Marketing Campaign of the year. |
| 2016 | "Best Necklace Design Award" under the category of necklace of design under ₹ 1,000,000 at "JJS-IJ Jewellers' Choice Design Awards 2015" at Jaipur.                                                            |

## New Product Launch:

Your Company has launched an elegant new every day wear Diamond collection at a great price point starting at ₹ 25,000. Your Company has launched / presented an exquisite new diamond collection for daily wear. This range caters to the need and mood of young, independent women of today at affordable price points.

## Credit Rating:

During the year under review, CRISIL has reaffirmed the Credit Rating on the long-term bank facilities of your Company at 'CRISIL A-/Negative', vide letter Ref. No. TBZPL/146591/BLR/121505815 dated 30<sup>th</sup> December, 2015 which is stated as follows:

|                                  |                                                                          |
|----------------------------------|--------------------------------------------------------------------------|
| Total Bank Loan Facilities Rated | ₹ 7,350 Million                                                          |
| Long-Term Rating                 | CRISIL A-/Negative (Outlook Revised from 'Stable' and Rating Reaffirmed) |

## Increase in Inventories:

The inventory of your Company as on 31<sup>st</sup> March, 2016 has increased by ₹ 1,196.55 Lakhs as compared to the inventory on 31<sup>st</sup> March, 2015. The increase in inventory is due to the opening of one new showroom during the year.

## Operations:

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

## Follow principles of Cash Flow Hedge Accounting (AS – 30):

Your Company follow the principles of Cash Flow Hedge Accounting as set out in Accounting Standard 30 (AS - 30) - Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India, with respect to commodity forward contracts entered by your Company with effect from 1<sup>st</sup> April, 2014.

Your Company uses the commodity forward contract to hedge its gold price fluctuation risk on its highly probable cash flows from future sales transactions. These derivatives are not used for trading or speculation purpose. Your Company classifies such derivative contracts that hedge gold price fluctuation risk associated with highly probable forecast sale transactions as

cash flow and measures them at fair value. Upon the expiry of contracts, loss amounting to ₹ 952.69 Lakhs for the year has been shown under the head 'Other Expense'. However, there were no commodity forward contracts outstanding as on 31<sup>st</sup> March, 2016.

## 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 also 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 the Board Meeting 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%20Transcations%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 Accounting Standard - 18 forms a part of notes to accounts.

# DIRECTORS' REPORT

## Transfer to Reserves:

During the year under review, your Company has transferred ₹ 15.76 Lakhs (on account of allotment of 10,720 Equity Shares to employees who have exercised their option under 'TBZ ESOP, 2011') to Securities Premium Account and ₹ 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-%20004.08.2014.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 2015 – 2016, 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 ₹ **16,403,220 (Rupees One Crore Sixty Four Lakhs Three Thousand Two Hundred and Twenty Only)** for the financial year 2015 – 2016, out of which your Company has made CSR contribution of ₹ **6,622,547 (Rupees Sixty Six Lakhs Twenty Two Thousand Five Hundred and Forty Seven Only)** for the financial year 2015-2016. Your Company has made short contribution under CSR activities of ₹ **9,780,673 (Rupees Ninety Seven Lakhs Eighty Thousand Six Hundred and Seventy Three Only)** for the financial year 2015 – 2016.

The total CSR contribution of ₹ **6,622,547 (Rupees Sixty Six Lakhs Twenty Two Thousand Five Hundred and Forty Seven Only)** were contributed to (1) Manav Mandir Trust of ₹ 3,000,000 for promoting Education; (2) Sneha (Society for Nutrition Education & Health Action) of ₹ 3,406,327 for the cause of promoting gender equality and women's empowerment; (3) Cancer Patient Aid Association (CPAA) of ₹ 150,000 for Promoting Healthcare including Preventive Healthcare; (4) West Wind Association of ₹ 50,000 for promoting Education; and (5) Our Lady of Dolours' High School of ₹ 16,220 for promoting Education. These NGO'S/ organization carry out projects are largely in accordance with Schedule VII of the Companies Act, 2013.

During the year your Company has also made contribution of ₹ 21 Lakhs to Prime Minister National Relief Fund (PMNRF), but the members of CSR Committee as well as Board in their meeting held on 12<sup>th</sup> May, 2015 have decided to take that contribution as contribution for the financial year 2014 – 2015 and not in the year in which it was contributed. Hence the CSR Contribution made of ₹ 21 Lakhs was considered as CSR Contribution of 2014 – 2015 and has not been considered during calculating the CSR Contribution of 2015 – 2016.

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. As this being the second year of the CSR activity of your Company has contributed with an amount ₹ 6,622,547 for the financial year 2015 – 2016 instead of the required contribution amount of ₹ 16,403,220 (i.e. 2% of the average net profit of your Company made during the three immediately preceding financial year). Your Company has not spent balance CSR contribution amount of ₹ 9,780,673. As the financial year 2015 – 2016 being the second year of CSR activity of your Company, the members of the CSR Committee as well as the members of the Board has decided to go ahead with CSR activities with proper research and planning and decided not to make balance required contribution as stated above in haste, but decided to make the

# DIRECTORS' REPORT

required contribution as and when your Company finds proper projects or area in the coming financial years. Your Company has entered into Memorandum of Understanding (MOU) with Sneha (Society for Nutrition Education & Health Action) under which your Company has contributed ₹ 3,406,327 for the year 2015 - 2016 and shall contribute further ₹ 3,406,327 for the year 2016 - 2017. Your Company is fully committed to participate whole heartedly under the CSR Activities.

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

## 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 Obligations 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. In order 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:

Mr. Shrikant Zaveri, Chairman & Managing Director of your Company is not liable to retire by rotation and Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors of your Company who are liable to retire by rotation; were all re-appointed by the Board of Directors of your Company on recommendation of the members of the Nomination & Remuneration Committee of your Company, for the period of five years from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2020 and fixation of remuneration for the period of three years i.e. from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2018, subject to the approval of members by way of a Special Resolution at the ensuing ninth Annual General Meeting of your Company and details of the same will be available in the Notice of Annual General Meeting forming part of the Annual Report.

In accordance with the provision of Section 152 and all other applicable provisions of the Companies Act, 2013, Independent Directors are not liable to retire by rotation and for the purpose of calculation of 'total number of Directors' who are liable to retire by rotation this shall not include Independent Directors. Mr. Shrikant Zaveri, 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.

Ms. Raashi Zaveri, Whole-time Director of your Company, retires by rotation at the ninth Annual General Meeting of your Company, and being eligible, offers herself for re-appointment.

# DIRECTORS' 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 term of five consecutive years on the Board of Directors of your Company. Mr. Kamlesh Vikamsey, Mr. Ajay Mehta and Mr. Sanjay Asher; Independent Directors of your Company were appointed to hold office for the period of five consecutive years for a term upto 31<sup>st</sup> March, 2019, in the seventh Annual General Meeting of your Company held on 24<sup>th</sup> September, 2014. Independent Directors shall not be liable to retire by rotation.

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%20Prog.\(15-16\).pdf](http://www.tbztheoriginal.com/pdf/TBZ-Familiarisation%20Prog.(15-16).pdf).

## **Statement of declaration given by Independent Directors under Section 149(6) 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:**

Your Company has appointed Mr. Saurav Banerjee, Chief Financial Officer (CFO) and Mr. Niraj Oza, Head Legal & Company Secretary & Compliance Officer of your Company as the Key Managerial Personnel as per the requirement of Section 203 of the Companies Act, 2013.

Your Company has separate position of Chief Executive Officer (CEO) till 10<sup>th</sup> September, 2015, where Mr. Prem Hinduja was designated as Chief Executive Officer (CEO) of your Company. Mr. Prem Hinduja retired from service w.e.f. 10<sup>th</sup> September, 2015 and as per the Board decision all the responsibilities of Chief Executive Officer (CEO) has been discharged by Mr. Shrikant Zaveri, Chairman & Managing Director of your Company with immediate effect (w.e.f. 10<sup>th</sup> September, 2015).

## **Board Evaluation:**

Pursuant to the 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 has framed a policy for selection and appointment of Directors, Senior Management and their remuneration and their evaluation. The Nomination, Remuneration and Evaluation Policy is forming part of Director's Report as **"Annexure – E"**.

## **Number of Meetings:**

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

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

During the financial year 2015 - 2016, six Board Meetings were convened and held on 12<sup>th</sup> May, 2015, 15<sup>th</sup> June, 2015, 4<sup>th</sup> August, 2015, 9<sup>th</sup> September, 2015, 3<sup>rd</sup> November, 2015 and 4<sup>th</sup> February, 2016. Total four Audit Committee Meetings were convened and held on 12<sup>th</sup> May, 2015, 4<sup>th</sup> August, 2015, 3<sup>rd</sup> November, 2015 and 4<sup>th</sup> February, 2016. 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:

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

# DIRECTORS' REPORT

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, 2016 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 | - | ₹ 443.42 Lakhs |
| Outflow  | - | ₹ 263.96 Lakhs |

## Significant and Material Orders passed by the Regulators or Courts or Tribunals:

During the financial year 2015 – 2016, there are no significant material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of your Company and its future operations.

## Audit Committee:

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

The Committee interalia reviews the Internal Control System and reports of Internal Auditors and compliance of various regulations. The Committee also reviews at length the

Financial Statements before they are placed before the Board. The numbers of Audit Committee, its terms of reference, the meetings of the Audit Committee and attendance thereof of the members of the Committee is mentioned in the Corporate Governance Report.

## Vigil Mechanism / Whistle Blower Policy:

Your Company has adopted and established a vigil mechanism named "Whistle Blower Policy (WBP)" for directors and employees to report genuine concerns and to deal with instance of fraud and mismanagement, if any. 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 1,501 as on 31<sup>st</sup> March, 2016. Employee Relations continued to be cordial at all levels.

## Prevention of Sexual Harassment at workplace:

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 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.

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.

## 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 and provided in the Annual Report. (Refer "Annexure – G").

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

# DIRECTORS' REPORT

and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report. (Refer “Annexure – F”).

## Extract of Annual Return:

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in the prescribed format (in form MGT 9) is annexed herewith as “Annexure - D”.

## Management Discussion and Analysis:

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 2016 - 2017. 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 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.

## Internal Financial Controls:

Your Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the designs or operations were observed.

## 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 accounting standards.

## 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, 2016. 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.

# DIRECTORS' REPORT

## 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):

The details of the shares issued under ESOP, as also the disclosures in compliance with the Companies (Share Capital and Debentures) Rules, 2014; {Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999} and Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are set out in the "Annexure – A" & "Annexure -AA" to this Report.

No employee has been issued Options, during the year equal to or exceeding 1% of the issued capital of your Company at the time of the grant.

Pursuant to the approval of the Members at the Extra Ordinary General Meeting held on 12<sup>th</sup> January, 2011, your Company adopted the Employees Stock Option Scheme, viz. 'TBZ ESOP, 2011'. The Scheme has been in compliance with the relevant provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. Your Company has granted total 208,433 Equity Shares consisting of 111,309 Stock Options of ₹ 149.93 each and 97,124 Restricted Stock Units (RSUs) at face value of ₹ 10 each, which represents 0.42% of the pre-Issue paid up equity share capital of your Company and 0.31% of the fully diluted post-Issue paid up equity share capital of your Company. These options were granted to seven employees of your Company. The granted options will be vested in three tranches at the end of 12 months, 24 months and 36 months from the date of grant of option or from the date of listing (i.e. from 9<sup>th</sup> May, 2012) whichever is later.

Before starting of the vesting period of the first tranche of the option, out of total seven employees to whom ESOP were granted, three employees have resigned and the total 109,048 Options consisting of 58,235 Stock Options of ₹ 149.93 each and 50,813 Restricted Stock Units (RSUs) of ₹ 10 each, which were granted to these employees were cancelled.

Your Company has received in principle approval for the balance granted Equity Shares towards Listing of your Company's 99,385 Equity Shares consisting of 53,074 Stock Options of ₹ 149.93 each and 46,311 Restricted Stock Units (RSUs) of ₹ 10 each to be issued under pre-IPO Employees Stock Option Scheme, viz. 'TBZ ESOP, 2011' from both the Stock Exchanges, viz. National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) and bearing reference no. NSE/LIST/201961-K dated 19<sup>th</sup> April, 2013 and reference no. DCS/IPO/NJ/ESOP-IP/051/2013-14 dated 23<sup>rd</sup> April, 2013, respectively.

On 6<sup>th</sup> June, 2013, your Company has allotted 37,328 Equity Shares to those employees who have exercised their options under first tranche of 'TBZ ESOP, 2011' out of total 38,843 vested Options under first tranche, and the balance of unexercised 1,515 Stock Options were lapsed and got cancelled. Your Company's additional 37,328 Equity Shares got Listed w.e.f. 11<sup>th</sup> June, 2013 on receipt of the Listing Approval from BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), vide approval letter No. 20130610-11 dated 10<sup>th</sup> June, 2013 and letter No. NSE/LIST/206674-Q dated 11<sup>th</sup> June, 2013 respectively.

Before starting of the vesting period of the second tranche of the Options (i.e. from 9<sup>th</sup> May, 2014), out of balance four employees who left after grant of first tranche to whom ESOP were granted, two employees have resigned and the total 20,247 Options consisting of 10,812 Stock Options of ₹ 149.93 each and 9,435 Restricted Stock Units (RSUs) of ₹ 10 each, which were granted to these employees were cancelled. After the first tranche of allotment Equity Shares and cancellation of Options before starting of vesting period of second tranche, total net balance of 40,295 Options consisting of 24,572 Stock Options of ₹ 149.93 each and 15,723 Restricted Stock Units (RSUs) of ₹ 10 each, were yet to be exercised in second and third tranche of 'TBZ ESOP, 2011'.

On 10<sup>th</sup> June, 2014, your Company has allotted 15,905 Equity Shares to those employees who have exercised their options under second tranche of 'TBZ ESOP, 2011' out of total 17,288 vested Options under second tranche, and the balance of unexercised 1,383 Stock Options were lapsed and got cancelled. Your Company's additional 15,905 Equity Shares got Listed w.e.f. 18<sup>th</sup> June, 2014 on receipt of the Listing Approval from BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), vide approval letter No. 20140617-13 dated 17<sup>th</sup> June, 2014 and letter No. NSE/LIST/242026-7 dated 17<sup>th</sup> June, 2014 respectively.

On 15<sup>th</sup> June, 2015, your Company has allotted 10,720 Equity Shares to those employees who have exercised their options under third tranche of 'TBZ ESOP, 2011' out of total 23,007 vested Options under third tranche, and the balance of unexercised 12,287 Stock Options were lapsed and got cancelled. Your Company's additional 10,720 Equity Shares got Listed w.e.f. 25<sup>th</sup> June, 2015 on receipt of the Listing Approval from BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), vide approval letter No. 20150624-23 dated 24<sup>th</sup> June, 2015 and letter No. NSE/LIST/31205 dated 24<sup>th</sup> June, 2015 respectively.

During the year, the ESOP scheme ('TBZ ESOP, 2011') got closed and your Company did not grant any fresh stock option to its employees. Henceforth, information on stock options will be given only when fresh options are granted by your Company.

## Consolidated Financial Statements:

Your Directors are pleased to enclose the Consolidated Financial Statements pursuant to Section 129 and all other

# DIRECTORS' REPORT

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 Accounting Standards (AS) – 21 and all other applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard.

## 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 Members at the 7<sup>th</sup> Annual General Meeting of your Company held on 24<sup>th</sup> September, 2014 had appointed M/s. B S R & Co. LLP (Firm Registration No. 101248W/W-100022), Chartered Accountants, Mumbai as a Statutory Auditors of your Company to audit financial accounts for the four financial years from 2014 – 2015 to 2017 – 2018 subject to ratification by the members at every AGM.

Your Company has received a letter from M/s. B S R & Co. LLP (Firm Registration No. 101248W/W-100022), Chartered Accountants, Mumbai as the Statutory Auditors, the ratification of 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 to continue as the Statutory Auditors of your Company for financial year 2016-2017. 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 Director propose ratification of appointment of M/s. B S R & Co. LLP (Firm Registration No. 101248W/W-100022), Chartered Accountants, Mumbai, as the Statutory Auditors of your Company for the financial year 2016-2017.

The Statutory Auditors 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, 2016.

## 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 - C"**.

## Internal Audit:

The Board of Directors has re-appointed M/s. Aneja Associates, Chartered Accountants as Internal Auditors of your Company for financial year 2016 – 2017.

## 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 save and except ESOP (TBZ ESOP, 2011) referred to in this Report.
- 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

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

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

Date: 2<sup>nd</sup> May, 2016

Place: Mumbai

# ANNEXURE 'A' TO DIRECTORS' REPORT

## Pre- IPO Employees Stock Option Scheme ('TBZ ESOP, 2011')

Statement as on 31<sup>st</sup> March, 2016 pursuant to Clause 12 (Disclosure in the Directors' Report) of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999:

| Particulars                                                               | 2012 – 2013                                                                                                                                                                          |                                      | 2013 – 2014                                                                                                                                                                          |                                      | 2014 – 2015                                                                                                                                                                          |                                      | 2015 – 2016                                                                                                                                                                          |                                      |
|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
|                                                                           | Stock Options                                                                                                                                                                        | Restricted Stock Units (RSUs)        | Stock Options                                                                                                                                                                        | Restricted Stock Units (RSUs)        | Stock Options                                                                                                                                                                        | Restricted Stock Units (RSUs)        | Stock Options                                                                                                                                                                        | Restricted Stock Units (RSUs)        |
| (a) Options granted (on 12 <sup>th</sup> January, 2011 – Pre IPO)         | 111,309<br>(as on 12.01.2011)                                                                                                                                                        | 97,124<br>(as on 12.01.2011)         | 111,309<br>(as on 12.01.2011)                                                                                                                                                        | 97,124<br>(as on 12.01.2011)         | 111,309<br>(as on 12.01.2011)                                                                                                                                                        | 97,124<br>(as on 12.01.2011)         | 111,309<br>(as on 12.01.2011)                                                                                                                                                        | 97,124<br>(as on 12.01.2011)         |
| (outstanding at the beginning of every year)                              | 111,309<br>(as on 01.04.2012)                                                                                                                                                        | 97,124<br>(as on 01.04.2012)         | 53,074<br>(as on 01.04.2013)                                                                                                                                                         | 46,311<br>(as on 01.04.2013)         | 24,572<br>(as on 01.04.2014)                                                                                                                                                         | 15,723<br>(as on 01.04.2014)         | 12,287<br>(as on 01.04.2015)                                                                                                                                                         | 10,720<br>(as on 01.04.2015)         |
| (b) The pricing formula                                                   | Under the Scheme, all the options were granted prior to the listing of the Equity Shares of your Company. These options were granted at a discount to the annual valuation. ₹ 149.93 | Face Value of the Equity Share. ₹ 10 | Under the Scheme, all the options were granted prior to the listing of the Equity Shares of your Company. These options were granted at a discount to the annual valuation. ₹ 149.93 | Face Value of the Equity Share. ₹ 10 | Under the Scheme, all the options were granted prior to the listing of the Equity Shares of your Company. These options were granted at a discount to the annual valuation. ₹ 149.93 | Face Value of the Equity Share. ₹ 10 | Under the Scheme, all the options were granted prior to the listing of the Equity Shares of your Company. These options were granted at a discount to the annual valuation. ₹ 149.93 | Face Value of the Equity Share. ₹ 10 |
| (c) Options vested                                                        | NIL                                                                                                                                                                                  | NIL                                  | 17,690                                                                                                                                                                               | 21,153                               | 12,285                                                                                                                                                                               | 5,003                                | 12,287                                                                                                                                                                               | 10,720                               |
| (d) Options exercised                                                     | NIL                                                                                                                                                                                  | NIL                                  | 16,175                                                                                                                                                                               | 21,153                               | 10,902                                                                                                                                                                               | 5,003                                | NIL                                                                                                                                                                                  | 10,720                               |
| (e) The Total number of shares arising as a result of exercise of options | NIL                                                                                                                                                                                  | NIL                                  | 16,175                                                                                                                                                                               | 21,153                               | 10,902                                                                                                                                                                               | 5,003                                | NIL                                                                                                                                                                                  | 10,720                               |
| (f) Options lapsed (*)                                                    | 58,235                                                                                                                                                                               | 50,813                               | 12,327                                                                                                                                                                               | 9,435                                | 1,383                                                                                                                                                                                | NIL                                  | 12,287                                                                                                                                                                               | NIL                                  |
| (g) Variation of terms of options                                         | N.A.                                                                                                                                                                                 | N.A.                                 | N.A.                                                                                                                                                                                 | N.A.                                 | N.A.                                                                                                                                                                                 | N.A.                                 | N.A.                                                                                                                                                                                 | N.A.                                 |
| (h) Money realized by exercise of options                                 | NIL                                                                                                                                                                                  | NIL                                  | ₹ 2,425,117.75                                                                                                                                                                       | ₹ 211,530                            | ₹ 1,634,536.86                                                                                                                                                                       | ₹ 50,030                             | NIL                                                                                                                                                                                  | ₹ 107,200                            |
| (i) Total number of options in force                                      | 53,074                                                                                                                                                                               | 46,311                               | 24,572                                                                                                                                                                               | 15,723                               | 12,287                                                                                                                                                                               | 10,720                               | NIL                                                                                                                                                                                  | NIL                                  |

## ANNEXURE 'A' TO DIRECTORS' REPORT

| Particulars                                                                                                                                                                                                                                                                                                                                                                                                             | 2012 – 2013                                                                           |                                                                                       | 2013 – 2014                                                                           |                                                                                       | 2014 – 2015                                                                           |                                                                                       | 2015 – 2016                                                                           |                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                         | Stock Options                                                                         | Restricted Stock Units (RSUs)                                                         | Stock Options                                                                         | Restricted Stock Units (RSUs)                                                         | Stock Options                                                                         | Restricted Stock Units (RSUs)                                                         | Stock Options                                                                         | Restricted Stock Units (RSUs)                                                         |
| (j) Employee wise details of options granted                                                                                                                                                                                                                                                                                                                                                                            | Please refer to Note No. 1                                                            | Please refer to Note No. 1                                                            | Please refer to Note No. 2                                                            | Please refer to Note No. 2                                                            | Please refer to Note No. 3                                                            | Please refer to Note No. 3                                                            | Please refer to Note No. 4                                                            | Please refer to Note No. 4                                                            |
| (k) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with [Accounting Standard (AS) 20 'Earnings Per Share']                                                                                                                                                                                                                                                 | Please refer to Note No. 30.15 of Notes to Accounts of Standalone Financial Statement | Please refer to Note No. 30.15 of Notes to Accounts of Standalone Financial Statement | Please refer to Note No. 30.15 of Notes to Accounts of Standalone Financial Statement | Please refer to Note No. 30.15 of Notes to Accounts of Standalone Financial Statement | Please refer to Note No. 30.15 of Notes to Accounts of Standalone Financial Statement | Please refer to Note No. 30.15 of Notes to Accounts of Standalone Financial Statement | Please refer to Note No. 30.15 of Notes to Accounts of Standalone Financial Statement | Please refer to Note No. 30.15 of Notes to Accounts of Standalone Financial Statement |
| (l) Where your Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of your Company shall also be disclosed | Please refer to Note No. 30.2 of Notes to Accounts of Standalone Financial Statement  | Please refer to Note No. 30.2 of Notes to Accounts of Standalone Financial Statement  | Please refer to Note No. 30.2 of Notes to Accounts of Standalone Financial Statement  | Please refer to Note No. 30.2 of Notes to Accounts of Standalone Financial Statement  | Please refer to Note No. 30.2 of Notes to Accounts of Standalone Financial Statement  | Please refer to Note No. 30.2 of Notes to Accounts of Standalone Financial Statement  | Please refer to Note No. 30.2 of Notes to Accounts of Standalone Financial Statement  | Please refer to Note No. 30.2 of Notes to Accounts of Standalone Financial Statement  |

## ANNEXURE 'A' TO DIRECTORS' REPORT

| Particulars                                                                                                                                                                   | 2012 – 2013                                                                     |                                                                                                 | 2013 – 2014                                                                        |                                                                                                 | 2014 – 2015                                                                        |                                                                                                 | 2015 – 2016                                                                        |                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
|                                                                                                                                                                               | Stock Options                                                                   | Restricted Stock Units (RSUs)                                                                   | Stock Options                                                                      | Restricted Stock Units (RSUs)                                                                   | Stock Options                                                                      | Restricted Stock Units (RSUs)                                                                   | Stock Options                                                                      | Restricted Stock Units (RSUs)                                                                   |
| (m) Weighted-average exercise prices and weighted-average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock  | Stock Options not exercised on 31 <sup>st</sup> March, 2013                     | Restricted Stock Units (RSUs) not exercised on 31 <sup>st</sup> March, 2013                     | Weighted average earning prices of ₹ 149.93. Weighted average fair values of ₹ 157 | Weighted average earning prices of ₹ 10. Weighted average fair values of ₹ 157                  | Weighted average earning prices of ₹ 149.93. Weighted average fair values of ₹ 157 | Weighted average earning prices of ₹ 10. Weighted average fair values of ₹ 157                  | Weighted average earning prices of ₹ 149.93. Weighted average fair values of ₹ 157 | Weighted average earning prices of ₹ 10. Weighted average fair values of ₹ 157                  |
| (n) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information | Intrinsic Value Method                                                          | Intrinsic Value Method                                                                          | Intrinsic Value Method                                                             | Intrinsic Value Method                                                                          | Intrinsic Value Method                                                             | Intrinsic Value Method                                                                          | Intrinsic Value Method                                                             | Intrinsic Value Method                                                                          |
| (i) risk-free interest rate                                                                                                                                                   | 8.03%                                                                           | 8.03%                                                                                           | 8.03%                                                                              | 8.03%                                                                                           | 8.03%                                                                              | 8.03%                                                                                           | 8.03%                                                                              | 8.03%                                                                                           |
| (ii) expected life (years) (from date of Listing of Equity Shares on Stock Exchanges)                                                                                         | 3 years                                                                         | 3 years                                                                                         | 3 years                                                                            | 3 years                                                                                         | 3 years                                                                            | 3 years                                                                                         | 3 years                                                                            | 3 years                                                                                         |
| (iii) expected volatility                                                                                                                                                     | 0.00%                                                                           | 0.00%                                                                                           | 0.00%                                                                              | 0.00%                                                                                           | 0.00%                                                                              | 0.00%                                                                                           | 0.00%                                                                              | 0.00%                                                                                           |
| (iv) expected dividends                                                                                                                                                       | The shares issued under Stock Options rank pari passu with the existing shares. | The shares issued under Restricted Stock Units (RSUs) rank pari passu with the existing shares. | The shares issued under Stock Options rank pari passu with the existing shares.    | The shares issued under Restricted Stock Units (RSUs) rank pari passu with the existing shares. | The shares issued under Stock Options rank pari passu with the existing shares.    | The shares issued under Restricted Stock Units (RSUs) rank pari passu with the existing shares. | The shares issued under Stock Options rank pari passu with the existing shares.    | The shares issued under Restricted Stock Units (RSUs) rank pari passu with the existing shares. |
| (v) the price of the underlying share in market at the time of options granted                                                                                                | Not Listed at time of Stock Options granted                                     | Not Listed at time of Restricted Stock Units (RSUs) granted                                     | Not Listed at time of Stock Options granted                                        | Not Listed at time of Restricted Stock Units (RSUs) granted                                     | Not Listed at time of Stock Options granted                                        | Not Listed at time of Restricted Stock Units (RSUs) granted                                     | Not Listed at time of Stock Options granted                                        | Not Listed at time of Restricted Stock Units (RSUs) granted                                     |

(f) (\*) Options lapsed were due to cancellation of Options on leaving the employment due to resignation by the eligible employees and also on non-exercise of options by the eligible employees.

# ANNEXURE 'A' TO DIRECTORS' REPORT

## Note No. 1

### (j) Employee wise details of options granted (as on 31<sup>st</sup> March, 2013):

(i) Senior Managerial Personnel:

| Name             | Designation                        | No. of Options Granted |                               | No. of Options Outstanding |                               |
|------------------|------------------------------------|------------------------|-------------------------------|----------------------------|-------------------------------|
|                  |                                    | Stock Options          | Restricted Stock Units (RSUs) | Stock Options              | Restricted Stock Units (RSUs) |
| Mr. Prem Hinduja | CEO                                | 19,657                 | 17,152                        | 19,657                     | 17,152                        |
| Mr. Divyesh Shah | Group Head-Retail                  | 17,200                 | 15,008                        | 17,200                     | 15,008                        |
| Mr. Kiran Dixit  | Group Head-Advertising & Marketing | 10,320                 | 9,005                         | 10,320                     | 9,005                         |

(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year:

| Name           | Designation                   | No. of Options Granted |                               | No. of Options Outstanding |                               |
|----------------|-------------------------------|------------------------|-------------------------------|----------------------------|-------------------------------|
|                |                               | Stock Options          | Restricted Stock Units (RSUs) | Stock Options              | Restricted Stock Units (RSUs) |
| Ms. Jigna Vyas | Sr. Manager-Diamond Operation | 5,897                  | 5,146                         | 5,897                      | 5,146                         |

(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of your Company at the time of grant: **None.**

## Note No. 2

### (j) Employee wise details of options granted (as on 31<sup>st</sup> March, 2014):

(i) Senior Managerial Personnel:

| Name             | Designation       | No. of Options Granted |                               | No. of Options Outstanding |                               |
|------------------|-------------------|------------------------|-------------------------------|----------------------------|-------------------------------|
|                  |                   | Stock Options          | Restricted Stock Units (RSUs) | Stock Options              | Restricted Stock Units (RSUs) |
| Mr. Prem Hinduja | CEO               | 19,657                 | 17,152                        | 13,105                     | 5,717                         |
| Mr. Divyesh Shah | Group Head-Retail | 17,200                 | 15,008                        | 11,467                     | 10,006                        |

(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: **None.**

(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of your Company at the time of grant: **None.**

# ANNEXURE 'A' TO DIRECTORS' REPORT

## Note No. 3

### (j) Employee wise details of options granted (as on 31<sup>st</sup> March, 2015):

(i) Senior Managerial Personnel:

| Name             | Designation       | No. of Options Granted |                               | No. of Options Outstanding |                               |
|------------------|-------------------|------------------------|-------------------------------|----------------------------|-------------------------------|
|                  |                   | Stock Options          | Restricted Stock Units (RSUs) | Stock Options              | Restricted Stock Units (RSUs) |
| Mr. Prem Hinduja | CEO               | 13,105                 | 5,717                         | 6,553                      | 5,717                         |
| Mr. Divyesh Shah | Group Head-Retail | 11,467                 | 10,006                        | 5,734                      | 5,003                         |

- (ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: **None.**
- (iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of your Company at the time of grant: **None.**

## Note No. 4

### (j) Employee wise details of options granted (as on 31<sup>st</sup> March, 2016):

(i) Senior Managerial Personnel:

| Name             | Designation       | No. of Options Granted |                               | No. of Options Outstanding |                               |
|------------------|-------------------|------------------------|-------------------------------|----------------------------|-------------------------------|
|                  |                   | Stock Options          | Restricted Stock Units (RSUs) | Stock Options              | Restricted Stock Units (RSUs) |
| Mr. Prem Hinduja | CEO               | 6,553                  | 5,717                         | NIL                        | NIL                           |
| Mr. Divyesh Shah | Group Head-Retail | 5,734                  | 5,003                         | NIL                        | NIL                           |

- (ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: **None.**
- (iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of your Company at the time of grant: **None.**

For and on behalf of the Board of Directors

Date: 2<sup>nd</sup> May, 2016

Place: Mumbai

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

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

# ANNEXURE 'AA' TO DIRECTORS' REPORT

## PRE- IPO EMPLOYEES STOCK OPTION SCHEME ('TBZ ESOP, 2011')

[Details of Employees Stock Option Scheme (ESOS) as on 31<sup>st</sup> March, 2016 pursuant to the requirements under Regulation 14 (Disclosures by the Board of Directors) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]

Your Company has only one Employee Stock Option Scheme viz. Pre - IPO Employees Stock Option Scheme ('TBZ ESOP, 2011').

The ESOS (ESOP) is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The following details have been disclosed on your Company's website at:  
[http://www.tbztheoriginal.com/pdf/ESOP-Disclosure\(15-16\).pdf](http://www.tbztheoriginal.com/pdf/ESOP-Disclosure(15-16).pdf)

- A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.
- B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

### **Details related to ESOS / ESOP:**

Your Company has only one Stock Option Scheme viz. Pre- IPO Employees Stock Option Scheme ('TBZ ESOP, 2011'). During the financial year 2015 – 2016 the third and last tranche was vested and exercised by the grantees and total 10,720 Equity Shares were allotted by the Board on 15<sup>th</sup> June, 2015. As on date of 31<sup>st</sup> March, 2016, your Company do not have any open ESOS/ESOP.

- (i) The general terms and conditions of the same are given below:

| Description                                              | TBZ ESOP, 2011                                                                                                                                                                                                                                                                                                                                                                                                  |                                             |
|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| (a) Date of shareholders' approval                       | 12 <sup>th</sup> January, 2011                                                                                                                                                                                                                                                                                                                                                                                  |                                             |
| (b) Total number of options approved under ESOS          | 208,433 Options (comprising of 111,309 Stock Options and 97,124 RSUs)                                                                                                                                                                                                                                                                                                                                           |                                             |
| (c) Vesting requirements                                 | The Options and RSUs granted under TBZ ESOP, 2011 shall vest in one or more tranches, so long as the holder of the Options or RSUs, as the case may be, continues to be in the employment/ Directorship of your Company or Subsidiary, as the case may be. The Options and RSUs granted under TBZ ESOP, 2011 would vest after the expiry of one year from date of grant of Options or RSUs, as the case may be. |                                             |
| (d) Exercise price or pricing formula                    | <b>Stock Options</b>                                                                                                                                                                                                                                                                                                                                                                                            | <b>Restricted Stock Units (RSUs)</b>        |
|                                                          | Under the Scheme, all the options were granted prior to the listing of the Equity Shares of your Company. These options were granted at a discount to the annual valuation.<br><br>₹ 149.93                                                                                                                                                                                                                     | Face Value of the Equity Share.<br><br>₹ 10 |
| (e) Maximum term of options granted                      | The Options and RSUs granted pursuant to TBZ ESOP, 2011 were granted in three tranches. The maximum term of Options or RSUs granted, as the case may be, is as follows:<br><br>The first/ second/ third year of the later of (i) the Date of Grant or (ii) the date of listing of the Equity shares of your Company on the BSE and the NSE.                                                                     |                                             |
| (f) Source of shares (primary, secondary or combination) | Primary                                                                                                                                                                                                                                                                                                                                                                                                         |                                             |
| (g) Variation in terms of options                        | N.A.                                                                                                                                                                                                                                                                                                                                                                                                            |                                             |

## ANNEXURE 'AA' TO DIRECTORS' REPORT

(ii) Method used to account for ESOS – Intrinsic Value Method

(iii) Where your company opts for expensing of the options using the intrinsic value of the options:

Where your Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of your Company shall also be disclosed.

Please refer to Note No. 30.2 of Notes to Accounts of Standalone Financial Statement

(iv) Options movement during the year:

| Particulars                                                                                        | Stock Options | Restricted Stock Units (RSUs) |
|----------------------------------------------------------------------------------------------------|---------------|-------------------------------|
| Number of options outstanding at the beginning of the period                                       | 12,287        | 10,720                        |
| Number of options granted during the year                                                          | NIL           | NIL                           |
| Number of options forfeited/ lapsed during the year                                                | 12,287        | NIL                           |
| Number of options vested during the year                                                           | 12,287        | 10,720                        |
| Number of options exercised during the year                                                        | NIL           | 10,720                        |
| Number of shares arising as a result of exercise of options                                        | NIL           | 10,720                        |
| Money realized by exercise of options (INR), if the scheme is implemented directly by your Company | NIL           | ₹ 107,200                     |
| Loan repaid by the Trust during the year from exercise price received                              | N.A.          | N.A.                          |
| Number of options outstanding at the end of the year                                               | NIL           | NIL                           |
| Number of options exercisable at the end of the year                                               | NIL           | NIL                           |

(v) Weighted-average exercise prices and weighted-average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock:

| Particulars                                                                                                                                                              | Stock Options                                                                             | Restricted Stock Units (RSUs)                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Weighted-average exercise prices and weighted-average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock | Weighted average earning prices of ₹149.93.<br><br>Weighted average fair values of ₹ 157. | Weighted average earning prices of ₹10.<br><br>Weighted average fair values of ₹ 157. |

(vi) **Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted (as on 31<sup>st</sup> March, 2016):**

(a) Senior Managerial Personnel:

| Name             | Designation       | No. of Options Granted |                               | Exercise Price |                               |
|------------------|-------------------|------------------------|-------------------------------|----------------|-------------------------------|
|                  |                   | Stock Options          | Restricted Stock Units (RSUs) | Stock Options  | Restricted Stock Units (RSUs) |
| Mr. Prem Hinduja | CEO               | 6,553                  | 5,717                         | ₹ 149.93       | ₹ 10                          |
| Mr. Divyesh Shah | Group Head-Retail | 5,734                  | 5,003                         | ₹ 149.93       | ₹ 10                          |

(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: **None.**

(c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of your Company at the time of grant: **None.**

## ANNEXURE 'AA' TO DIRECTORS' REPORT

(vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

| Particulars                                                                                                                                    | Stock Options                                                                          | Restricted Stock Units (RSUs)                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| The weighted-average values of share price                                                                                                     | Weighted average earning prices of ₹ 149.93.<br>Weighted average fair values of ₹ 157. | Weighted average earning prices of ₹ 10.<br>Weighted average fair values of ₹ 157.              |
| Exercise price                                                                                                                                 | ₹ 149.93                                                                               | ₹ 10                                                                                            |
| Expected volatility                                                                                                                            | 0.00%                                                                                  | 0.00%                                                                                           |
| Expected option life                                                                                                                           | 3 years<br>(2015 - 2016 is the last year of Stock Options)                             | 3 years<br>(2015 - 2016 is the last year of RSUs)                                               |
| Expected dividends                                                                                                                             | The shares issued under Stock Options rank pari passu with the existing shares.        | The shares issued under Restricted Stock Units (RSUs) rank pari passu with the existing shares. |
| The risk-free interest rate                                                                                                                    | 8.03%                                                                                  | 8.03%                                                                                           |
| Any other inputs to the model                                                                                                                  | N.A.                                                                                   | N.A.                                                                                            |
| The method used and the assumptions made to incorporate the effects of expected early exercise                                                 | Intrinsic Value Method<br>N.A.<br>(Pre IPO – Stock Options granted on 12.01.2011)      | Intrinsic Value Method<br>N.A.<br>(Pre IPO – RSUs granted on 12.01.2011)                        |
| How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility | N.A.<br>(Pre IPO – Stock Options granted on 12.01.2011)                                | N.A.<br>(Pre IPO – RSUs granted on 12.01.2011)                                                  |
| Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.       | N.A.<br>(Pre IPO – Stock Options granted on 12.01.2011)                                | N.A.<br>(Pre IPO – RSUs granted on 12.01.2011)                                                  |

### Disclosures in respect of grants made in three years prior to IPO under each ESOS/ ESOP:

All Stock Options as well as Restricted Stock Units (RSUs) granted in the three years prior to the IPO have been exercised or have lapsed. As on date of 31<sup>st</sup> March, 2016, your Company do not have any open ESOS/ ESOP.

For and on behalf of the Board of Directors

Date: 2<sup>nd</sup> May, 2016  
Place: Mumbai

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

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

# ANNEXURE 'B' TO DIRECTORS' REPORT

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2015 - 2016

**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 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 has made CSR Contribution to (1) Manav Mandir Trust of ₹ 3,000,000 for promoting Education; (2) Sneha (Society for Nutrition Education & Health Action) of ₹ 3,406,327 for the cause of promoting gender equality and women's empowerment; (3) Cancer Patient Aid Association (CPAA) of ₹ 150,000 for Promoting Healthcare including Preventive Healthcare; (4) West Wind Association of ₹ 50,000 for promoting Education; and (5) Our Lady of Dolours' High School of ₹ 16,220 for promoting Education. These NGO'S/ organization carry out projects 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: ₹ 820,160,994

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

Your Company is required to spend ₹ 16,403,220 towards CSR activities.

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

**a. Total amount spent for the financial year: ₹ 6,622,547**

**b. Amount unspent, if any: balance Amount ₹ 9,780,673**

**c. Manner in which the amount spent during the financial year 2015 - 2016 is detailed below:**

## ANNEXURE 'B' TO DIRECTORS' REPORT

| Sr. No. | CSR Projects or Activities identified                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Sector in which the Project is covered                      | Project or programs – Local area or other | Amount outlay (Budget) Project or Programs wise | Amount Spent on the project or programs 1.Direct Expenditure on Projects or programs 2.Overheads | Cumulative Expenditure upto reporting period | Amount spent: Direct or through implementing agency* |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------------------------------|
|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                             | Locations District (State)                | ₹ in Lakhs                                      | ₹ in Lakhs                                                                                       | ₹ in Lakhs                                   | ₹ in Lakhs                                           |
| 1       | Manav Mandir Trust<br>For providing better Infrastructure and Amenities to students.<br>{The CSR contribution made to Manav Mandir Trust, for promoting Education at "Smt. N.R.P. Sheth Multipurpose High School" a co-educational institution to impart education through Maharashtra State Board syllabus to the children residing in South Mumbai. The Educational Board is having CBSE Affiliation. The CSR contribution by the Company will be used to give better infrastructure and amenities to their students.} | Promoting Education Clause (ii)                             | Maharashtra (Mumbai)                      | 30.00                                           | 30.00                                                                                            | 30.00                                        | 30.00<br>Implementing Agency (1)                     |
| 2       | Sneha (Society for Nutrition Education & Health Action)<br>Prevention of violence against women and children.<br>{The CSR contribution made to 'Sneha' which is a secular, Mumbai-based non-profit making organization and working in hospitals of Mumbai and Thane. The CSR contribution will be used for prevention of violence against women and children, counseling to the victims and to respond to crimes against women so as to ensure women live a life free from violence.}                                    | Promoting gender equality and empowering women Clause (iii) | Maharashtra (Mumbai & Thane)              | 68.12654                                        | 28.61327<br>5.45                                                                                 | 34.06327                                     | 34.06327<br>Implementing Agency (2)                  |

## ANNEXURE 'B' TO DIRECTORS' REPORT

| Sr. No. | CSR Projects or Activities identified                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Sector in which the Project is covered                          | Project or programs – Local area or other | Amount outlay (Budget) Project or Programs wise | Amount Spent on the project or programs 1.Direct Expenditure on Projects or programs 2.Overheads | Cumulative Expenditure upto reporting period | Amount spent: Direct or through implementing agency* |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------------------------------|
|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                 | Locations District (State)                | ₹ in Lakhs                                      | ₹ in Lakhs                                                                                       | ₹ in Lakhs                                   | ₹ in Lakhs                                           |
| 3       | Cancer Patients Aid Association (CPAA)<br>Providing medical and radiation treatment to poor cancer patient.<br>{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 NGO for giving medical and radiation treatment to many poor cancer patients.}                                                                                                                           | Promoting Healthcare including Preventive Healthcare Clause (i) | Maharashtra (Pune)                        | 1.50                                            | 1.50                                                                                             | 1.50                                         | 1.50<br>Implementing Agency (3)                      |
| 4       | West Wind Association<br>For providing better Infrastructure and Amenities to students.<br>{The CSR contribution made to 'West Wind Association' which will be used for the 'West Wind School'. The school is cooperative, non-profit institution devoted exclusively to the intellectual and emotional well-being of the child, with mothers playing a pivotal role in administration. This contribution will be utilized by the West Wind Association, Mumbai for Promotion of Education including better infrastructure and amenities for the students.} | Promoting Education Clause (ii)                                 | Maharashtra (Mumbai)                      | 0.50                                            | 0.50                                                                                             | 0.50                                         | 0.50<br>Implementing Agency (4)                      |

## ANNEXURE 'B' TO DIRECTORS' REPORT

| Sr. No. | CSR Projects or Activities identified                                                                                                                                                                                                                                                                                                                                                                                   | Sector in which the Project is covered | Project or programs – Local area or other | Amount outlay (Budget) Project or Programs wise | Amount Spent on the project or programs 1.Direct Expenditure on Projects or programs 2.Overheads | Cumulative Expenditure upto reporting period | Amount spent: Direct or through implementing agency* |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------------------------------|
|         |                                                                                                                                                                                                                                                                                                                                                                                                                         |                                        | Locations District (State)                | ₹ in Lakhs                                      | ₹ in Lakhs                                                                                       | ₹ in Lakhs                                   | ₹ in Lakhs                                           |
| 5       | Our Lady Of Dolours' High School<br>School Fees payment of poor student.<br>{The CSR contribution made to 'Our Lady Of Dolours' High School which is an English medium school and it is affiliated to the State board. The school is a co-educational school and it has classes from 1 to 10. The said CSR contribution will be used to pay the fees of a needy student of the School for the Academic Year 2015-2016.} | Promoting Education Clause (ii)        | Maharashtra (Mumbai)                      | 0.1622                                          | 0.1622                                                                                           | 0.1622                                       | 0.1622<br>Implementing Agency (5)                    |
|         | <b>Total Amount</b>                                                                                                                                                                                                                                                                                                                                                                                                     |                                        |                                           | <b>100.28874</b>                                | <b>66.22547</b>                                                                                  | <b>66.22547</b>                              | <b>66.22547</b>                                      |

(\*) Details of Implementing Agencies:

- (1) Manav Mandir Trust;
- (2) Sneha (Society for Nutrition Education & Health Action);
- (3) Cancer Patient Aid Association (CPAA);
- (4) West Wind Association; and
- (5) Our Lady of Dolours' High School.

During the financial year ended 31<sup>st</sup> March, 2016, your Company had spent amount in CSR activities undertaken mostly in Mumbai and one activity in Pune where your Company's showrooms are located.

### 6. In case of 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

#### Reason for short spent for financial year 2015 - 2016:

Your Company is fully committed to make contributions towards CSR activities of the Company as per the requirement of Section 135 of the Companies Act, 2013. As this being the second year of the CSR activity of your Company has contributed with an amount ₹ 6,622,547 for the financial year 2015 – 2016 instead of the required contribution amount of ₹ 16,403,220 (i.e. 2% of the average net profit of your Company made during the three immediately preceding financial year). Your Company has not spent balance CSR contribution amount of ₹ 9,780,673. As the financial year 2015 – 2016 being the second year of CSR activity of your Company, the members of the CSR Committee as well as the members of the Board has decided to go ahead with CSR activities with proper research and planning and decided not to make balance required contribution as stated above in haste, but decided to make the required contribution as and when your Company finds proper projects or area in the coming financial years. Your Company has entered into Memorandum of Understanding (MOU) with Sneha (Society for Nutrition Education & Health Action) under which your Company has contributed ₹ 3,406,327 for the year 2015 - 2016 and shall contribute further ₹ 3,406,327 for the year 2016 - 2017. Your Company is fully committed to participate whole heartedly under the CSR Activities.

## ANNEXURE 'B' TO DIRECTORS' REPORT

During the year your Company has also made contribution of ₹ 21 Lakhs to Prime Minister National Relief Fund (PMNRF), but the members of CSR Committee as well as Board in their meeting held on 12<sup>th</sup> May, 2015 have decided to take that contribution as contribution for the financial year 2014 – 2015 and not in the year in which it was contributed. Hence the CSR Contribution made of ₹ 21 Lakhs has not been considered during calculating the contribution of 2015 – 2016.

**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

Date: 2<sup>nd</sup> May, 2016  
Place: Mumbai

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

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

# ANNEXURE 'C' TO DIRECTORS' REPORT

**Form No. MR-3**

## **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2016

[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, 2016, 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, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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, 1992 as amended from time to time;
  - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time.

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

- (i) The Listing Agreements entered into by the Company with BSE Limited (Bombay Stock Exchange) and NSE Limited (National Stock Exchange);
- (ii) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (with effect from 1<sup>st</sup> December, 2015);
- (iii) Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 & SS-2).

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

### **We further report that**

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

# ANNEXURE 'C' TO DIRECTORS' REPORT

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 of Audit, all the decisions in the Board Meetings were carried out unanimously.

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 as listed in Annexure 1.

**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. (As mentioned above and listed in Annexure I)

**We further report that** during the audit period there were no specific events/ actions having a major bearing on the Company's affairs.

Place: Mumbai  
Date: 26<sup>th</sup> April, 2016

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

## Annexure I

1. Employees' Provident Fund Act, 1952 and Rules
2. Professional Tax Act, 1975 and Rules
3. Payment of Gratuity Act, 1972
4. Apprentices Act, 1961
5. Contract Labour (R&A) Act, 1970
6. Employment Exchanges (Compulsory Notification of vacancies) Act, 1959
7. Employees State Insurance Act, 1948
8. Equal Remuneration Act, 1976
9. Minimum Wages Act, 1948
10. Payment of Bonus Act, 1965
11. Shop and Establishment Act, 1948
12. Income Tax Act, 1961
13. Finance Act, 1994
14. Labour Welfare Fund Act, 1953
15. Maternity Benefit Act, 1961
16. Factories Act, 1948
17. Industrial Dispute Act, 1947
18. The Workmen's Compensation Act, 1923
19. The Payment of Wages Act, 1936
20. The Trade & Merchandise Marks Act, 1958
21. Welfare Fund (Amendment) Act, 1970
22. The Motor Vehicles Act, 1988
23. Profession Tax Act, 1975
24. L.B.T / Octroi Act for states (Municipal Corporation Act for states)
25. Central Excise Act, 1944
26. Standard Weights & Measures Act, 1976
27. Indian Performance Act
28. Bureau of Indian Standard (BIS) (Hallmarking)
29. Design Act, 2000

# ANNEXURE 'D' TO DIRECTORS' REPORT

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2016

[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:

|                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>CIN</b>                                                                       | L27205MH2007PLC172598                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Registration Date</b>                                                         | 24 <sup>th</sup> July, 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Name of the Company</b>                                                       | <b>Tribhovandas Bhimji Zaveri Limited</b>                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Category / Sub-Category of the Company</b>                                    | Public Company / Limited by shares                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Address of the Registered office and contact details</b>                      | 241/ 43, Zaveri Bazar, Mumbai - 400 002.<br>Tel. No.: (022) 3956 5001<br>Fax No.: (022) 3956 5056<br>Email Add.: <a href="mailto:investors@tbzoriginal.com">investors@tbzoriginal.com</a><br>Website Add.: <a href="http://www.tbztheoriginal.com">www.tbztheoriginal.com</a>                                                                                                                                                                                              |
| <b>Whether listed company</b>                                                    | Yes / No                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b> | Karvy Computershare Private Limited<br>Karvy Selenium Tower B, Plot 31-32,<br>Gachibowli, Financial District,<br>Nanakramguda, Hyderabad – 500 032.<br>Tel. No. (040) 6716 1500 / 2222<br>Fax. No. (040) 2342 0814<br>Email Add.: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a><br>Website Add.: <a href="http://www.karvycomputershare.com">www.karvycomputershare.com</a><br>Contact Person: Mr. Anupam Ompolu<br>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:

| <b>Name and Description of main products /services</b> | <b>NIC Code of the Product /service</b>                  | <b>% to total turnover of the company</b> |
|--------------------------------------------------------|----------------------------------------------------------|-------------------------------------------|
| Retail Sale of Jewellery (Retail Jewellery)            | 47733 – Retail Sale of jewellery and imitation jewellery | 99.90%                                    |

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

| <b>Name and Address of the Company</b>                                                                                                                     | <b>CIN / GLN</b>      | <b>Holding/ Subsidiary/ Associate</b> | <b>% Shares held</b> | <b>Applicable Section</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------------|----------------------|---------------------------|
| <b>Tribhovandas Bhimji Zaveri (Bombay) Limited</b><br>241/ 43, Zaveri Bazar,<br>Mumbai - 400 002.<br>Tel. No.: (022) 3956 5001<br>Fax No.: (022) 3956 5056 | U36911MH1986PLC039643 | Subsidiary                            | 100                  | 2(87)                     |
| <b>Konfiaance Jewellery Private Limited</b><br>241/ 43, Zaveri Bazar,<br>Mumbai - 400 002.<br>Tel. No.: (022) 3956 5001<br>Fax No.: (022) 3956 5056        | U36912MH2009PTC195716 | Subsidiary                            | 100                  | 2(87)                     |

# ANNEXURE 'D' TO DIRECTORS' REPORT

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

### i) Category-wise Share Holding:

| Category of Shareholders                                   | No. of Shares held at the beginning of the year |          |                   |                   | No. of Shares held at the end of the year |          |                   |                   | % Change during the year |
|------------------------------------------------------------|-------------------------------------------------|----------|-------------------|-------------------|-------------------------------------------|----------|-------------------|-------------------|--------------------------|
|                                                            | Demat                                           | Physical | Total             | % of Total Shares | Demat                                     | Physical | Total             | % of Total Shares |                          |
| <b>A. Promoters</b>                                        |                                                 |          |                   |                   |                                           |          |                   |                   |                          |
| <b>(1) Indian</b>                                          |                                                 |          |                   |                   |                                           |          |                   |                   |                          |
| a) Individual / HUF                                        | 46,759,775                                      | -        | 46,759,775        | 70.08             | 46,759,775                                | -        | 46,759,775        | 70.07             | -0.01                    |
| 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              | 0.00                     |
| e) Banks / FI                                              | -                                               | -        | -                 | -                 | -                                         | -        | -                 | -                 | -                        |
| f) Any Other.....                                          | -                                               | -        | -                 | -                 | -                                         | -        | -                 | -                 | -                        |
| <b>Sub-Total (A)(1):</b>                                   | <b>49,459,775</b>                               | <b>-</b> | <b>49,459,775</b> | <b>74.13</b>      | <b>49,459,775</b>                         | <b>-</b> | <b>49,459,775</b> | <b>74.12</b>      | <b>-0.01</b>             |
| <b>(2) Foreign</b>                                         |                                                 |          |                   |                   |                                           |          |                   |                   |                          |
| a) NRIs - Individuals                                      | -                                               | -        | -                 | -                 | -                                         | -        | -                 | -                 | -                        |
| b) Other- Individuals                                      | -                                               | -        | -                 | -                 | -                                         | -        | -                 | -                 | -                        |
| c) Bodies Corporate                                        | -                                               | -        | -                 | -                 | -                                         | -        | -                 | -                 | -                        |
| d) Banks / FI                                              | -                                               | -        | -                 | -                 | -                                         | -        | -                 | -                 | -                        |
| e) Any Other....                                           | -                                               | -        | -                 | -                 | -                                         | -        | -                 | -                 | -                        |
| <b>Sub-Total (A)(2):</b>                                   | <b>-</b>                                        | <b>-</b> | <b>-</b>          | <b>-</b>          | <b>-</b>                                  | <b>-</b> | <b>-</b>          | <b>-</b>          | <b>-</b>                 |
| <b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b> | <b>49,459,775</b>                               | <b>-</b> | <b>49,459,775</b> | <b>74.13</b>      | <b>49,459,775</b>                         | <b>-</b> | <b>49,459,775</b> | <b>74.12</b>      | <b>-0.01</b>             |
| <b>B. Public Shareholding</b>                              |                                                 |          |                   |                   |                                           |          |                   |                   |                          |
| <b>(1) Institutions</b>                                    |                                                 |          |                   |                   |                                           |          |                   |                   |                          |
| a) Mutual Funds/ UTI                                       | 29,711                                          | -        | 29,711            | 0.04              | 252                                       | -        | 252               | 0.00              | -0.04                    |
| b) Banks / FI                                              | 6,711                                           | -        | 6,711             | 0.01              | 81,865                                    | -        | 81,865            | 0.12              | +0.11                    |
| c) Central Govt.                                           | -                                               | -        | -                 | -                 | -                                         | -        | -                 | -                 | -                        |
| d) State Govt.(s)                                          | -                                               | -        | -                 | -                 | -                                         | -        | -                 | -                 | -                        |
| e) Venture Capital Funds                                   | -                                               | -        | -                 | -                 | -                                         | -        | -                 | -                 | -                        |
| f) Insurance Companies                                     | -                                               | -        | -                 | -                 | -                                         | -        | -                 | -                 | -                        |
| g) FIs / Foreign Portfolio Investors                       | 10,723,068                                      | -        | 10,723,068        | 16.07             | 4,776,367                                 | -        | 4,776,367         | 7.16              | -8.91                    |
| h) Foreign Venture Capital Funds                           | -                                               | -        | -                 | -                 | -                                         | -        | -                 | -                 | -                        |
| i) Others (specify)                                        | -                                               | -        | -                 | -                 | -                                         | -        | -                 | -                 | -                        |
| <b>Sub-Total (B)(1):</b>                                   | <b>10,759,490</b>                               | <b>-</b> | <b>10,759,490</b> | <b>16.13</b>      | <b>4,858,484</b>                          | <b>-</b> | <b>4,858,484</b>  | <b>7.28</b>       | <b>-8.85</b>             |
| <b>(2) Non-Institutions</b>                                |                                                 |          |                   |                   |                                           |          |                   |                   |                          |
| <b>a) Bodies Corporate</b>                                 | <b>2,751,033</b>                                | <b>-</b> | <b>2,751,033</b>  | <b>4.12</b>       | <b>4,345,534</b>                          | <b>-</b> | <b>4,345,534</b>  | <b>6.51</b>       | <b>+2.39</b>             |
| i) Indian                                                  | -                                               | -        | -                 | -                 | -                                         | -        | -                 | -                 | -                        |
| ii) Overseas                                               | -                                               | -        | -                 | -                 | -                                         | -        | -                 | -                 | -                        |

## ANNEXURE 'D' TO DIRECTORS' REPORT

| 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           | 1,888,893                                       | 450        | 1,889,343         | 2.83              | 3,816,843                                 | 700        | 3,816,143         | 5.72              | +2.89                    |
| ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh  | 1,715,759                                       | -          | 1,715,759         | 2.57              | 3,552,050                                 | -          | 3,552,050         | 5.33              | +2.76                    |
| <b>c) NBFCs Registered with RBI</b>                                              | -                                               | -          | -                 | -                 | <b>87,021</b>                             | -          | <b>87,021</b>     | <b>0.13</b>       | <b>+0.13</b>             |
| <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                                                                   | 117,801                                         | -          | 117,801           | 0.18              | 193,248                                   | -          | 193,248           | 0.29              | +0.11                    |
| v) Clearing Members / Clearing House                                             | 26,449                                          | -          | 26,449            | 0.04              | 416,030                                   | -          | 416,030           | 0.62              | +0.58                    |
| vi) Trusts                                                                       | 250                                             | -          | 250               | 0.00              | 1,500                                     | -          | 1,500             | 0.00              | 0.00                     |
| vii) Limited Liability Partnership                                               | -                                               | -          | -                 | -                 | -                                         | -          | -                 | -                 | -                        |
| viii) Foreign Portfolio Investor (Corporate)                                     | -                                               | -          | -                 | -                 | -                                         | -          | -                 | -                 | -                        |
| ix) Qualified Foreign Investor                                                   | -                                               | -          | -                 | -                 | -                                         | -          | -                 | -                 | -                        |
| (x) Unclaimed Suspense Account                                                   | -                                               | -          | -                 | -                 | 135                                       | -          | 135               | 0.00              | 0.00                     |
| <b>Sub-Total (B)(2):</b>                                                         | <b>6,500,185</b>                                | <b>450</b> | <b>6,500,635</b>  | <b>9.74</b>       | <b>12,411,661</b>                         | <b>700</b> | <b>12,412,361</b> | <b>18.60</b>      | <b>+8.86</b>             |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>                               | <b>17,259,675</b>                               | <b>450</b> | <b>17,260,125</b> | <b>25.87</b>      | <b>17,270,145</b>                         | <b>700</b> | <b>17,270,845</b> | <b>25.88</b>      | <b>+0.01</b>             |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           | -                                               | -          | -                 | -                 | -                                         | -          | -                 | -                 | -                        |
| <b>Grand Total (A+B+C)</b>                                                       | <b>66,719,450</b>                               | <b>450</b> | <b>66,719,900</b> | <b>100.00</b>     | <b>66,729,920</b>                         | <b>700</b> | <b>66,730,620</b> | <b>100</b>        | <b>0.00</b>              |

## ANNEXURE 'D' TO DIRECTORS' REPORT

### 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                                 | 5.25                             | -                                                | 3,500,000                           | 5.24                             | -                                                | -0.01                                     |
| 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>74.13</b>                     | <b>-</b>                                         | <b>49,459,775</b>                   | <b>74.12</b>                     | <b>-</b>                                         | <b>-0.01</b>                              |

### iii) Change in Promoters' Shareholding:

|                                                                                                                                                                               | Shareholding at the beginning of the year                                                                                                                                                                                                                                                                                                                                                       |                                  | Cumulative Shareholding during the year |                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|                                                                                                                                                                               | No. of shares                                                                                                                                                                                                                                                                                                                                                                                   | % of total shares of the company | No. of shares                           | % of total shares of the company |
| At the beginning of the year                                                                                                                                                  | <b>49,459,775</b>                                                                                                                                                                                                                                                                                                                                                                               | <b>74.13</b>                     | <b>49,459,775</b>                       | <b>74.13</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.): | <p>There is no change in Promoter shareholding during the year, except change in percentage which is due to fresh allotment of 10,720 Equity Share on 15<sup>th</sup> June, 2015 under 3<sup>rd</sup> tranche of 'TBZ ESOP, 2011' Scheme to the employees of the Company.</p> <p>(Only Change in % of total shares of the Company due to increase in Paid-up Share Capital of the Company.)</p> |                                  |                                         |                                  |
| 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       | Smallcap World Fund, INC                                    | 4,335,732                                 | 6.50                             | NIL                                 | NIL                              |
| 2       | HSBC Global Investment Funds A/C HSBC GIF Mauritius Limited | 2,508,700                                 | 3.76                             | 2,211,715                           | 3.31                             |
| 3       | Goldman Sachs India Fund Limited                            | 989,168                                   | 1.48                             | NIL                                 | NIL                              |
| 4       | Keki Jimmy Unwalla                                          | 500,000                                   | 0.75                             | 500,000                             | 0.75                             |
| 5       | Swedbank Robur Global Emerging Markets                      | 500,000                                   | 0.75                             | NIL                                 | NIL                              |
| 6       | Steinberg India Emerging Opportunities Fund Limited         | 475,000                                   | 0.71                             | 338,000                             | 0.51                             |

## ANNEXURE 'D' TO DIRECTORS' REPORT

| 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 |
| 7       | Jai-Vijay Resources Pvt. Ltd.              | 458,397                                   | 0.69                             | 8,397                               | 0.01                             |
| 8       | Acacia Partners, LP                        | 449,549                                   | 0.67                             | 388,794                             | 0.58                             |
| 9       | Acacia Institutional Partners, LP          | 317,330                                   | 0.48                             | 205,206                             | 0.31                             |
| 10      | Acacia Conservation Fund LP                | 317,330                                   | 0.48                             | 270,236                             | 0.40                             |
| 11      | Lata Bhanshali                             | 124,708                                   | 0.19                             | 657,152                             | 0.98                             |
| 12      | Priyanka Finance Private Limited           | NIL                                       | NIL                              | 498,000                             | 0.75                             |
| 13      | Aadi Financial Advisors LLP                | 212,442                                   | 0.32                             | 420,326                             | 0.63                             |
| 14      | Elara Capital Plc A/C Vespera Fund Limited | 200,500                                   | 0.30                             | 409,706                             | 0.61                             |
| 15      | Morgan Stanley Asia (Singapore) PTE.       | 310,500                                   | 0.47                             | 310,500                             | 0.47                             |
| 16      | Akash Bhanshali                            | 290,072                                   | 0.43                             | 290,072                             | 0.43                             |

“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 (01.04.15)/ end of the year (31.03.16) |                                  | Date     | Increase/ Decrease in shareholding | Reason   | Cumulative Shareholding during the year (01.04.15 to 31.03.16) |                                  |
|---------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------|----------|------------------------------------|----------|----------------------------------------------------------------|----------------------------------|
|         |                                                                                                    | No. of shares                                                                    | % of total shares of the company |          |                                    |          | No. of shares                                                  | % of total shares of the company |
| 1       | Smallcap World Fund, INC                                                                           | 4,335,732                                                                        | 6.50                             | 01.04.15 |                                    |          |                                                                |                                  |
|         |                                                                                                    |                                                                                  |                                  | 04.12.15 | (62,183)                           | Transfer | 4,273,549                                                      | 6.40                             |
|         |                                                                                                    |                                                                                  |                                  | 11.12.15 | (312,859)                          | Transfer | 3,960,690                                                      | 5.94                             |
|         |                                                                                                    |                                                                                  |                                  | 18.12.15 | (52,302)                           | Transfer | 3,908,388                                                      | 5.86                             |
|         |                                                                                                    |                                                                                  |                                  | 25.12.15 | (7,351)                            | Transfer | 3,901,037                                                      | 5.85                             |
|         |                                                                                                    |                                                                                  |                                  | 31.12.15 | (52,137)                           | Transfer | 3,848,900                                                      | 5.77                             |
|         |                                                                                                    |                                                                                  |                                  | 08.01.16 | (77,632)                           | Transfer | 3,771,268                                                      | 5.65                             |
|         |                                                                                                    |                                                                                  |                                  | 15.01.16 | (39,204)                           | Transfer | 3,732,064                                                      | 5.59                             |
|         |                                                                                                    |                                                                                  |                                  | 29.01.16 | (184,611)                          | Transfer | 3,547,453                                                      | 5.32                             |
|         |                                                                                                    |                                                                                  |                                  | 05.02.16 | (288,941)                          | Transfer | 3,258,512                                                      | 4.88                             |
|         |                                                                                                    |                                                                                  |                                  | 12.02.16 | (37,235)                           | Transfer | 3,221,277                                                      | 4.83                             |
|         |                                                                                                    |                                                                                  |                                  | 19.02.16 | (89,772)                           | Transfer | 3,131,505                                                      | 4.69                             |
|         |                                                                                                    |                                                                                  |                                  | 26.02.16 | (78,520)                           | Transfer | 3,052,985                                                      | 4.58                             |
|         |                                                                                                    |                                                                                  |                                  | 04.03.16 | (367,617)                          | Transfer | 2,685,368                                                      | 4.02                             |
|         |                                                                                                    |                                                                                  |                                  | 11.03.16 | (232,800)                          | Transfer | 2,452,568                                                      | 3.68                             |
|         |                                                                                                    |                                                                                  |                                  | 18.03.16 | (344,984)                          | Transfer | 2,107,584                                                      | 3.16                             |
|         |                                                                                                    |                                                                                  |                                  | 25.03.16 | (2,107,584)                        | Transfer | NIL                                                            | NIL                              |
|         |                                                                                                    | NIL                                                                              | NIL                              | 31.03.16 |                                    |          |                                                                |                                  |

## ANNEXURE 'D' TO DIRECTORS' REPORT

| 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 (01.04.15)/ end of the year (31.03.16) |                                  | Date     | Increase/ Decrease in shareholding | Reason                       | Cumulative Shareholding during the year (01.04.15 to 31.03.16) |                                  |
|---------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------|----------|------------------------------------|------------------------------|----------------------------------------------------------------|----------------------------------|
|         |                                                                                                    | No. of shares                                                                    | % of total shares of the company |          |                                    |                              | No. of shares                                                  | % of total shares of the company |
| 2       | HSBC Global Investment Funds A/C HSBC GIF Mauritius Limited                                        | 2,508,700                                                                        | 3.76                             | 01.04.15 |                                    |                              |                                                                |                                  |
|         |                                                                                                    |                                                                                  |                                  | 11.09.15 | (127,505)                          | Transfer                     | 2,381,195                                                      | 3.57                             |
|         |                                                                                                    |                                                                                  |                                  | 09.10.15 | (85,666)                           | Transfer                     | 2,295,529                                                      | 3.44                             |
|         |                                                                                                    |                                                                                  |                                  | 16.10.15 | (20,451)                           | Transfer                     | 2,275,078                                                      | 3.41                             |
|         |                                                                                                    |                                                                                  |                                  | 23.10.15 | (10,764)                           | Transfer                     | 2,264,314                                                      | 3.39                             |
|         |                                                                                                    |                                                                                  |                                  | 11.12.15 | (52,599)                           | Transfer                     | 2,211,715                                                      | 3.31                             |
|         |                                                                                                    | 2,211,715                                                                        | 3.31                             | 31.03.16 |                                    |                              |                                                                |                                  |
| 3       | Goldman Sachs India Fund Limited                                                                   | 989,168                                                                          | 1.48                             | 01.04.15 |                                    |                              |                                                                |                                  |
|         |                                                                                                    |                                                                                  |                                  | 05.06.15 | (47,200)                           | Transfer                     | 941,968                                                        | 1.41                             |
|         |                                                                                                    |                                                                                  |                                  | 14.08.15 | (44,226)                           | Transfer                     | 897,742                                                        | 1.35                             |
|         |                                                                                                    |                                                                                  |                                  | 21.08.15 | (63,413)                           | Transfer                     | 834,329                                                        | 1.25                             |
|         |                                                                                                    |                                                                                  |                                  | 28.08.15 | (21,190)                           | Transfer                     | 813,139                                                        | 1.22                             |
|         |                                                                                                    |                                                                                  |                                  | 06.11.15 | (31,500)                           | Transfer                     | 781,639                                                        | 1.17                             |
|         |                                                                                                    |                                                                                  |                                  | 13.11.15 | (50,692)                           | Transfer                     | 730,947                                                        | 1.10                             |
|         |                                                                                                    |                                                                                  |                                  | 20.11.15 | (52,900)                           | Transfer                     | 678,047                                                        | 1.02                             |
|         |                                                                                                    |                                                                                  |                                  | 27.11.15 | (78,424)                           | Transfer                     | 599,623                                                        | 0.90                             |
|         |                                                                                                    |                                                                                  |                                  | 04.12.15 | (177,500)                          | Transfer                     | 422,123                                                        | 0.63                             |
|         |                                                                                                    |                                                                                  |                                  | 11.12.15 | (371,200)                          | Transfer                     | 50,923                                                         | 0.08                             |
|         |                                                                                                    |                                                                                  |                                  | 18.12.15 | (50,923)                           | Transfer                     | NIL                                                            | NIL                              |
|         |                                                                                                    | NIL                                                                              | NIL                              | 31.03.16 |                                    |                              |                                                                |                                  |
| 4       | Keki Jimmy Unwalla                                                                                 | 500,000                                                                          | 0.75                             | 01.04.15 | NIL                                | Nil movement during the year | 500,000                                                        | 0.75                             |
|         |                                                                                                    | 500,000                                                                          | 0.75                             | 31.03.16 |                                    |                              |                                                                |                                  |
| 5       | Swedbank Robur Global Emerging Markets                                                             | 500,000                                                                          | 0.75                             | 01.04.15 |                                    |                              |                                                                |                                  |
|         |                                                                                                    |                                                                                  |                                  | 10.04.15 | 18,735                             | Transfer                     | 518,735                                                        | 0.78                             |
|         |                                                                                                    |                                                                                  |                                  | 17.04.15 | 13,772                             | Transfer                     | 532,507                                                        | 0.80                             |
|         |                                                                                                    |                                                                                  |                                  | 24.04.15 | 35,468                             | Transfer                     | 567,975                                                        | 0.85                             |
|         |                                                                                                    |                                                                                  |                                  | 01.05.15 | 32,025                             | Transfer                     | 600,000                                                        | 0.90                             |
|         |                                                                                                    |                                                                                  |                                  | 11.09.15 | 50,000                             | Transfer                     | 650,000                                                        | 0.97                             |
|         |                                                                                                    |                                                                                  |                                  | 08.01.16 | (85,323)                           | Transfer                     | 564,677                                                        | 0.85                             |
|         |                                                                                                    |                                                                                  |                                  | 15.01.16 | (41,114)                           | Transfer                     | 523,563                                                        | 0.78                             |
|         |                                                                                                    |                                                                                  |                                  | 29.01.16 | (47,271)                           | Transfer                     | 476,292                                                        | 0.71                             |
|         |                                                                                                    |                                                                                  |                                  | 26.02.16 | (83,241)                           | Transfer                     | 393,051                                                        | 0.59                             |
|         |                                                                                                    |                                                                                  |                                  | 04.03.16 | (27,282)                           | Transfer                     | 365,769                                                        | 0.55                             |
|         |                                                                                                    |                                                                                  |                                  | 11.03.16 | (365,769)                          | Transfer                     | NIL                                                            | NIL                              |
|         |                                                                                                    | NIL                                                                              | NIL                              | 31.03.16 |                                    |                              |                                                                |                                  |

## ANNEXURE 'D' TO DIRECTORS' REPORT

| 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 (01.04.15)/ end of the year (31.03.16) |                                  | Date     | Increase/ Decrease in shareholding | Reason   | Cumulative Shareholding during the year (01.04.15 to 31.03.16) |                                  |
|---------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------|----------|------------------------------------|----------|----------------------------------------------------------------|----------------------------------|
|         |                                                                                                    | No. of shares                                                                    | % of total shares of the company |          |                                    |          | No. of shares                                                  | % of total shares of the company |
| 6       | Steinberg India Emerging Opportunities Fund Limited                                                | 475,000                                                                          | 0.71                             | 01.04.15 |                                    |          |                                                                |                                  |
|         |                                                                                                    |                                                                                  |                                  | 30.10.15 | (55,000)                           | Transfer | 420,000                                                        | 0.63                             |
|         |                                                                                                    |                                                                                  |                                  | 06.11.15 | (82,000)                           | Transfer | 338,000                                                        | 0.51                             |
|         |                                                                                                    | 338,000                                                                          | 0.51                             | 31.03.16 |                                    |          |                                                                |                                  |
| 7       | Jai-Vijay Resources Pvt. Ltd.                                                                      | 458,397                                                                          | 0.69                             | 01.04.15 |                                    |          |                                                                |                                  |
|         |                                                                                                    |                                                                                  |                                  | 04.03.16 | (450,000)                          | Transfer | 8,397                                                          | 0.01                             |
|         |                                                                                                    | 8,397                                                                            | 0.01                             | 31.03.16 |                                    |          |                                                                |                                  |
| 8       | Acacia Partners, LP                                                                                | 449,549                                                                          | 0.67                             | 01.04.15 |                                    |          |                                                                |                                  |
|         |                                                                                                    |                                                                                  |                                  | 31.07.15 | (25,588)                           | Transfer | 423,961                                                        | 0.64                             |
|         |                                                                                                    |                                                                                  |                                  | 07.08.15 | (35,167)                           | Transfer | 388,794                                                        | 0.58                             |
|         |                                                                                                    | 388,794                                                                          | 0.58                             | 31.03.16 |                                    |          |                                                                |                                  |
| 9       | Acacia Institutional Partners, LP                                                                  | 317,330                                                                          | 0.48                             | 01.04.15 |                                    |          |                                                                |                                  |
|         |                                                                                                    |                                                                                  |                                  | 07.08.15 | (112,124)                          | Transfer | 205,206                                                        | 0.31                             |
|         |                                                                                                    | 205,206                                                                          | 0.31                             | 31.03.16 |                                    |          |                                                                |                                  |
| 10      | Acacia Conservation Fund LP                                                                        | 317,330                                                                          | 0.48                             | 01.04.15 |                                    |          |                                                                |                                  |
|         |                                                                                                    |                                                                                  |                                  | 23.10.15 | (39,779)                           | Transfer | 277,551                                                        | 0.42                             |
|         |                                                                                                    |                                                                                  |                                  | 30.10.15 | (7,315)                            | Transfer | 270,236                                                        | 0.40                             |
|         |                                                                                                    | 270,236                                                                          | 0.40                             | 31.03.16 |                                    |          |                                                                |                                  |
| 11      | Lata Bhanshali                                                                                     | 124,708                                                                          | 0.19                             | 01.04.15 |                                    |          |                                                                |                                  |
|         |                                                                                                    |                                                                                  |                                  | 11.03.16 | 532,444                            | Transfer | 657,152                                                        | 0.98                             |
|         |                                                                                                    | 657,152                                                                          | 0.98                             | 31.03.16 |                                    |          |                                                                |                                  |
| 12      | Priyanka Finance Service Private Limited                                                           | NIL                                                                              | NIL                              | 01.04.15 |                                    |          |                                                                |                                  |
|         |                                                                                                    |                                                                                  |                                  | 31.03.16 | 498,000                            | Transfer | 498,000                                                        | 0.75                             |
|         |                                                                                                    | 498,000                                                                          | 0.75                             | 31.03.16 |                                    |          |                                                                |                                  |
| 13      | Aadi Financial Advisors LLP                                                                        | 212,442                                                                          | 0.32                             | 01.04.15 |                                    |          |                                                                |                                  |
|         |                                                                                                    |                                                                                  |                                  | 04.09.15 | 278,698                            | Transfer | 491,140                                                        | 0.74                             |
|         |                                                                                                    |                                                                                  |                                  | 31.03.16 | (70,814)                           | Transfer | 420,326                                                        | 0.63                             |
|         |                                                                                                    | 420,326                                                                          | 0.63                             | 31.03.16 |                                    |          |                                                                |                                  |

## ANNEXURE 'D' TO DIRECTORS' REPORT

| 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 (01.04.15)/ end of the year (31.03.16) |                                  | Date     | Increase/ Decrease in shareholding | Reason                       | Cumulative Shareholding during the year (01.04.15 to 31.03.16) |                                  |
|---------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------|----------|------------------------------------|------------------------------|----------------------------------------------------------------|----------------------------------|
|         |                                                                                                    | No. of shares                                                                    | % of total shares of the company |          |                                    |                              | No. of shares                                                  | % of total shares of the company |
| 14      | Elara Capital Plc A/C Vespera Fund Limited                                                         | 200,500                                                                          | 0.30                             | 01.04.15 |                                    |                              |                                                                |                                  |
|         |                                                                                                    |                                                                                  |                                  | 21.08.15 | 40,000                             | Transfer                     | 240,500                                                        | 0.36                             |
|         |                                                                                                    |                                                                                  |                                  | 28.08.15 | 31,139                             | Transfer                     | 271,639                                                        | 0.41                             |
|         |                                                                                                    |                                                                                  |                                  | 04.09.15 | 1,767                              | Transfer                     | 273,406                                                        | 0.41                             |
|         |                                                                                                    |                                                                                  |                                  | 11.09.15 | 6,712                              | Transfer                     | 280,118                                                        | 0.42                             |
|         |                                                                                                    |                                                                                  |                                  | 30.09.15 | 20,800                             | Transfer                     | 300,918                                                        | 0.45                             |
|         |                                                                                                    |                                                                                  |                                  | 02.10.15 | 100                                | Transfer                     | 301,018                                                        | 0.45                             |
|         |                                                                                                    |                                                                                  |                                  | 09.10.15 | 20,000                             | Transfer                     | 321,018                                                        | 0.48                             |
|         |                                                                                                    |                                                                                  |                                  | 16.10.15 | 5,000                              | Transfer                     | 326,018                                                        | 0.49                             |
|         |                                                                                                    |                                                                                  |                                  | 20.11.15 | 41,688                             | Transfer                     | 367,706                                                        | 0.55                             |
|         |                                                                                                    |                                                                                  |                                  | 27.11.15 | 32,000                             | Transfer                     | 399,706                                                        | 0.60                             |
|         |                                                                                                    |                                                                                  |                                  | 04.12.15 | 10,000                             | Transfer                     | 409,706                                                        | 0.61                             |
|         |                                                                                                    | 409,706                                                                          | 0.61                             | 31.03.16 |                                    |                              |                                                                |                                  |
| 15      | Morgan Stanley Asia (Singapore) PTE.                                                               | 310,500                                                                          | 0.47                             | 01.04.15 | NIL                                | Nil movement during the year | 310,500                                                        | 0.47                             |
|         |                                                                                                    | 310,500                                                                          | 0.47                             | 31.03.16 |                                    |                              |                                                                |                                  |
| 16      | Akash Bhanshali                                                                                    | 290,072                                                                          | 0.43                             | 01.04.15 | NIL                                | Nil movement during the year | 290,072                                                        | 0.43                             |
|         |                                                                                                    | 290,072                                                                          | 0.43                             | 31.03.16 |                                    |                              |                                                                |                                  |

### 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 |
| 1.      | <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                            |

## ANNEXURE 'D' TO DIRECTORS' REPORT

| 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>2.</b> | <b>Ms. Binaisha Zaveri, Whole-time Director</b>                                                                                                                    |                                                                   |                                  |                                         |                                  |
|           | At the beginning of the year                                                                                                                                       | <b>5,285,000</b>                                                  | <b>7.92</b>                      | <b>5,285,000</b>                        | <b>7.92</b>                      |
|           | 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                                                                                                                                             | <b>5,285,000</b>                                                  | <b>7.92</b>                      | <b>5,285,000</b>                        | <b>7.92</b>                      |
| <b>3.</b> | <b>Ms. Raashi Zaveri, Whole-time Director</b>                                                                                                                      |                                                                   |                                  |                                         |                                  |
|           | At the beginning of the year                                                                                                                                       | <b>4,572,500</b>                                                  | <b>6.85</b>                      | <b>4,572,500</b>                        | <b>6.85</b>                      |
|           | 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                                                                                                                                             | <b>4,572,500</b>                                                  | <b>6.85</b>                      | <b>4,572,500</b>                        | <b>6.85</b>                      |
| <b>4.</b> | <b>Mr. Kamlesh Vikamsey, Independent Director</b>                                                                                                                  |                                                                   |                                  |                                         |                                  |
|           | At the beginning of the year                                                                                                                                       | <b>NIL</b>                                                        | <b>NIL</b>                       | <b>NIL</b>                              | <b>NIL</b>                       |
|           | 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                                                                                                                                             | <b>NIL</b>                                                        | <b>NIL</b>                       | <b>NIL</b>                              | <b>NIL</b>                       |
| <b>5.</b> | <b>Mr. Ajay Mehta, Independent Director</b>                                                                                                                        |                                                                   |                                  |                                         |                                  |
|           | At the beginning of the year                                                                                                                                       | <b>NIL</b>                                                        | <b>NIL</b>                       | <b>NIL</b>                              | <b>NIL</b>                       |
|           | 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                                                                                                                                             | <b>NIL</b>                                                        | <b>NIL</b>                       | <b>NIL</b>                              | <b>NIL</b>                       |
| <b>6.</b> | <b>Mr. Sanjay Asher, Independent Director</b>                                                                                                                      |                                                                   |                                  |                                         |                                  |
|           | At the beginning of the year                                                                                                                                       | <b>6,300</b>                                                      | <b>0.009</b>                     | <b>6,300</b>                            | <b>0.009</b>                     |
|           | 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                                                                                                                                             | <b>6,300</b>                                                      | <b>0.009</b>                     | <b>6,300</b>                            | <b>0.009</b>                     |

## ANNEXURE 'D' TO DIRECTORS' REPORT

| Sl. No.   | For Each of the Directors and KMP                                                                                                                                 | Name of the Key Managerial Personnel (KMP)                        |                                  |                                         |                                  |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|           |                                                                                                                                                                   | Shareholding at the beginning of the year                         |                                  | Cumulative Shareholding during the year |                                  |
|           |                                                                                                                                                                   | No. of shares                                                     | % of total shares of the company | No. of shares                           | % of total shares of the company |
| <b>1.</b> | <b>Mr. Prem Hinduja, Chief Executive Officer (*) (Refer Annexure – II for details)</b>                                                                            |                                                                   |                                  |                                         |                                  |
|           | At the beginning of the year                                                                                                                                      | <b>6,552</b>                                                      | <b>0.01</b>                      | <b>6,552</b>                            | <b>0.01</b>                      |
|           | Date wise Increase/ Decrease in Share Holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.): | 1. ESOP Allotment- 5,717 Shares (Dated:-15.06.2015)               | 0.01                             | 12,269                                  | 0.02                             |
|           | At the end of the year                                                                                                                                            | <b>12,269</b>                                                     | <b>0.02</b>                      | <b>12,269</b>                           | <b>0.02</b>                      |
| <b>2.</b> | <b>Mr. Saurav Banerjee, Chief Financial Officer</b>                                                                                                               |                                                                   |                                  |                                         |                                  |
|           | At the beginning of the year                                                                                                                                      | <b>NIL</b>                                                        | <b>NIL</b>                       | <b>NIL</b>                              | <b>NIL</b>                       |
|           | 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                                                                                                                                            | <b>NIL</b>                                                        | <b>NIL</b>                       | <b>NIL</b>                              | <b>NIL</b>                       |
| <b>3.</b> | <b>Mr. Niraj Oza, Head Legal &amp; Company Secretary &amp; Compliance Officer</b>                                                                                 |                                                                   |                                  |                                         |                                  |
|           | At the beginning of the year                                                                                                                                      | <b>NIL</b>                                                        | <b>NIL</b>                       | <b>NIL</b>                              | <b>NIL</b>                       |
|           | 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                                                                                                                                            | <b>NIL</b>                                                        | <b>NIL</b>                       | <b>NIL</b>                              | <b>NIL</b>                       |

### Annexure – II – For Key Managerial Personnel - Mr. Prem Hinduja, Chief Executive Officer (\*)

| Sl. No. | For Key Managerial Personnel (Mr. Prem Hinduja, Chief Executive Officer) | Shareholding at the beginning of the year (01.04.15)/ end of the year (31.03.16) |                                  | Date     | Increase/ Decrease in shareholding | Reason           | Cumulative Shareholding during the year (01.04.15 to 31.03.16) |                                  |
|---------|--------------------------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------|----------|------------------------------------|------------------|----------------------------------------------------------------|----------------------------------|
|         |                                                                          | No. of shares                                                                    | % of total shares of the company |          |                                    |                  | No. of shares                                                  | % of total shares of the company |
| 1.      | Mr. Prem Hinduja (*)                                                     | 6,552                                                                            | 0.01                             | 01.04.15 |                                    |                  |                                                                |                                  |
|         |                                                                          |                                                                                  |                                  | 15.06.15 | 5,717                              | Allotment - ESOP | 12,269                                                         | 0.02                             |
|         |                                                                          | 12,269                                                                           | 0.02                             | 10.09.15 |                                    |                  |                                                                |                                  |

(\*) Mr. Prem Hinduja, Chief Executive Officer of your Company retired from services w.e.f. 10<sup>th</sup> September, 2015. The shareholding data for Mr. Prem Hinduja is given till 10<sup>th</sup> September, 2015 only.

# ANNEXURE 'D' TO DIRECTORS' REPORT

## V) INDEBTEDNESS

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

(₹ In Lakhs)

|                                                            | Secured Loans<br>excluding deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|------------------------------------------------------------|-------------------------------------|--------------------|----------|-----------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                     |                    |          |                       |
| i) Principal Amount                                        | 57,833.69                           | 492.07             | -        | 58,325.76             |
| ii) Interest due but not paid                              | -                                   | -                  | -        | -                     |
| iii) Interest accrued but not due                          | 111.51                              | -                  | -        | 111.51                |
| <b>Total (i+ii+iii)</b>                                    | <b>57,945.20</b>                    | <b>492.07</b>      | <b>-</b> | <b>58,437.27</b>      |
| <b>Change in Indebtedness during the financial year</b>    |                                     |                    |          |                       |
| • Addition                                                 | 7,112.25                            | -                  | -        | 7,112.25              |
| • Reduction                                                | -                                   | 392.27             | -        | 392.27                |
| <b>Net Change</b>                                          | <b>7,112.25</b>                     | <b>392.27</b>      | <b>-</b> | <b>6,719.98</b>       |
| <b>Indebtedness at the end of the financial year</b>       |                                     |                    |          |                       |
| i) Principal Amount                                        | 64,945.94                           | 99.80              | -        | 65,045.74             |
| ii) Interest due but not paid                              | -                                   | -                  | -        | -                     |
| iii) Interest accrued but not due                          | 129.06                              | -                  | -        | 129.06                |
| <b>Total (i+ii+iii)</b>                                    | <b>65,075.00</b>                    | <b>99.80</b>       | <b>-</b> | <b>65,174.80</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<br>(₹ 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<br><b>(Minimum Remuneration)</b> | 120                                               | 36                                       | 36                                     | <b>192</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<br>- as % of profit<br>- Others, specify...                                                               | -                                                 | -                                        | -                                      | -                            |
| 5.      | Others, please specify                                                                                               | -                                                 | -                                        | -                                      | -                            |
|         | <b>Total (A)</b>                                                                                                     | <b>120</b>                                        | <b>36</b>                                | <b>36</b>                              | <b>192</b>                   |
|         | Ceiling as per the Act<br>(Minimum Remuneration) (*)                                                                 | 124.50                                            | 124.50                                   | 124.50                                 | 373.50                       |

(\*) ₹ 192 Lakhs (being Minimum Remuneration calculated as per Section 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013)

# ANNEXURE 'D' TO DIRECTORS' REPORT

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

| Particulars of Remuneration                    | Name of Directors |             |              | Total Amount<br>(₹ in Lakhs) |
|------------------------------------------------|-------------------|-------------|--------------|------------------------------|
|                                                | Kamlesh Vikamsey  | Ajay Mehta  | Sanjay Asher |                              |
| - Fee for attending Board / Committee Meetings | 1.70              | 3.00        | 1.30         | 6.00                         |
| - Commission                                   | -                 | -           | -            | -                            |
| - Others, please specify                       | -                 | -           | -            | -                            |
| <b>Total</b>                                   | <b>1.70</b>       | <b>3.00</b> | <b>1.30</b>  | <b>6.00</b>                  |

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

| Sl. no. | Particulars of Remuneration                                                         | Key Managerial Personnel                        |                                                |                                                 | Total<br>(₹ in Lakhs) |
|---------|-------------------------------------------------------------------------------------|-------------------------------------------------|------------------------------------------------|-------------------------------------------------|-----------------------|
|         |                                                                                     | Mr. Prem Hinduja<br>Chief Executive Officer (*) | Mr. Saurav Banerjee<br>Chief Financial Officer | Mr. Niraj Oza<br>Head Legal & Company Secretary |                       |
| 1.      | Gross salary                                                                        |                                                 |                                                |                                                 |                       |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 165.89                                          | 76.78                                          | 25.36                                           | 268.03                |
|         | (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                                                                        | 7.73                                            | -                                              | -                                               | 7.73                  |
| 3.      | Sweat Equity                                                                        | -                                               | -                                              | -                                               | -                     |
| 4.      | Commission<br>- as % of profit<br>- Others, specify...                              | -                                               | -                                              | -                                               | -                     |
| 5.      | Others, please specify                                                              | -                                               | -                                              | -                                               | -                     |
|         | <b>Total (C)</b>                                                                    | <b>173.62</b>                                   | <b>76.78</b>                                   | <b>25.36</b>                                    | <b>275.76</b>         |

(\*) Mr. Prem Hinduja, Chief Executive Officer of your Company retired from services w.e.f. 10<sup>th</sup> September, 2015. The remuneration data for Mr. Prem Hinduja is given till 10<sup>th</sup> September, 2015 only.

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

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

## ANNEXURE 'D' TO DIRECTORS' REPORT

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### C. OTHER OFFICERS IN DEFAULT

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|             |      |
|-------------|------|
| Penalty     | None |
| Punishment  |      |
| Compounding |      |

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For and on behalf of the Board of Directors

Date: 2<sup>nd</sup> May, 2016

Place: Mumbai

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

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

# ANNEXURE 'E' 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.

## ANNEXURE 'E' TO DIRECTORS' REPORT

(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.

## ANNEXURE 'E' TO DIRECTORS' REPORT

(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 Rs. 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.

# ANNEXURE 'E' TO DIRECTORS' REPORT

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

## ANNEXURE 'E' TO DIRECTORS' REPORT

other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

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

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

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

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

### 12. EVALUATION / ASSESSMENT OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT OF THE COMPANY

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

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

12.1 Leadership & stewardship abilities.

12.2 Contributing to clearly define corporate objectives & plans.

12.3 Communication of expectations & concerns clearly with subordinates.

12.4 Obtain adequate, relevant & timely information from external sources.

12.5 Review & approval achievement of strategic and operational plans, objectives, budgets.

12.6 Regular monitoring of corporate results against projections.

12.7 Identify, monitor & mitigate significant corporate risks.

12.8 Assess policies, structures & procedures.

12.9 Direct, monitor & evaluate KMPs, Senior Management.

12.10 Review management's succession plan.

12.11 Effective meetings.

12.12 Assuring appropriate board size, composition, independence, structure.

12.13 Clearly defining roles & monitoring activities of committees.

12.14 Review of corporation's ethical conduct.

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

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

### 13. MINUTES OF COMMITTEE MEETING

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

### 14. AMENDMENT IN LAW

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.

## ANNEXURE 'F' 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 2015 – 2016:

- (i) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2015 – 2016, ratio of the remuneration of each Director to the median remuneration of the employees of your Company for the financial year 2015 – 2016 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of your Company are as under:

| Sr. No. | Name of Director / KMP and Designation                        | Remuneration of Directors/ KMP for Financial Year 2015-16 (₹ in Lakhs) | % Increase/ (Decrease) in Remuneration in the Financial Year 2015-16 | Ratio of Remuneration of each Director/ to median remuneration of employee | Comparison of the Remuneration of the KMP against the performance of the Company (As a % revenue of ₹ 165,477.73 Lakhs) | Comparison of the Remuneration of the KMP against the performance of the Company                               |
|---------|---------------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| 1       | Mr. Shrikant Zaveri<br>Executive Chairman & Managing Director | 120.00                                                                 | (26.95%)                                                             | 50.63                                                                      | 0.073%                                                                                                                  | Profit before Tax decreased by 154.69% and Profit after Tax decreased by 188.82% in financial year 2015 – 2016 |
| 2       | Ms. Binaisha Zaveri<br>Whole-time Director                    | 36.00                                                                  | (55.98%)                                                             | 15.19                                                                      | 0.022%                                                                                                                  |                                                                                                                |
| 3       | Ms. Raashi Zaveri<br>Whole-time Director                      | 36.00                                                                  | (55.98%)                                                             | 15.19                                                                      | 0.022%                                                                                                                  |                                                                                                                |
| 4       | Mr. Kamlesh Vikamsey<br>Independent Director                  | 1.70                                                                   | (85.71%)                                                             | 0.72                                                                       | 0.001%                                                                                                                  |                                                                                                                |
| 5       | Mr. Ajay Mehta<br>Independent Director                        | 3.00                                                                   | (76.38%)                                                             | 1.27                                                                       | 0.002%                                                                                                                  |                                                                                                                |
| 6       | Mr. Sanjay Asher<br>Independent Director                      | 1.30                                                                   | (88.70%)                                                             | 0.55                                                                       | 0.001%                                                                                                                  |                                                                                                                |
| 7       | Mr. Prem Hinduja (*)<br>Chief Executive Officer               | 173.62                                                                 | 106.45%                                                              | Not Applicable                                                             | 0.105%                                                                                                                  | Profit before Tax decreased by 154.69% and Profit after Tax decreased by 188.82% in financial year 2015 – 2016 |
| 8       | Mr. Saurav Banerjee<br>Chief Financial Officer                | 76.78                                                                  | 19.59%                                                               | Not Applicable                                                             | 0.046%                                                                                                                  |                                                                                                                |
| 9       | Mr. Niraj Oza<br>Head Legal & Company Secretary               | 25.36                                                                  | 23.26%                                                               | Not Applicable                                                             | 0.015%                                                                                                                  |                                                                                                                |

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

(\*) Mr. Prem Hinduja, Chief Executive Officer of your Company, retired from services w.e.f. 10<sup>th</sup> September, 2015. His current year remuneration is paid till 10<sup>th</sup> September, 2015 and the total amount also includes his retirement benefits which includes gratuity and leave encashment.

- (ii) The median remuneration of employees of your Company during the financial year was ₹ 237,007.

- (iii) In the financial year, there was an increase of 0.77% in the median remuneration of employees.

- (iv) There were 1,501 permanent employees on the rolls of your Company as on 31<sup>st</sup> March, 2016.

## ANNEXURE 'F' TO DIRECTORS' REPORT

- (v) Relationship between average increase in remuneration and company performance:- The Profit before Tax for the financial year ended 31<sup>st</sup> March, 2016 decreased by 154.69% whereas the increase in the remuneration was 9.01%. The Performance of the Company declined looking at the overall market conditions, economic slowdown and low demand. However, average remuneration increase is in line with industry standard and to retain talent.
- (vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of your Company:  
The total remuneration of Key Managerial Personnel increased by 63.29% from ₹ 168.87 Lakhs in 2014 – 2015 to ₹ 275.75 Lakhs in 2015 – 2016, whereas the Profit before Tax decreased by 154.69% to ₹ (2,159.60) Lakhs in 2015 – 2016 (₹ 3,948.95 Lakhs in 2014 – 2015).
- (vii) (a) Variations in the market capitalization of your Company: The market capitalization as on 31<sup>st</sup> March, 2016 was ₹ 39,070.78 Lakhs (₹ 97,811.37 Lakhs as on 31<sup>st</sup> March, 2015).
- (b) Price Earnings ratio of your Company was (16.87) as at 31<sup>st</sup> March, 2016 and was 37.59 as at 31<sup>st</sup> March, 2015.
- (c) Percent increase over/ decrease in the market quotations of the shares of your Company as compared to the rate at which your Company came out with the last public offer in the year – Your Company had come out with Initial Public Offer (IPO) in 2012. An amount of ₹ 1,000 invested in the said IPO would be worth ₹ 487.92 as on 31<sup>st</sup> March, 2016 indicating a Compounded Annual de-growth Rate of 16.81%. This is excluding the dividend accrued thereon.
- (viii) Average percentage increased made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015 – 2016 was 10.21% whereas decrease in the managerial remuneration for the same financial year was 5.83%.
- (ix) 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 2015 – 2016, none of the Executive Directors received any Commission).
- (x) 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
- (xi) 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

Date: 2<sup>nd</sup> May, 2016  
Place: Mumbai

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

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

## ANNEXURE 'G' 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 2015 - 2016

**(A) Employed throughout the Financial Year 2015 - 2016:**

| Sr. No. | Name            | Age (Years) | Date of commencement of employment | Gross Remuneration (in ₹) | Designation                            | Educational Qualification                                                                                                                                              | Experience in Years | Previous Employment                                                                                                |
|---------|-----------------|-------------|------------------------------------|---------------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------|
| 1       | Shrikant Zaveri | 56          | 24.07.2007                         | 12,000,000                | Executive Chairman & Managing Director | Matriculation                                                                                                                                                          | 34                  | Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (joined in 1991)            |
| 2       | Binaisha Zaveri | 33          | 24.07.2007                         | 3,600,000                 | Whole-time Director                    | Bachelor's degree in Marketing and Finance from Stern School of Business, New York                                                                                     | 12                  | Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (Joined w.e.f. 01.01.2004)  |
| 3       | Raashi Zaveri   | 29          | 01.07.2008                         | 3,600,000                 | Whole-time Director                    | Bachelor's degree in Finance and Entrepreneurship from Kelly school of Business, Indiana University and is a graduate Gemologist from Gemological Institute of America | 8                   | Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri                             |
| 4       | Saurav Banerjee | 50          | 17.02.2014                         | 7,677,949                 | Chief Financial Officer                | B.Com (Hons), CA                                                                                                                                                       | 26                  | Worked as CFO in Rosy Blue India Pvt. Ltd.                                                                         |
| 5       | Rajeev Sagar    | 38          | 24.07.2007                         | 8,112,972                 | Head - Gold Operations                 | B.Com                                                                                                                                                                  | 16                  | Worked as employee in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (Joined w.e.f. 01.09.2000) |
| 6       | Mayur Choksi    | 47          | 01.10.2011                         | 8,238,865                 | Head – Diamond Operation               | Matriculation                                                                                                                                                          | 27                  | Worked as employee in Tribhovandas Bhimji Zaveri (Bombay) Limited (Joined w.e.f. 01.04.1997)                       |
| 7       | Divyesh Shah    | 42          | 24.07.2007                         | 8,429,768                 | Group Head – Retail                    | B.Com                                                                                                                                                                  | 19                  | Worked as employee in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (Joined w.e.f. 01.12.1997) |

## ANNEXURE 'G' TO DIRECTORS' REPORT

(B) Details of employee was employed for part of the Financial Year 2015 – 2016 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             | Age (Years) | Date of commencement of employment | Gross Remuneration (in ₹) | Designation             | Educational Qualification                                                           | Experience in Years | Previous Employment                                                                                                                                              |
|---------|------------------|-------------|------------------------------------|---------------------------|-------------------------|-------------------------------------------------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | Prem Hinduja (*) | 64          | 24.07.2007                         | 17,361,988                | Chief Executive Officer | Bachelor's degree in Commerce from Mumbai University and a qualified CA, CS & ICWA. | 35                  | Worked in Kamat Hotels (I) Limited and Shaw Wallace Limited<br><br>(Joined the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri, w.e.f. 01.10.2004) |

(\*) Mr. Prem Hinduja, Chief Executive Officer of your Company retired from the services w.e.f. 10<sup>th</sup> September, 2015.

(C) 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 | Age (Years) | Date of commencement of employment | Gross Remuneration (in ₹) | Designation | Educational Qualification | Experience in Years | Previous Employment |
|---------|------|-------------|------------------------------------|---------------------------|-------------|---------------------------|---------------------|---------------------|
|         | NIL  | 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 Executive Officer - basic salary, motor car allowance, bonus, variable pay, perquisite value of ESOP, gratuity and leave encashment.

For Chief Financial Officer - basic salary, perquisites, bonus, other allowances, etc.

For others – basic salary, perquisites, bonus, other allowances, variable pay, etc. (In case of Mr. Divyesh Shah perquisite value of ESOP is also included).
- In addition to the above remuneration the employees are entitled to Gratuity in accordance with your Company's rules.
- The nature of employment is contractual for all the employees.
- The date of commencement of employment have shown as 24<sup>th</sup> July, 2007, i.e. date of conversion of partnership firm into private limited company, even though the Directors/ Employee(s) who were with Company at the time of partnership firm.
- Designation denotes the nature of duties also.

## ANNEXURE 'G' TO DIRECTORS' REPORT

7. For Executive Directors 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

Date: 2<sup>nd</sup> May, 2016

Place: Mumbai

**Shrikant Zaveri**  
**Chairman & Managing Director**

(DIN: 00263725)

**Raashi Zaveri**  
**Whole-time Director**

(DIN: 00713688)

# REPORT ON CORPORATE GOVERNANCE

The Directors present your Company's Report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2016 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 the framework of 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. (On retirement of Mr. Prem Hinduja, Chief Executive Officer of your Company w.e.f. 10<sup>th</sup> September, 2015, all the responsibilities of the Chief Executive Officer of your Company 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, Budget Costing & MIS Department, Accounts and Finance Department and Project Department including Chief Financial Officer reports to the Chief Executive Officer of your Company. These Department Heads review the functioning of their department.

# REPORT ON CORPORATE GOVERNANCE

## 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, 2016, 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.

During the year under review, Mr. Prem Hinduja retired from the post of Chief Executive Officer (CEO) of your Company w.e.f. 10<sup>th</sup> September, 2015. Mr. Prem Hinduja has immensely contributed to your Company for a total period of more than 10 years. On retirement of Mr. Prem

Hinduja, as per the Board's decision all the responsibilities of the Chief Executive Officer (CEO) are discharged by Mr. Shrikant Zaveri, Chairman & Managing Director of your Company with effect from 10<sup>th</sup> September, 2015.

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 also 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 a 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, six Board Meetings were held on 12<sup>th</sup> May, 2015, 15<sup>th</sup> June, 2015, 4<sup>th</sup> August, 2015, 9<sup>th</sup> September, 2015, 3<sup>rd</sup> November, 2015, 4<sup>th</sup> February, 2016.

**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:

# REPORT ON CORPORATE GOVERNANCE

| Name of the Directors                   | Date of Appointment | Category of Directorship | No. of Board Meetings Attended | Attendance at last AGM held on 09.09.2015 | No. of outside Directorship in all Companies (*) | No. of outside Committee Membership/ Chairmanship in all Companies (**) |          |
|-----------------------------------------|---------------------|--------------------------|--------------------------------|-------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------|----------|
|                                         |                     |                          |                                |                                           |                                                  | Member                                                                  | Chairman |
| Mr. Shrikant Zaveri<br>(DIN: 00263725)  | 24.07.2007          | CMD                      | 6                              | Yes                                       | 2                                                | Nil                                                                     | Nil      |
| Ms. Binaisha Zaveri<br>(DIN: 00263657)  | 24.07.2007          | WTD                      | 5                              | Yes                                       | 2                                                | Nil                                                                     | Nil      |
| Ms. Raashi Zaveri<br>(DIN: 00713688)    | 01.07.2008          | WTD                      | 6                              | Yes                                       | 1                                                | Nil                                                                     | Nil      |
| Mr. Kamlesh Vikamsey<br>(DIN: 00059620) | 26.08.2010 (+)      | ID                       | 5                              | Yes                                       | 5                                                | 4                                                                       | Nil      |
| Mr. Ajay Mehta<br>(DIN: 00028405)       | 14.12.2010 (+)      | ID                       | 6                              | Yes                                       | 2                                                | 1                                                                       | Nil      |
| Mr. Sanjay Asher<br>(DIN: 00008221)     | 14.12.2010 (+)      | ID                       | 5                              | Yes                                       | 9                                                | 6                                                                       | 4        |

## Note:

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

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

(+) All three Independent Directors were appointed for the period 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.

**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 2015-2016.

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. For the financial year ended 31<sup>st</sup> March, 2016, your Company has not paid commission to any of the Independent Directors. 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 four 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

# REPORT ON CORPORATE GOVERNANCE

his forefather's business with one flagship showroom at Zaveri Bazar, and given his immense efforts, your Company presently has thirty showrooms, out of which twenty nine are Company's own showrooms and one is a franchisee showroom, in twenty three cities and ten states across India.

During the current financial year, with his vision, your Company has started its first franchise showroom at Dhanbad (Jharkhand) and your Company has also started its business activities on Ecommerce Platform with Snapdeal, Flipkart and Amazon. He has also taken up 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 twelve years. She is involved in all aspects of the business including human capital management, operations, finance, business development, marketing and merchandising. She has been actively involved and has been a key player in the opening of showrooms in twenty three cities across ten 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 eight years. She is involved in the management of your Company's enterprise resource planning systems and is actively engaged in accounting, 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 three 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 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 & Accounting 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 one years of experience with chemical, petrochemical, fertiliser, manufacturing and investment companies. He is presently the Managing Director of Deepak Nitrite 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

# REPORT ON CORPORATE GOVERNANCE

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 six 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, laws of mergers and acquisitions and capital market transactions.

Mr. Asher joined the TBZ Board on 14<sup>th</sup> December, 2010 and has given valued contribution to the Board of Directors. 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 in particular 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 requires 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).

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.

# REPORT ON CORPORATE GOVERNANCE

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.

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, 2016. 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, 2016:

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 takes into account 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 the 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, subject to the ratification by the shareholders by way of Special Resolution for minimum remuneration to the extent of three months period from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> March, 2016 at the ensuing ninth Annual General Meeting for reappointment and fixation of remuneration of these Directors, as per the details provided in the following chart.

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 2015 – 2016, and on the basis of the said recommendations, the Board of Directors has decided not to declare any commission for the financial year 2015 - 2016 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 2015 – 2016 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 |
|---------------------------------------------------|-------------------------------------------------------|-------------------|--------------------|----------------------------|--------------|
| Mr. Shrikant Zaveri                               | 12,000,000                                            | -                 | -                  | -                          | -            |
| Ms. Binaisha Zaveri                               | 3,600,000                                             | -                 | -                  | -                          | -            |
| Ms. Raashi Zaveri                                 | 3,600,000                                             | -                 | -                  | -                          | -            |

# REPORT ON CORPORATE GOVERNANCE

## I. Remuneration Policy and details of Sitting Fees & Commission paid / payable 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 Commission, if paid, to the Independent Directors, under no circumstances exceed 1% of the net profits of your Company.

For the current financial year 2015 – 2016, your Company has not declared any Commission to Independent Directors. Your Company has only paid sitting fees to Independent Directors based on number of Board and Committee Meetings attended by each Independent Director.

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, 2016 are as follows:

| Names of the Independent Directors | Sitting Fees (In ₹) | Commission (In ₹) |
|------------------------------------|---------------------|-------------------|
| Mr. Kamlesh Vikamsey               | 170,000             | -                 |
| Mr. Ajay Mehta                     | 300,000             | -                 |
| Mr. Sanjay Asher                   | 130,000             | -                 |

The above amounts are exclusive of Service Tax.

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.

# REPORT ON CORPORATE GOVERNANCE

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://www.tbztheoriginal.com/pdf/TBZ-Familiarisation%20Prog.\(15-16\).pdf](http://www.tbztheoriginal.com/pdf/TBZ-Familiarisation%20Prog.(15-16).pdf).

## L. Performance Evaluation / Board Evaluation Criteria:

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 and skills, 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 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. The Directors were satisfied with the 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, 2016:

| 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;

# REPORT ON CORPORATE GOVERNANCE

- 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:

| Name of the Members  | Designation in the Committee | Nature of Directorship       |
|----------------------|------------------------------|------------------------------|
| 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;

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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 of 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 9<sup>th</sup> September, 2015.

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 12<sup>th</sup> May, 2015, 4<sup>th</sup> August, 2015, 3<sup>rd</sup> November, 2015 and 4<sup>th</sup> February, 2016.

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        |

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## 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 9<sup>th</sup> September, 2015.

During the year, two Nomination and Remuneration Committee Meetings were held on 11<sup>th</sup> May, 2015 and on 3<sup>rd</sup> November, 2015.

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       | 2               | 2        |
| Mr. Kamlesh Vikamsey | 2               | 2        |
| Mr. Sanjay Asher     | 2               | 2        |

## 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.

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During the year, five Stakeholders Relationship Committee Meetings were held on 12<sup>th</sup> May, 2015, 4<sup>th</sup> August, 2015, 3<sup>rd</sup> November, 2015, 4<sup>th</sup> February, 2016 and 19<sup>th</sup> February, 2016.

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      | 5               | 4        |
| Mr. Shrikant Zaveri | 5               | 5        |
| Ms. Binaisha Zaveri | 5               | 4        |
| Ms. Raashi Zaveri   | 5               | 5        |

#### 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, three meetings of the Special Committee of Board of Directors were held on 31<sup>st</sup> August, 2015, 13<sup>th</sup> October, 2015 and 9<sup>th</sup> March, 2016.

The attendance record of the members of the Special Committee of Board of Directors is given below:

| Name of the Members | No. of Meetings |          |
|---------------------|-----------------|----------|
|                     | Held            | Attended |
| Mr. Shrikant Zaveri | 3               | 3        |
| Ms. Binaisha Zaveri | 3               | 3        |
| Ms. Raashi Zaveri   | 3               | 3        |

#### 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, five Corporate Social Responsibility Committee Meetings were held on 12<sup>th</sup> May, 2015, 4<sup>th</sup> August, 2015, 3<sup>rd</sup> November, 2015, 4<sup>th</sup> February, 2016 and 23<sup>rd</sup> March, 2016.

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 | 5               | 5        |
| Mr. Ajay Mehta      | 5               | 4        |
| Ms. Binaisha Zaveri | 5               | 4        |
| Ms. Raashi Zaveri   | 5               | 5        |

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## 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:

| Name of the Members   | Designation in the Committee | Nature of Directorship          |
|-----------------------|------------------------------|---------------------------------|
| Mr. Shrikant Zaveri   | Chairman                     | Chairman & Managing Director    |
| Mr. Ajay Mehta        | Member                       | Independent Director            |
| Ms. Binaisha Zaveri   | Member                       | Whole-time Director             |
| Ms. Raashi Zaveri     | Member                       | Whole-time Director             |
| Mr. Prem Hinduja (**) | Member                       | Chief Executive Officer         |
| Mr. Saurav Banerjee   | Member                       | Chief Financial Officer         |
| Mr. Sunil Gujarathi   | Member                       | Head – Costing, Budgeting & MIS |

The Company Secretary is the Secretary to the Committee.

During the year, seven Risk Management Committee Meetings were held on 12<sup>th</sup> May, 2015, 25<sup>th</sup> June, 2015, 19<sup>th</sup> August, 2015, 9<sup>th</sup> September, 2015, 3<sup>rd</sup> November, 2015, 7<sup>th</sup> January, 2016 and 8<sup>th</sup> February, 2016.

The attendance record of the members of the Risk Management Committee is given below:

| Name of the Members  | No. of Meetings |          |
|----------------------|-----------------|----------|
|                      | Held            | Attended |
| Mr. Shrikant Zaveri  | 7               | 7        |
| Ms. Binaisha Zaveri  | 7               | 6        |
| Ms. Raashi Zaveri    | 7               | 7        |
| Mr. Ajay Mehta       | 7               | 3        |
| Mr. Prem Hinduja(**) | 7               | 3        |
| Mr. Saurav Banerjee  | 7               | 7        |
| Mr. Sunil Gujarathi  | 7               | 7        |

### Note (\*\*):

The Board of Directors in the Board Meeting dated 3<sup>rd</sup> November, 2015 have changed the composition of the Risk Management Committee by removing name of Mr. Prem Hinduja as member of the Risk Management Committee on retirement of Mr. Prem Hinduja, Chief Executive Officer of your Company w.e.f. 10<sup>th</sup> September, 2015.

## 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 4<sup>th</sup> February, 2016, 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.

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The meeting consisted of the following members:

| Name of the Members  | Designation in the Committee | Nature of Directorship |
|----------------------|------------------------------|------------------------|
| Mr. Kamlesh Vikamsey | Chairman                     | Independent Director   |
| Mr. Ajay Mehta       | Member                       | Independent Director   |
| Mr. Sanjay Asher     | Member                       | Independent Director   |

During the year, one Separate Meeting of Independent Directors meeting was held on 4<sup>th</sup> February, 2016.

All the Independent Directors were present at the meeting.

### III. GENERAL BODY MEETINGS:

#### A. Annual General Meeting (AGM):

Location, date and time of the Annual General Meetings held in the last three years are as under:

| Year      | Location of the Meeting                                                                                                     | Date                             | Time      |
|-----------|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------|
| 2012-2013 | M. C. Ghia Hall, 4 <sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001. | 30 <sup>th</sup> August, 2013    | 3.30 p.m. |
| 2013-2014 | M. C. Ghia Hall, 4 <sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001. | 24 <sup>th</sup> September, 2014 | 3.30 p.m. |
| 2014-2015 | 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. |

During the financial year 2012 – 2013, following postal ballot activity was carried out:

One Special Resolution was passed on 31<sup>st</sup> December, 2012, through Postal Ballot for the alteration in the Objects Incidental or Ancillary to the attainment of the Main Objects of the Memorandum of Association of the Company as per Section 17 and all other applicable provisions, if any, of the Companies Act, 1956. M/s. Pramod Shah & Associates, Practicing Company Secretaries, Mumbai have carried out the Postal Ballot exercise.

Three Special Resolutions were passed in the AGM held on 30<sup>th</sup> August, 2013 which are as follows:

- Commission to Non-Executive Directors.
- Fixing of remuneration payable to Ms. Binaisha Zaveri, Whole-time Director of the Company.
- Fixing of remuneration payable to Ms. Raashi Zaveri, Whole-time Director of the Company.

Two Special Resolutions were passed in the AGM held on 24<sup>th</sup> September, 2014 which are as follow:

- Reconfirmation of Borrowing limits of ₹ 2,000 crores.
- Approval of creation of mortgage and/ or charge over the assets of the Company in respect of borrowings.

One Special Resolutions was passed in the AGM held on 9<sup>th</sup> September, 2015 which is as follows:

- 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.

No postal ballot activity was carried out during the previous financial year 2014 – 2015.

#### B. Extra Ordinary General Meeting (EGM):

During last three financial years, i.e. from year 2012 – 2013 to 2014 – 2015, your Company has not hold 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 2014 – 2015 and current financial year 2015 - 2016. 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:

As on 31<sup>st</sup> March, 2016 your Company has two wholly owned Subsidiary Companies, namely (1) Tribhovandas Bhimji Zaveri (Bombay) Limited and (2) Konfiaance Jewellery Private Limited.

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

# REPORT ON CORPORATE GOVERNANCE

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 subsidiaries. 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 have been entered into 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, 2016 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 Accounting Standards 18, 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 Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, 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 Accounting Standards. 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 - 2013. 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

# REPORT ON CORPORATE GOVERNANCE

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 & 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 has 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.

## VII. GENERAL SHAREHOLDERS INFORMATION:

|     |                                                                                              |                                                                                                                                     |
|-----|----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| i)  | Annual General Meeting Date and Time                                                         | Monday, 19 <sup>th</sup> September, 2016 at 3.30 p.m.                                                                               |
|     | Venue                                                                                        | <b>M. C. Ghia Hall</b><br>4 <sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai - 400001. |
| ii) | Financial Calendar 2016 - 2017 (Tentative) Results                                           | Meeting to be held on or before following dates:                                                                                    |
| -   | Unaudited Results for the quarter ending 30 <sup>th</sup> June, 2016                         | On or before 14 <sup>th</sup> August, 2016                                                                                          |
| -   | Unaudited Results for the quarter ending 30 <sup>th</sup> September, 2016                    | On or before 14 <sup>th</sup> November, 2016                                                                                        |
| -   | Unaudited Results for the quarter ending 31 <sup>st</sup> December, 2016                     | On or before 14 <sup>th</sup> February, 2017                                                                                        |
| -   | Audited Results for the year ending 31 <sup>st</sup> March, 2017                             | On or before 30 <sup>th</sup> May, 2017                                                                                             |
| -   | AGM for the approval of the Audited accounts for the year ended 31 <sup>st</sup> March, 2017 | On or before 30 <sup>th</sup> September, 2017                                                                                       |
| -   | Financial Year                                                                               | 1 <sup>st</sup> April to 31 <sup>st</sup> March                                                                                     |

# REPORT ON CORPORATE GOVERNANCE

|       |                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| iii)  | Book Closure Date                                                                                    | Tuesday, 13 <sup>th</sup> September, 2016 to Monday, 19 <sup>th</sup> September, 2016 (both days inclusive)                                                                                                                                                                                                                                                                                           |
| iv)   | Dividend payment date and dividend per Equity Share                                                  | The Board of Directors did not recommend any dividend for the financial year ended 31 <sup>st</sup> March, 2016.                                                                                                                                                                                                                                                                                      |
| v)    | Listing on Stock Exchanges                                                                           | The equity shares of your Company got listed on 9 <sup>th</sup> May, 2012 on:<br><br><b>BSE Limited (BSE)</b><br>Corporate Service Department,<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai – 400 001<br><br><b>National Stock Exchange of India Limited (NSE)</b><br>Exchange Plaza, Plot No. C/1<br>G Block, Bandra Kurla Complex,<br>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 2015 – 2016 and 2016 - 2017.                                                                                                                                                                                                                        |
| vii)  | Payment of Custodial Fees                                                                            | Your Company has already paid annual custodial fees to Central Depository Services (India) Limited (CDSL) for the financial year 2016 - 2017.<br>Your Company on receipt of the bill/ invoice will immediately pay the applicable custodial fees to National Securities Depository Limited (NSDL).<br>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:

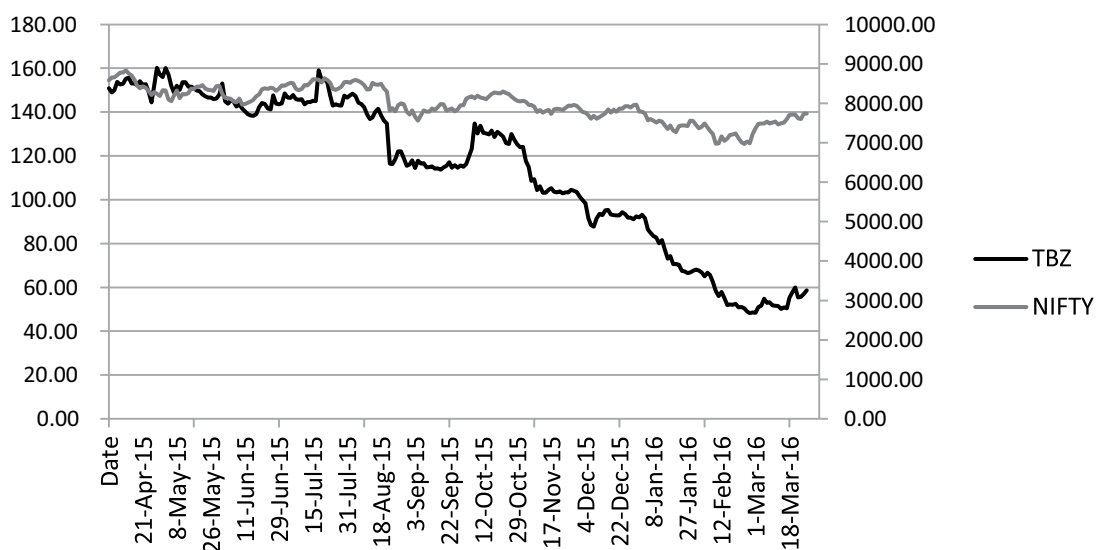
### Market Price Data (High / Low) during each month of the financial year 2015 – 2016 at NSE & BSE:

High, Low prices (based on closing prices) and number of shares traded during each month in the financial year 2015 - 2016 on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE):

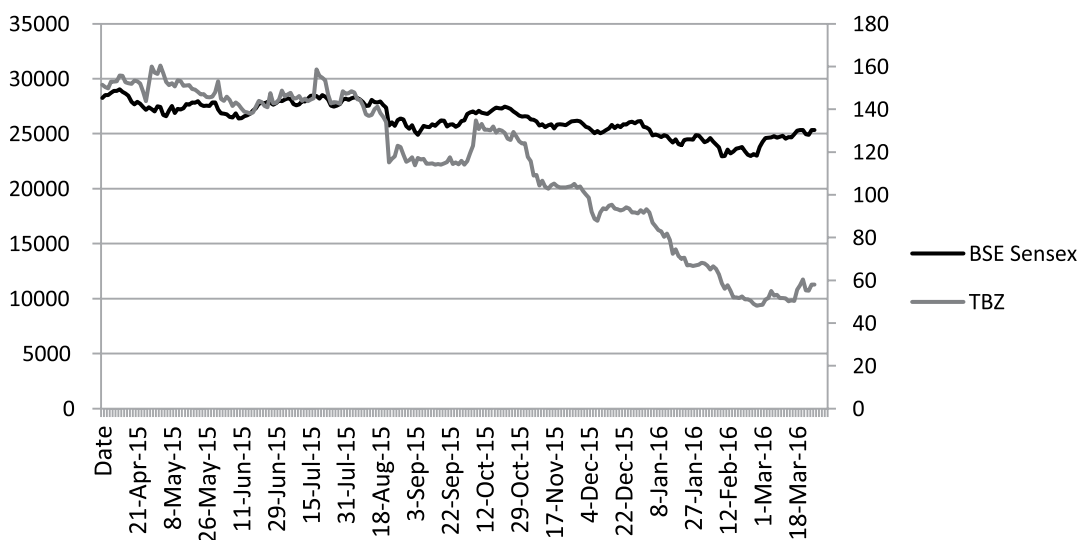
| Month          | National Stock Exchange of India Limited (NSE) |         |                               | BSE Limited (BSE) |         |                               |
|----------------|------------------------------------------------|---------|-------------------------------|-------------------|---------|-------------------------------|
|                | High (₹)                                       | Low (₹) | Total Number of Shares Traded | High (₹)          | Low (₹) | Total Number of Shares Traded |
| April 2015     | 164.90                                         | 142.25  | 852,557                       | 164.60            | 142.70  | 242,925                       |
| May 2015       | 162.40                                         | 144.00  | 666,598                       | 163.00            | 145.15  | 171,720                       |
| June 2015      | 156.00                                         | 137.60  | 945,881                       | 155.90            | 137.25  | 190,448                       |
| July 2015      | 166.20                                         | 142.05  | 1,507,889                     | 165.90            | 142.10  | 448,042                       |
| August 2015    | 153.05                                         | 111.10  | 1,443,194                     | 154.90            | 110.00  | 422,932                       |
| September 2015 | 125.00                                         | 111.60  | 682,299                       | 124.30            | 111.40  | 469,804                       |
| October 2015   | 144.40                                         | 114.20  | 2,562,855                     | 144.00            | 113.70  | 560,895                       |
| November 2015  | 130.30                                         | 101.05  | 1,652,372                     | 130.10            | 102.10  | 469,769                       |
| December 2015  | 108.00                                         | 86.50   | 4,332,190                     | 108.00            | 86.60   | 837,013                       |
| January 2016   | 94.70                                          | 64.25   | 2,034,567                     | 94.60             | 64.90   | 642,872                       |
| February 2016  | 70.40                                          | 47.85   | 2,338,513                     | 70.50             | 47.50   | 491,597                       |
| March 2016     | 61.60                                          | 47.50   | 14,821,441                    | 61.50             | 47.40   | 3,777,846                     |

# REPORT ON CORPORATE GOVERNANCE

## 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, 2016 are as under:

| Sr. No.      | Nature of Complaints                 | Pending as on 1 <sup>st</sup> April, 2015 | Received during the year | Disposed during the year | Pending as on 31 <sup>st</sup> March, 2016 |
|--------------|--------------------------------------|-------------------------------------------|--------------------------|--------------------------|--------------------------------------------|
| 1.           | Non Receipt of Annual Report         | 0                                         | 66                       | 66                       | 0                                          |
| 2.           | Non Receipt of Dividend Warrants     | 0                                         | 5                        | 5                        | 0                                          |
| 3.           | MCA-Complaint by shareholders (*)    | 0                                         | 1                        | 1                        | 0                                          |
| 4.           | NSE- Complaint by shareholders (**)  | 0                                         | 2                        | 2                        | 0                                          |
| 5.           | SEBI-Complaint by shareholders (***) | 0                                         | 1                        | 1                        | 0                                          |
| <b>Total</b> |                                      | <b>Nil</b>                                | <b>75</b>                | <b>75</b>                | <b>Nil</b>                                 |

(\*) One shareholder Complaint filed with MCA is in regard to non-receipt of the Annual Report and Dividend warrant.

(\*\*) Two shareholders Complaints filed with NSE is in regard to non-receipt of the Annual Report.

(\*\*\*) One shareholder Complaint filed with SEBI is in regard to non-receipt of the Dividend warrant.

There were no complaints which were pending as on 31<sup>st</sup> March, 2016.

# REPORT ON CORPORATE GOVERNANCE

## xiv) List of Top 10 Shareholders and the Distribution of Shareholding as on 31<sup>st</sup> March, 2016:

### List of Top 10 Shareholders as on 31<sup>st</sup> March, 2016:

| 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            | HSBC Global Investment Funds A/C HSBC GIF Mauritius           | 2,211,715         | 3.31%             |
| 6            | Tribhovandas Bhimji Zaveri (TBZ) Private Limited              | 1,350,000         | 2.03%             |
| 7            | Tribhovandas Bhimji Zaveri Jewellers (Mumbai) Private Limited | 1,350,000         | 2.02%             |
| 8            | Lata Bhanshali                                                | 657,152           | 0.98%             |
| 9            | Keki Jimmy Unwalla                                            | 500,000           | 0.75%             |
| 10           | Priyanka Finance Private Limited                              | 498,000           | 0.75%             |
| <b>Total</b> |                                                               | <b>53,326,642</b> | <b>79.91%</b>     |

### Distribution of Shareholding as on 31<sup>st</sup> March, 2016:

| Holding           | No. of Shareholders |                    | No. of Shares & Amount |                    |              |
|-------------------|---------------------|--------------------|------------------------|--------------------|--------------|
|                   | No. of Holders      | % to Total Holders | Total Shares           | Amount in (₹)      | % to Capital |
| 1-5,000           | 12,893              | 87.13%             | 1,504,282              | 15,042,820         | 2.25%        |
| 5,001-10,000      | 911                 | 6.16%              | 736,400                | 7,364,000          | 1.10%        |
| 10,001-20,000     | 495                 | 3.34%              | 747,896                | 7,478,960          | 1.12%        |
| 20,001-30,000     | 132                 | 0.89%              | 338,152                | 3,381,520          | 0.51%        |
| 30,001-40,000     | 63                  | 0.43%              | 226,094                | 2,260,940          | 0.34%        |
| 40,001-50,000     | 55                  | 0.37%              | 259,546                | 2,595,460          | 0.39%        |
| 50,001-100,000    | 101                 | 0.68%              | 723,991                | 7,239,910          | 1.09%        |
| 100,001 and above | 148                 | 1.00%              | 62,194,259             | 621,942,590        | 93.20%       |
| <b>Total</b>      | <b>14,798</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, 2016 as compared with that of 31<sup>st</sup> March, 2015:

| Particulars                     | As on 31 <sup>st</sup> March, 2016 |                    |                    |                   | As on 31 <sup>st</sup> March, 2015 |                    |                    |                   |
|---------------------------------|------------------------------------|--------------------|--------------------|-------------------|------------------------------------|--------------------|--------------------|-------------------|
|                                 | No. of share holders               | % of share holders | No. of shares held | % of shareholding | No. of share holders               | % of share holders | No. of shares held | % of shareholding |
| Promoter Director               | 4                                  | 0.03%              | 46,759,775         | 70.07%            | 4                                  | 0.04%              | 46,759,775         | 70.08%            |
| Foreign Institutional Investors | 7                                  | 0.05%              | 3,330,131          | 4.99%             | 9                                  | 0.09%              | 9,407,304          | 14.10%            |
| Resident Individuals            | 13,795                             | 93.22%             | 7,000,824          | 10.49%            | 9,638                              | 92.96%             | 3,467,966          | 5.20%             |
| Bodies Corporates               | 410                                | 2.77%              | 4,345,534          | 6.51%             | 348                                | 3.36%              | 2,751,033          | 4.12%             |
| Promoter Companies              | 2                                  | 0.01%              | 2,700,000          | 4.05%             | 2                                  | 0.02%              | 2,700,000          | 4.05%             |
| Non Resident Indians            | 152                                | 1.04%              | 193,248            | 0.29%             | 120                                | 1.16%              | 117,801            | 0.18%             |
| Foreign Portfolio Investors     | 7                                  | 0.05%              | 1,446,236          | 2.17%             | 5                                  | 0.05%              | 1,315,764          | 1.97%             |
| HUF                             | 307                                | 2.08%              | 363,066            | 0.54%             | 175                                | 1.69%              | 137,136            | 0.21%             |
| Clearing Members                | 103                                | 0.71%              | 416,030            | 0.62%             | 61                                 | 0.59%              | 26,449             | 0.04%             |
| Indian Financial Institutions   | 1                                  | 0.00%              | 23,276             | 0.04%             | 1                                  | 0.00%              | 3,391              | 0.01%             |
| Banks                           | 1                                  | 0.00%              | 58,589             | 0.09%             | 1                                  | 0.00%              | 3,320              | 0.00%             |
| Trusts                          | 1                                  | 0.00%              | 1,500              | 0.00%             | 1                                  | 0.00%              | 250                | 0.00%             |
| Mutual Funds                    | 1                                  | 0.00%              | 252                | 0.00%             | 3                                  | 0.03%              | 29,711             | 0.04%             |
| NBFC                            | 4                                  | 0.03%              | 87,021             | 0.13%             | -                                  | -                  | -                  | -                 |
| Employees                       | 1                                  | 0.00%              | 5003               | 0.01%             | -                                  | -                  | -                  | -                 |
| Unclaimed Suspense Account      | 2                                  | 0.01%              | 135                | 0.00%             | -                                  | -                  | -                  | -                 |
| <b>Total</b>                    | <b>14,798</b>                      | <b>100%</b>        | <b>66,730,620</b>  | <b>100%</b>       | <b>10,368</b>                      | <b>100%</b>        | <b>66,719,900</b>  | <b>100%</b>       |

# REPORT ON CORPORATE GOVERNANCE

## 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, 2016, 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, 2016 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                       | 9,194               | 62.13%        | 63,189,153        | 94.69%      |
| CDSL                       | 5,599               | 37.84%        | 3,540,767         | 5.31%       |
| <b>Sub-total</b>           | <b>14,793</b>       | <b>99.97%</b> | <b>66,729,920</b> | <b>100%</b> |
| Physical Form              | 5                   | 0.03%         | 700               | 0.00%       |
| <b>Total</b>               | <b>14,798</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, 2016.

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.

# REPORT ON CORPORATE GOVERNANCE

## 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, 2015   | 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, 2016            | 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 2015 – 2016 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 2015 – 2016 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, 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.

## 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:

- Deletion of name of deceased shareholder(s), where the shares are held in the name of two or more shareholders.
- Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder.
- 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:

# REPORT ON CORPORATE GOVERNANCE

**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,

Gachibowli, Financial District,

Nanakramguda, Hyderabad – 500 032

Tel No: +91 (040) 6716 1500 / 2222

Fax No: +91 (040) 2342 0814

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. Anupam Ompolu

SEBI Registration No: INR000000221

**b) For Investors assistance:**

**Corporate Office Address:**

**Mr. Niraj Oza**

Head Legal & Company Secretary & Compliance Officer

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

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 & 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

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 (30) showrooms out of which twenty nine (29) are own showrooms and one (1) franchisee showroom operating as on 31<sup>st</sup> March, 2016. The addresses of the showroom and franchisee showroom forms part of Annexure to this report.

# REPORT ON CORPORATE GOVERNANCE

## **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 Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO/ CFO certification for the financial year ended 31<sup>st</sup> March, 2016 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, 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 2015 - 2016.
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 and they report directly to the Audit Committee on a quarterly basis on their findings and corrective actions taken.

For and on behalf of the Board of Directors

Date: 2<sup>nd</sup> May, 2016

Place: Mumbai

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

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

# REPORT ON CORPORATE GOVERNANCE

## Showroom Addresses:

### Showrooms of your Company in operation as on 31<sup>st</sup> March, 2016:

#### 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 Shop No. 2, Sunder Mahal, 92, Veer Nariman Road, 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 A.G. Pride, Plot. No. 301, N-3, CIDCO, Opp. Hotel Ramgiri, Beside Raymond & Ratnakar Bank, Jalna Road, Aurangabad - 431 005.
- 11 Shop No. G-20, Ground Floor, Satra Plaza, Plot No. 19 & 20, Sector 19-D, Palm Beach Road, Vashi, Navi Mumbai - 400 705.
- 12 36 Turner Road, Bandra (W), Mumbai - 400 050.

#### Gujarat

- 13 Iscon Center, Shivranjani Cross Road, Satellite, Ahmedabad 380 015.
- 14 Lal Bungalow, SNS House, Athwa Lines, Surat - 395 007.
- 15 Janakpuri Complex, Dr. Yagnik Road, Opp. Hotel Imperial Palace, Rajkot - 360 001.
- 16 K.P. Infinity, Opposite Yes Bank Ltd., Near INOX Multiplex, Natubhai Circle, Race Course Road, Vadodara - 390 007.
- 17 7-11, Ground Floor, Fortune Square- II, Near Primary School, Next to Royal Dream Society, Vapi Daman Road, Vapi - 396 191.
- 18 Shop No. G1, Krishna Complex, Waga Wadi Road, Next to 'Ghar Shala', Bhavnagar - 364 001.
- 19 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)

- 20 70 Greensland Road, Punjagutta, Hyderabad - 500 082.
- 21 Shop no I, Mogul's Court, Basheerbagh, Hyderabad - 500 001.

#### Telangana (Vijaywada)

- 22 Opp Gateway Hotel, M.G. Road, Labbipet, Vijayawada - 520 010.

#### Kerala (Kochi)

- 23 Jos Annexe Building, Jos Junction, Ernakullam, Kochi - 682 016.

#### Madhya Pradesh (Indore)

- 24 576 Laxmi Tower, M.G. Road, opp Treasure Island, Indore - 452 001.

#### West Bengal (Kolkata)

- 25 Saraswati Niketan, 5 Camac Street, Kolkata - 700 016.
- 26 CIT Road, Scheme, VIM, Kankurgachi, Kolkata - 700 054.

# REPORT ON CORPORATE GOVERNANCE

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**Chhattisgarh (Raipur)**

27 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)**

28 Plot No. 58, Ground Floor and First Floor, Near Royal Motors, Panchwati, Udaipur - 313 001.

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**Jharkhand (Jamshedpur)**

29 Ground Floor, Narbheram Building, Main Road, Bistupur, Jamshedpur – 831 001.

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(\*) Your Company has shifted its Borivali showroom on 15<sup>th</sup> April, 2015 to new location which is bigger in size and is within 200 meters area of the old showroom.

**Franchisee Showroom Addresses:**

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**Jharkhand (Dhanbad)**

30 Shop No. 1, 2 & 3, Ground Floor, Centre Point Mall, Bank More, Dhanbad – 826 001

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For and on behalf of the Board of Directors

Date: 2<sup>nd</sup> May, 2016

Place: Mumbai

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

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

# REPORT ON CORPORATE GOVERNANCE

## **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, 2016 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,

**Shrikant Zaveri**  
**Chairman & Managing Director**  
(in the capacity of CEO)

**Saurav Banerjee**  
**Chief Financial Officer**

Place: Mumbai

Date: 2<sup>nd</sup> May, 2016

# REPORT ON CORPORATE GOVERNANCE

## **Declaration by the CEO under Part D of Schedule V pursuant to Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligation 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 Obligation 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, 2016.

For **Tribhovandas Bhimji Zaveri Limited**

**Shrikant Zaveri**  
**Chairman & Managing Director**  
(in the capacity of CEO)

Place: Mumbai

Date: 2<sup>nd</sup> May, 2016

## **Auditors' Certificate regarding Compliance of conditions of Corporate Governance**

To the Members of  
Tribhovandas Bhimji Zaveri Limited

We have examined the compliance of the conditions of Corporate Governance by Tribhovandas Bhimji Zaveri Limited ("the Company") for the year ended on 31 March 2016, as stipulated in Clause 49 of the listing agreement ("Listing Agreement") of the Company with the stock exchanges for the period 1 April 2015 to 30 November 2015 and as per regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 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") for the period 1 December 2015 to 31 March 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable.

We further 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.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Vijay Mathur**  
Partner  
Membership No: 046476

Place: Mumbai

Date: 2<sup>nd</sup> May, 2016

# INDEPENDENT AUDITORS' REPORT

## To the Members of

## Tribhovandas Bhimji Zaveri Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Tribhovandas Bhimji Zaveri Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, and the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the

auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 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 financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 2016, and its loss 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 exercise of powers conferred by sub-section 11 of Section 143 of the Act, we enclose 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

# INDEPENDENT AUDITORS' REPORT

- (e) On the basis of the written representations received from the Directors as on 31 March 2016 taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2016 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 financial statements – Refer Note 30.1 to the standalone 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 30.6 to the standalone financial statements; and
  - 3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by 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 2016

## ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

With reference to the Annexure A referred to in the Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, a portion of the fixed assets 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 respect of inventory lying with third parties, these have been substantially confirmed by them. The frequency of such verification is reasonable and no material discrepancies were noticed.
- (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.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to investments made and guarantee given. The Company has not granted any loans, or security covered under Section 185 or 186 of the Act.
- (v) The Company has not accepted any deposits from the public. 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 to the Company.
- (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, cess, and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities *except in case of provident fund and income tax where 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, cess, and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

- (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 and duty of excise which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned below:

| Nature of statute                     | Nature of dues    | Amount<br>(₹ lakhs) | Period to which<br>amount relates | Forum where dispute is<br>pending        |
|---------------------------------------|-------------------|---------------------|-----------------------------------|------------------------------------------|
| Maharashtra Value Added Tax Act, 2002 | Value added tax   | 17.47               | FY 2008-09                        | Joint Commissioner of Sales Tax (Appeal) |
| Kerala Value Added Tax Act, 2010      | Value added tax   | 36.99               | FY 2009-10                        | Assistant Commissioner of Sales Tax      |
| West Bengal Value Added Tax Act, 2003 | Value added tax   | 1.53                | FY 2012-13                        | Senior Joint Commissioner of Sales Tax   |
| Customs Act, 1962                     | Customs duty      | 18.25               | FY 2007-08                        | Additional Commissioner of Customs       |
| Income Tax Act, 1961                  | Income tax        | 113.92*             | FY 2011-12<br>(AY 2012-13)        | Commissioner of Income Tax (Appeals)     |
| Income Tax Act, 1961                  | Income tax        | 74.66               | FY 2012-13<br>(AY 2013-14)        | Deputy Commissioner of Income Tax#       |
| Maharashtra Value Added Tax Act, 2002 | Value added tax   | 33.50               | FY 2010-11                        | Deputy Commissioner of Sales Tax#        |
| Central Sales Tax Act, 1956           | Central sales tax | 16.50               | FY 2010-11                        | Deputy Commissioner of Sales Tax#        |
| Maharashtra Value Added Tax Act, 2002 | Value added tax   | 286.23              | FY 2011-12                        | Deputy Commissioner of Sales Tax#        |
| Central Sales Tax Act, 1956           | Central sales tax | 1.07                | FY 2011-12                        | Deputy Commissioner of Sales Tax#        |
| Rajasthan Value Added Tax Act, 2003   | Value added tax   | 21.30               | FY 2013-14                        | Commercial Tax Officer#                  |

\* The Income tax department has held back refund of earlier year FY 2009-10 (AY 2010-11) against this demand.

# The Company is in the process of filing an appeal with the concerned higher forum against the order issued by these authorities.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any borrowing from government or outstanding debentures during the year.
- (ix) According to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (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 give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act *except for remuneration for the period 1 January 2016 to 31 March 2016 which is subject to shareholders' approval at the ensuing ninth annual general meeting.*

## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (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 Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) 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 2016

# ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

## **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 over financial reporting of Tribhovandas Bhimji Zaveri Limited (“the Company”) as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## **Management’s Responsibility for Internal Financial Controls**

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

## **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

## **Meaning of Internal Financial Controls over Financial Reporting**

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

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Over Financial Reporting**

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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 2016

# BALANCE SHEET

## AS AT 31 MARCH 2016

(₹ in Lakhs)

|                                                                               | Notes | 31 March 2016      | 31 March 2015      |
|-------------------------------------------------------------------------------|-------|--------------------|--------------------|
| <b>EQUITY AND LIABILITIES</b>                                                 |       |                    |                    |
| <b>Shareholders' Funds</b>                                                    |       |                    |                    |
| Share Capital                                                                 | 3     | 6,673.06           | 6,671.99           |
| Reserves and Surplus                                                          | 4     | 37,570.25          | 39,883.20          |
|                                                                               |       | <b>44,243.31</b>   | <b>46,555.19</b>   |
| <b>Non-Current Liabilities</b>                                                |       |                    |                    |
| Long-term borrowings                                                          | 5     | 754.49             | 1,199.81           |
| Other long-term liabilities                                                   | 6     | 624.13             | 556.47             |
| Long-term provisions                                                          | 7     | 278.83             | 211.47             |
|                                                                               |       | <b>1,657.45</b>    | <b>1,967.75</b>    |
| <b>Current Liabilities</b>                                                    |       |                    |                    |
| Short Term Borrowings                                                         | 8     | 63,835.89          | 56,671.04          |
| Trade Payables                                                                | 9     |                    |                    |
| (A) Due to Micro, Small and Medium Enterprises                                |       | -                  | -                  |
| (B) Due to Other than Micro, Small and Medium Enterprises                     |       | 9,124.66           | 11,086.11          |
| Other Current Liabilities                                                     | 10    | 10,705.21          | 11,059.75          |
| Short-term provisions                                                         | 11    | 404.38             | 1,223.53           |
|                                                                               |       | <b>84,070.14</b>   | <b>80,040.43</b>   |
| <b>TOTAL</b>                                                                  |       | <b>1,29,970.90</b> | <b>1,28,563.37</b> |
| <b>ASSETS</b>                                                                 |       |                    |                    |
| <b>Non-Current Assets</b>                                                     |       |                    |                    |
| Fixed Assets                                                                  | 12    |                    |                    |
| Tangible assets                                                               |       | 10,338.79          | 10,167.16          |
| Intangible assets                                                             |       | 191.78             | 271.59             |
| Capital work-in-progress                                                      |       | -                  | 494.67             |
|                                                                               |       | <b>10,530.57</b>   | <b>10,933.42</b>   |
| Non-current investments                                                       | 13    | 307.63             | 307.63             |
| Deferred tax assets (net)                                                     | 14    | -                  | 34.84              |
| Long-term loans and advances                                                  | 15    | 1,365.20           | 1,244.85           |
|                                                                               |       | <b>1,672.83</b>    | <b>1,587.32</b>    |
| <b>Current Assets</b>                                                         |       |                    |                    |
| Inventories                                                                   | 16    | 1,12,564.02        | 1,11,367.47        |
| Trade Receivables                                                             | 17    | 69.05              | 79.54              |
| Cash and Bank balances                                                        | 18    | 3,833.68           | 3,254.71           |
| Short-term loans and advances                                                 | 19    | 1,244.84           | 1,289.18           |
| Other current assets                                                          | 20    | 55.91              | 51.73              |
|                                                                               |       | <b>1,17,767.50</b> | <b>1,16,042.63</b> |
| <b>TOTAL</b>                                                                  |       | <b>1,29,970.90</b> | <b>1,28,563.37</b> |
| Significant Accounting Policies                                               | 2     |                    |                    |
| The notes referred to above form an integral part of the financial statements |       |                    |                    |

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

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

**Niraj Oza**  
Head-Legal & Company Secretary  
Membership No.:A20646

Place : Mumbai  
Date : 2 May 2016

Place : Mumbai  
Date : 2 May 2016

# STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED 31 MARCH 2016

(₹ in Lakhs)

|                                                                               | Notes | 31 March 2016      | 31 March 2015      |
|-------------------------------------------------------------------------------|-------|--------------------|--------------------|
| <b>INCOME</b>                                                                 |       |                    |                    |
| <b>Revenue from operations</b>                                                |       |                    |                    |
| Sale of products                                                              | 21    | 1,65,431.05        | 1,93,372.52        |
| Other operating revenue                                                       | 22    | 46.67              | 47.05              |
|                                                                               |       | <b>1,65,477.72</b> | <b>1,93,419.57</b> |
| Other income                                                                  | 23    | 462.80             | 1,451.11           |
| <b>TOTAL REVENUE</b>                                                          |       | <b>1,65,940.52</b> | <b>1,94,870.68</b> |
| <b>EXPENSES</b>                                                               |       |                    |                    |
| Cost of materials consumed                                                    | 24    | 1,09,521.12        | 1,42,838.91        |
| Purchase of traded goods                                                      | 25    | 30,791.24          | 23,375.62          |
| Changes in inventories of finished goods and traded goods                     | 26    | 1,638.06           | 794.41             |
| Employee benefits                                                             | 27    | 6,596.16           | 5,672.29           |
| Finance costs                                                                 | 28    | 5,569.48           | 5,021.68           |
| Depreciation and amortisation                                                 | 12    | 1,008.51           | 837.95             |
| Other expenses                                                                | 29    | 12,975.55          | 13,254.66          |
| <b>TOTAL EXPENSES</b>                                                         |       | <b>1,68,100.12</b> | <b>1,91,795.52</b> |
| <b>(Loss)/profit before exceptional items and tax</b>                         |       | <b>(2,159.60)</b>  | <b>3,075.16</b>    |
| <b>Exceptional items</b>                                                      |       |                    |                    |
| Reversal of excess depreciation in respect of earlier years (refer note 12)   |       | -                  | 873.79             |
| <b>(Loss)/Profit before tax</b>                                               |       | <b>(2,159.60)</b>  | <b>3,948.95</b>    |
| <b>Tax expense</b>                                                            |       |                    |                    |
| - Current tax                                                                 |       | -                  | 712.12             |
| - Provision pertaining to earlier years                                       |       | 118.53             | -                  |
| - Deferred tax charge                                                         | 14    | 34.85              | 632.74             |
| <b>Total tax expense</b>                                                      |       | <b>153.38</b>      | <b>1,344.86</b>    |
| <b>(Loss)/profit for the year</b>                                             |       | <b>(2,312.98)</b>  | <b>2,604.09</b>    |
| Earnings per equity share                                                     | 30.15 |                    |                    |
| [Nominal value of share ₹ 10 (31 March 2015: ₹ 10)]                           |       |                    |                    |
| Basic                                                                         |       | (3.47)             | 3.90               |
| Diluted                                                                       |       | (3.47)             | 3.90               |
| Significant Accounting Policies                                               | 2     |                    |                    |
| The notes referred to above form an integral part of the financial statements |       |                    |                    |

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

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

**Niraj Oza**  
Head-Legal & Company Secretary  
Membership No.:A20646

Place : Mumbai  
Date : 2 May 2016

Place : Mumbai  
Date : 2 May 2016

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31 MARCH 2016

(₹ in Lakhs)

|                                                                    | 31 March 2016     | 31 March 2015   |
|--------------------------------------------------------------------|-------------------|-----------------|
| <b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>                     |                   |                 |
| Net (loss)/profit before tax                                       | (2,159.60)        | 3,948.95        |
| Adjustments for:                                                   |                   |                 |
| Depreciation and amortisation                                      | 1,008.51          | 837.95          |
| Reversal of excess depreciation in respect of earlier years        | -                 | (873.79)        |
| Finance costs                                                      | 5,569.48          | 5,021.68        |
| Employee stock options scheme (net)                                | -                 | (0.10)          |
| Foreign exchange loss                                              | 0.24              | -               |
| Interest income on bank deposits                                   | (236.12)          | (356.18)        |
| Loss/(profit) on sales of fixed assets                             | 4.27              | (0.63)          |
| Dividend income                                                    | (0.01)            | (0.01)          |
| Bad debts written off                                              | 19.66             | 12.56           |
| Provisions written back                                            |                   |                 |
| - Doubtful debts                                                   | -                 | (17.77)         |
| - Other liabilities                                                | (26.37)           | (75.27)         |
| Assets written off                                                 | 47.88             | 103.63          |
| <b>Operating cash flow before working capital changes</b>          | <b>4,227.94</b>   | <b>8,601.02</b> |
| <b>Movements in working capital</b>                                |                   |                 |
| (Increase)/decrease in trade receivables                           | (9.17)            | 211.95          |
| (Increase) in inventories                                          | (1,196.55)        | (179.09)        |
| (Increase) in current assets and loans and advances                | (70.15)           | (397.95)        |
| (Decrease)/increase in trade payables                              | (1,961.21)        | 3,094.56        |
| (Decrease) in current liabilities and provisions                   | (38.03)           | (8,623.90)      |
| <b>Cash generated from operations</b>                              | <b>952.83</b>     | <b>2,706.59</b> |
| Income taxes paid                                                  | (64.69)           | (811.56)        |
| <b>Net cash generated from operating activities (A)</b>            | <b>888.14</b>     | <b>1,895.03</b> |
| <b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>                     |                   |                 |
| Purchase of fixed assets                                           | (910.46)          | (1,242.36)      |
| Proceeds from sale of fixed assets                                 | 5.98              | 21.50           |
| Bank deposits (having original maturity of more than three months) | (414.41)          | 3,321.90        |
| Investments in mutual funds                                        | -                 | (5.01)          |
| Dividend received                                                  | 0.01              | 0.01            |
| Interest received on deposits                                      | 231.94            | 540.39          |
| <b>Net cash (used) / generated from investing activities (B)</b>   | <b>(1,086.94)</b> | <b>2,636.43</b> |

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31 MARCH 2016

(₹ in Lakhs)

|                                                                               |                                                                                                                                                                                                 | 31 March 2016 | 31 March 2015 |
|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| (C)                                                                           | CASH FLOW FROM FINANCING ACTIVITIES                                                                                                                                                             |               |               |
|                                                                               | Proceeds from borrowings                                                                                                                                                                        | 6,719.98      | 1,523.66      |
|                                                                               | Exercise of stock options                                                                                                                                                                       | 1.07          | 16.85         |
|                                                                               | Dividend paid                                                                                                                                                                                   | (667.20)      | (1,500.91)    |
|                                                                               | Dividend distribution tax paid                                                                                                                                                                  | (138.56)      | (255.06)      |
|                                                                               | Finance cost paid                                                                                                                                                                               | (5,551.93)    | (5,024.84)    |
|                                                                               | Net cash generated / (used) in financing activities (C)                                                                                                                                         | 363.36        | (5,240.30)    |
|                                                                               | Net increase / (decrease) in cash and cash equivalents ( A+B+C)                                                                                                                                 | 164.56        | (708.84)      |
|                                                                               | Cash and cash equivalents at beginning of the year (refer note below)                                                                                                                           | 452.79        | 1,161.63      |
|                                                                               | Cash and cash equivalents at end of the year (refer note below)                                                                                                                                 | 617.35        | 452.79        |
|                                                                               | Notes to cash flow statement                                                                                                                                                                    |               |               |
| 1                                                                             | Components of cash and cash equivalents: (refer note 18)                                                                                                                                        |               |               |
|                                                                               | Cash on hand                                                                                                                                                                                    | 125.30        | 214.74        |
|                                                                               | Balances with banks                                                                                                                                                                             |               |               |
| -                                                                             | on current account#                                                                                                                                                                             | 492.05        | 238.05        |
|                                                                               |                                                                                                                                                                                                 | 617.35        | 452.79        |
|                                                                               | #Includes restricted amounts towards Unclaimed Dividend of ₹ 0.61 Lakhs (31 March 2015: ₹ 0.61 Lakhs) and share application money due for refund of ₹ 0.34 Lakhs (31 March 2015: ₹ 0.34 Lakhs). |               |               |
| 2                                                                             | The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements".                                             |               |               |
| The notes referred to above form an integral part of the financial statements |                                                                                                                                                                                                 |               |               |

As per our report of even date attached  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**  
CIN: L27205MH2007PLC172598

**Vijay Mathur**  
Partner  
Membership No: 046476

**Shrikant Zaveri**  
Chairman and Managing Director  
DIN:00263725

**Saurav Banerjee**  
Chief Financial Officer

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

**Niraj Oza**  
Head-Legal &  
Company Secretary  
Membership No.:A20646

Place : Mumbai  
Date : 2 May 2016

Place : Mumbai  
Date : 2 May 2016

# NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

### 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 other precious stones through its 29 show rooms and 1 franchisee outlet located across India. The Company successfully completed its Initial Public Offer during the Financial year 2012-13 of ₹ 20,000 lakhs by fresh issue of 16,666,667 shares.

### 2 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

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act and other accounting principles generally accepted in India, to the extent applicable.

#### 2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Management believes that the assumptions used in the estimates are prudent and reasonable. Any revision to accounting estimates is recognized prospectively in the current and future periods.

#### 2.3 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.

#### 2.4 Fixed assets and depreciation / amortisation

##### Tangible Fixed Assets

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of tangible asset are added to its

# NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Tangible assets not ready for the intended use on the date of balance sheet are disclosed as "Capital work-in-progress".

Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation on fixed assets has been provided using straight line method over its useful lives in compliance with Schedule II in Companies Act, 2013, where hitherto Written Down Value method was adopted. Pursuant to this policy, the management estimates the useful lives for the assets as follows:

|                        |                         |
|------------------------|-------------------------|
| Factory buildings      | 30 years                |
| Other buildings        | 60 years                |
| Leasehold improvement  | Primary period of lease |
| Plant and machinery    | 15 years                |
| Computer equipment     | 3 to 6 years            |
| Furniture and fixtures | 10 years                |
| Vehicles               | 8 years                 |

Effective 1 April 2014, the Company has changed the method of providing depreciation from written down value to straight line method over the economic useful life of the assets. In management's view this change results in more appropriate presentation and gives a systematic basis of depreciation charge, in compliance with the useful lives as per Schedule II in Companies Act, 2013, representative of pattern of usage and economic benefits of the assets and provide greater consistency with the depreciation method used by other companies in the gems and jewellery industry.

Depreciation for the year is recognised in the Statement of Profit and Loss.

### Intangible Fixed 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.

### 2.5 Impairment of assets

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cashflows expected to arise from the continuing use of the asset and its eventual disposal. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the asset's recoverable amount is estimated and the carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### 2.6 Investments

Long term investments are carried at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

### 2.7 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.

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## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

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.

### 2.8 Borrowing Costs

Borrowing cost are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing cost of revenue nature are charged in the Statement of Profit and Loss over the period to which they relate to.

### 2.9 Revenue recognition

Revenue from sale of goods in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding the collection. The amount recognised as revenue is exclusive of sales tax and value added taxes (VAT), and is net of returns, trade discounts and quantity discounts. Revenue from services is recognized upon rendering of services to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest income is recognized on a time proportion basis taking into account outstanding and the interest rate applicable.

Dividend income is recognised when the right to receive payment is established.

### 2.10 Foreign exchange transactions

Foreign exchange transactions are recorded at the exchange rates prevailing on the dates of the transactions. Exchange differences arising on foreign exchange 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 at the closing exchange rates. The resultant exchange differences are recognized in the Statement of Profit and Loss.

In respect of forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortized as

expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss of the reporting period in which the exchange rates change.

### 2.11 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

##### Provident fund

A defined contribution plan is a post-employment benefit plan under which an entity 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, which is a defined contribution plan, at the prescribed rates. Provident fund dues are recognized when the liability to contribute to the provident fund arises. 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 the Statement of Profit and Loss.

##### 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

# NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

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.

### 2.12 Employees Stock Option Scheme

The excess of the intrinsic value of shares, at the date of grant of options under the Employee Stock Option Schemes of the Company, over the exercise price is regarded as employee compensation, and recognised on a straight-line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

### 2.13 Leases

Lease rentals in respect of assets acquired under operating lease are charged to the Statement of Profit and Loss on straight line basis.

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income on an operating lease is recognised in the Statement of Profit and Loss on a Straight-line basis over the lease term. Costs, including depreciation, are recognised as an expenses in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

Assets given by the Company under operating lease are included in fixed assets. Lease income from operating leases is recognised in the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. Costs, including depreciation, incurred in earning the lease income are recognised as expenses. Initial direct costs incurred specifically for an operating lease are deferred and recognised in the Statement of Profit and Loss over the lease term in proportion to the recognition of lease income.

### 2.14 Income taxes

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Income-tax expense is recognised in the Statement of Profit or Loss except that tax expense related to items recognised directly in reserves is also recognised in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities,

using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

### 2.15 Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders 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.

### 2.16 Hedge accounting

The Company uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions, foreign currency fluctuations relating to certain firm commitments and foreign currency and interest rate exposures relating to foreign currency loan, if any. The Company applies the hedge accounting principles set out in Accounting Standard (AS) 30 - Financial Instruments: Recognition and Measurement and has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions.

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## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

The use of derivative financial instruments is governed by the Company's policies approved by the board of directors, which provide written principles on the use of such instruments consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in hedging reserve and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognized in hedging reserve is retained until the forecast transaction occurs upon which it is recognized in the Statement of Profit and Loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss accumulated in hedging reserve is recognized immediately to the Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that have not been designated as hedging instruments are recognised in the Statement of Profit and Loss as they arise.

### 2.17 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 not discounted to its present value. These are reviewed at each year end date and adjusted to reflect the best current estimate.

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.

(₹ in Lakhs)

|                                                                                 | 31 March 2016   | 31 March 2015   |
|---------------------------------------------------------------------------------|-----------------|-----------------|
| <b>3 SHARE CAPITAL</b>                                                          |                 |                 |
| <b>Authorised</b>                                                               |                 |                 |
| 75,000,000 (31 March 2015: 75,000,000) equity shares of ₹ 10 each               | 7,500.00        | 7,500.00        |
|                                                                                 | <b>7,500.00</b> | <b>7,500.00</b> |
| <b>Issued, subscribed and paid-up</b>                                           |                 |                 |
| 66,730,620 (31 March 2015: 66,719,900) equity shares of ₹ 10 each fully paid-up | 6,673.06        | 6,671.99        |
|                                                                                 | <b>6,673.06</b> | <b>6,671.99</b> |

#### Note:-

##### a Employee stock options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company refer note 30.2.

##### b Reconciliation of the shares outstanding at the beginning and at the end of the year

|                                                                      | 31 March 2016      |                 | 31 March 2015      |                 |
|----------------------------------------------------------------------|--------------------|-----------------|--------------------|-----------------|
| Equity shares                                                        | No. of shares      | ₹ in Lakhs      | No. of shares      | ₹ in Lakhs      |
| At the beginning of the year                                         | 6,67,19,900        | 6,671.99        | 6,67,03,995        | 6,670.40        |
| Shares issued on exercise of employee stock option (refer note 30.2) | 10,720             | 1.07            | 15,905             | 1.59            |
| <b>At the end of the year</b>                                        | <b>6,67,30,620</b> | <b>6,673.06</b> | <b>6,67,19,900</b> | <b>6,671.99</b> |

# NOTES

## TO THE FINANCIAL STATEMENT AS AT 31 MARCH 2016

- c 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 2016 |            | 31 March 2015 |            |
|-----------------------------------------------------------------------------------------|---------------|------------|---------------|------------|
| Equity shares                                                                           | No. of shares | ₹ in Lakhs | No. of shares | ₹ in Lakhs |
| Equity shares allotted as fully paid bonus shares by capitalization of security premium | -             | -          | 4,00,00,000   | 4,000.00   |
| Equity shares bought back by the Company                                                | -             | -          | -             | -          |

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

|                                          | 31 March 2016      |               | 31 March 2015      |               |
|------------------------------------------|--------------------|---------------|--------------------|---------------|
| Equity shares                            | % holding in class | No. of Shares | % holding in class | No. of Shares |
| Equity shares of ₹ 10 each fully paid-up |                    |               |                    |               |
| Shrikant Zaveri                          | 50.06%             | 3,34,02,275   | 50.06%             | 3,34,02,275   |
| Binaisha Zaveri                          | 7.92%              | 52,85,000     | 7.92%              | 52,85,000     |
| Raashi Zaveri                            | 6.85%              | 45,72,500     | 6.85%              | 45,72,500     |
| Smallcap World Fund, INC                 | -                  | -             | 6.50%              | 43,35,732     |
| Bindu Zaveri                             | 5.24%              | 35,00,000     | 5.25%              | 35,00,000     |

- e 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.

(₹ in Lakhs)

|                                                             | 31 March 2016    | 31 March 2015 |
|-------------------------------------------------------------|------------------|---------------|
| <b>4 RESERVES AND SURPLUS</b>                               |                  |               |
| <b>i) Securities premium account</b>                        |                  |               |
| At the commencement of the year                             | 16,775.59        | 16,752.20     |
| Add: premium received on exercise of employee stock options | 15.76            | 23.39         |
|                                                             | <b>16,791.35</b> | 16,775.59     |
| <b>ii) Employee stock options outstanding account*</b>      |                  |               |
| At the commencement of the year                             | 16.63            | 24.85         |
| Less: transferred on exercise of stock options              | (15.76)          | (8.13)        |
| Less: transferred on cancellation of stock options          | (0.87)           | (0.09)        |
|                                                             | -                | 16.63         |
| <b>iii) General reserves</b>                                |                  |               |
| At the commencement of the year                             | 1,400.60         | 1,400.60      |
| Add: Transfer on cancellation of stock options              | 0.87             | -             |
|                                                             | <b>1,401.47</b>  | 1,400.60      |
| <b>iv) Cash flow hedge reserves</b>                         |                  |               |
| At the commencement of the year                             | -                | -             |
| Less: Transfer to hedge reserve                             | 321.46           | (554.79)      |
| Add: Reversed from hedge reserve                            | (321.46)         | 554.79        |
|                                                             | -                | -             |

# NOTES

## TO THE FINANCIAL STATEMENT AS AT 31 MARCH 2016

(₹ in Lakhs)

|                                                                                      | 31 March 2016    | 31 March 2015 |
|--------------------------------------------------------------------------------------|------------------|---------------|
| <b>4 RESERVES AND SURPLUS (Contd.)</b>                                               |                  |               |
| <b>v) Surplus in statement of profit and loss</b>                                    |                  |               |
| At the commencement of the year                                                      | 21,690.41        | 19,918.84     |
| (Loss)/profit for the year                                                           | (2,312.98)       | 2,604.09      |
| Less: Appropriations                                                                 |                  |               |
| - Equity dividend including dividend distribution tax paid for earlier years         | -                | (0.42)        |
| - Proposed final equity dividend<br>[₹ Nil per share (31 March 2015: ₹ 1 per share)] | -                | (667.20)      |
| - Tax on proposed final equity dividend                                              | -                | (164.93)      |
|                                                                                      | <b>19,377.43</b> | 21,690.38     |
| <b>Total reserves and surplus</b>                                                    | <b>37,570.25</b> | 39,883.20     |

\*Created consequent to accounting of Employee Stock Option Plan issued to the Company's employees following the Guidance Note on Accounting for Employee Share based payments.

### 5 LONG-TERM BORROWINGS

#### Secured

#### Term loans

|                                      |               |          |
|--------------------------------------|---------------|----------|
| from banks                           | 746.31        | 1,184.47 |
| from non-banking financial companies | 8.18          | 15.34    |
|                                      | <b>754.49</b> | 1,199.81 |

#### Amount disclosed as current maturities of long term borrowings under the head other current liabilities (refer note 10)

|                                      |               |        |
|--------------------------------------|---------------|--------|
| from banks                           | 440.02        | 438.15 |
| from non-banking financial companies | 15.34         | 16.76  |
|                                      | <b>455.36</b> | 454.91 |

The term loans from banks carries interest in the range of 10.00% - 11.75% p.a (31 March 2015: 11.75% - 12.40% p.a.). The loans are repayable in equated monthly installments ranging from 60 to 72 months (31 March 2015: 60 to 72 months) with installments of ₹ 0.23 to ₹ 32.50 lakhs (31 March 2015: ₹ 4.01 to ₹ 32.50 lakhs). The loans are secured by first mortgage charge of assets purchased (i.e. premises at Nariman Point, Mumbai and IT equipments), 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 company comprises of vehicle loan which carries interest at 10.78% p.a (31 March 2015: 10.78% p.a.). The loan is repayable in 36 monthly installments of ₹ 1.62 lakhs (31 March 2015: ₹ 1.62 lakhs) alongwith interest, commencing from the date of loan. The loan is secured by hypothecation of the vehicle.

### 6 OTHER LONG-TERM LIABILITIES

#### Others

#### From related parties

|                                        |       |       |
|----------------------------------------|-------|-------|
| - Security deposits (refer note 30.13) | 54.00 | 54.00 |
|----------------------------------------|-------|-------|

#### From other than related parties

|                           |               |        |
|---------------------------|---------------|--------|
| - Deferred rent liability | 570.13        | 502.47 |
|                           | <b>624.13</b> | 556.47 |

# NOTES

## TO THE FINANCIAL STATEMENT AS AT 31 MARCH 2016

(₹ in Lakhs)

|                                                        | 31 March 2016    | 31 March 2015    |
|--------------------------------------------------------|------------------|------------------|
| <b>7 LONG-TERM PROVISIONS</b>                          |                  |                  |
| <b>Provision for employee benefits</b>                 |                  |                  |
| - Provision for gratuity (refer note 30.3)             | 222.82           | 93.28            |
| - Provision for compensated absences (refer note 30.3) | 56.01            | 118.19           |
|                                                        | <b>278.83</b>    | <b>211.47</b>    |
| <b>8 SHORT-TERM BORROWINGS</b>                         |                  |                  |
| <b>Secured</b>                                         |                  |                  |
| <b>Loans repayable on demand</b>                       |                  |                  |
| - Working capital demand loan from banks               | 34,379.95        | 35,678.61        |
| - Cash credit from banks                               | 29,356.14        | 20,500.36        |
|                                                        | <b>63,736.09</b> | <b>56,178.97</b> |
| <b>Unsecured</b>                                       |                  |                  |
| <b>Loans repayable on demand</b>                       |                  |                  |
| - From directors (refer note 30.13)                    | 95.19            | 100.19           |
| <b>Others</b>                                          | 4.61             | 391.88           |
|                                                        | <b>99.80</b>     | <b>492.07</b>    |
|                                                        | <b>63,835.89</b> | <b>56,671.04</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 2.85% to 12% (31 March 2015: 4.25% - 12.35% 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.

- By way of hypothecation charge over fixed assets 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 pari passu basis over commercial premises at Santacruz, Mumbai belonging to Shri Shrikant Zaveri (Chairman and Managing Director) and the personal guarantee of the Chairman and Managing Director to the extent of the value of the said commercial premises at Santacruz, Mumbai.

The facility is also secured on second pari passu charge basis among the members of the consortium:

- By way of mortgage over land and building at Punjagutta, Hyderabad (first charge for the long-term loan from bank) and premises at Nariman Point, Mumbai (first charge for the long-term loan from bank).

Further, bank deposits of ₹ 3,205.05 lakhs (31 March 2015: ₹ 2,790.98 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 of ₹ 16,127 lakhs (31 March 2015: ₹ 15,490 lakhs) and Letter of comfort of ₹ 14,956 lakhs (31 March 2015: ₹ 13,996 lakhs).

Loan from directors is interest free and repayable on demand.

# NOTES

## TO THE FINANCIAL STATEMENT AS AT 31 MARCH 2016

Other borrowings carry interest in the range of 5% -10% p.a (31 March 2015: 5% -10% p.a). These are repayable at the end of 361 days from the date of borrowing.

(₹ in Lakhs)

|                                                       | 31 March 2016   | 31 March 2015    |
|-------------------------------------------------------|-----------------|------------------|
| <b>9 TRADE PAYABLES</b>                               |                 |                  |
| Due to                                                |                 |                  |
| Micro, Small and Medium Enterprises (refer note 30.4) | -               | -                |
| Other than Micro, Small and Medium Enterprises        |                 |                  |
| - due to related parties (refer note 30.13)           | -               | 270.41           |
| - due to others                                       | 9,124.66        | 10,815.70        |
|                                                       | <b>9,124.66</b> | <b>11,086.11</b> |

|                                                                                                     |                  |                  |
|-----------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>10 OTHER CURRENT LIABILITIES</b>                                                                 |                  |                  |
| Current maturities of long term borrowings (refer note 5)                                           | 455.36           | 454.91           |
| Interest accrued but not due on borrowings                                                          | 129.06           | 111.51           |
| Share application money due for refund*                                                             | 0.34             | 0.34             |
| Amount liable to be deposited in Investor Education and Protection Fund but not yet due for deposit |                  |                  |
| - Unclaimed dividend                                                                                | 0.61             | 0.61             |
| <b>Other payables</b>                                                                               |                  |                  |
| - Advance from customers                                                                            | 1,685.91         | 1,549.12         |
| - Customers dues under schemes / arrangements                                                       | 5,993.96         | 6,339.76         |
| - Statutory liabilities#                                                                            | 257.80           | 315.02           |
| - Creditors for capital expenditure                                                                 | 126.43           | 312.94           |
| - Accrual for expenses                                                                              | 2,055.74         | 1,975.54         |
|                                                                                                     | <b>10,705.21</b> | <b>11,059.75</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.

#Statutory liabilities includes VAT, TDS, Excise duty, and PF.

|                                                        |               |                 |
|--------------------------------------------------------|---------------|-----------------|
| <b>11 SHORT-TERM PROVISIONS</b>                        |               |                 |
| <b>Provision for employee benefits</b>                 |               |                 |
| - Provision for gratuity (refer note 30.3)             | 88.63         | 105.62          |
| - Provision for compensated absences (refer note 30.3) | 315.75        | 285.78          |
| <b>Others</b>                                          |               |                 |
| - Proposed final equity dividend                       | -             | 667.20          |
| - Tax on proposed final equity dividend                | -             | 164.93          |
|                                                        | <b>404.38</b> | <b>1,223.53</b> |

# NOTES

## TO THE FINANCIAL STATEMENT AS AT 31 MARCH 2016

### 12 FIXED ASSETS

(₹ in Lakhs)

| Description of assets       | Gross block                     |                                 |                                               | Depreciation / Amortisation     |                               |                                       | Net block                     |                                |
|-----------------------------|---------------------------------|---------------------------------|-----------------------------------------------|---------------------------------|-------------------------------|---------------------------------------|-------------------------------|--------------------------------|
|                             | As at<br>1 April<br>2015        | Additions<br>during<br>the year | Deletion/<br>adjustment<br>during the<br>year | As at<br>31 March<br>2016       | As at<br>1 April<br>2015      | For the<br>year<br>during the<br>year | As at<br>31 March<br>2016     | As at<br>31 March<br>2015      |
| <b>Tangible assets</b>      |                                 |                                 |                                               |                                 |                               |                                       |                               |                                |
| Land - owned                | 1,419.34<br>(1,419.34)          | -                               | -                                             | 1,419.34<br>(1,419.34)          | -                             | -                                     | 1,419.34<br>(1,419.34)        | 1,419.34<br>(1,419.34)         |
| Buildings*                  | 5,105.55<br>(4,978.16)          | -                               | 47.71                                         | 5,057.84<br>(5,105.55)          | 338.53<br>(735.39)            | 171.77<br>(89.06)                     | 506.57<br>(338.53)            | 4,551.27<br>(4,767.02)         |
| Lease hold<br>improvements  | 1,573.26<br>(1,452.40)          | 428.00<br>(343.76)              | -                                             | 2,001.26<br>(1,573.26)          | 426.18<br>(399.38)            | 219.63<br>(172.60)                    | 645.81<br>(426.18)            | 1,355.45<br>(1,147.08)         |
| Plant and equipment         | 1,504.76<br>(1,412.28)          | 381.72<br>(94.97)               | -                                             | 1,886.48<br>(1,504.76)          | 363.95<br>(481.95)            | 204.42<br>(91.69)                     | 568.37<br>(363.95)            | 1,318.11<br>(1,140.81)         |
| Furniture and fixtures      | 1,720.81<br>(1,555.04)          | 280.55<br>(299.17)              | 42.53<br>(133.40)                             | 1,958.83<br>(1,720.81)          | 625.52<br>(700.95)            | 153.41<br>(139.16)                    | 753.32<br>(625.52)            | 1,205.51<br>(1,095.29)         |
| Vehicles                    | 271.85<br>(322.83)              | 14.01<br>(3.70)                 | 15.61<br>(54.68)                              | 270.25<br>(271.85)              | 134.48<br>(177.24)            | 37.27<br>(39.12)                      | 165.28<br>(134.48)            | 104.97<br>(137.37)             |
| Computers                   | 897.15<br>(912.84)              | 67.00<br>(87.61)                | 3.66<br>(103.30)                              | 960.49<br>(897.15)              | 436.90<br>(345.79)            | 142.20<br>(114.41)                    | 576.35<br>(436.90)            | 384.14<br>(460.24)             |
| <b>Sub Total</b>            | <b>12,492.72</b><br>(12,052.89) | <b>1,171.28</b><br>(956.60)     | <b>109.51</b><br>(516.77)                     | <b>13,554.49</b><br>(12,492.72) | <b>2,325.56</b><br>(2,840.70) | <b>928.70</b><br>(646.04)             | <b>3,215.70</b><br>(2,325.56) | <b>10,338.79</b><br>(9,212.18) |
| <b>Intangible assets</b>    |                                 |                                 |                                               |                                 |                               |                                       |                               |                                |
| Computer software           | 834.02<br>(563.87)              | -                               | -                                             | 834.02<br>(834.02)              | 562.43<br>(370.52)            | 79.81<br>(191.91)                     | 642.24<br>(562.43)            | 191.78<br>(271.59)             |
| <b>Sub Total</b>            | <b>834.02</b><br>(563.87)       | -                               | -                                             | <b>834.02</b><br>(834.02)       | <b>562.43</b><br>(370.52)     | <b>79.81</b><br>(191.91)              | <b>642.24</b><br>(562.43)     | <b>191.78</b><br>(271.59)      |
| <b>Total</b>                | <b>13,326.74</b><br>(12,616.76) | <b>1,171.28</b><br>(1,226.75)   | <b>109.51</b><br>(516.77)                     | <b>14,388.51</b><br>(13,326.74) | <b>2,887.99</b><br>(3,211.22) | <b>1,008.51</b><br>(837.95)           | <b>3,857.94</b><br>(2,887.99) | <b>10,530.57</b><br>(9,405.53) |
| Capital work in<br>progress |                                 |                                 |                                               |                                 |                               |                                       | -                             | 494.67                         |

\* Buildings includes net block amounting to ₹ 475.22 Lakhs (31 March 2015: ₹ 493.16 Lakhs) being the carrying value of Factory building situated at Kandivali (West), Mumbai given on operating lease rental of ₹ 108 lakhs (31 March 2015: ₹ 108 lakhs).

# Adjustment amount pertains to reversal of excess depreciation in respect of earlier years, due to change in accounting policy (refer Significant accounting policies- 2.4). Figures in brackets are the corresponding figures of the previous year.

# NOTES

## TO THE FINANCIAL STATEMENT AS AT 31 MARCH 2016

(₹ in Lakhs)

|                                                                                                                                                   | 31 March 2016 | 31 March 2015 |
|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>13 NON-CURRENT INVESTMENTS</b>                                                                                                                 |               |               |
| <b>Trade Investments (Cost):</b>                                                                                                                  |               |               |
| - Investments in equity instruments (Unquoted)                                                                                                    |               |               |
| 100,000 (31 March 2015: 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 2015: 5,020) equity shares of ₹ 100 each, fully paid-up in Tribhovandas Bhimji Zaveri (Bombay) Limited, a wholly owned subsidiary | 202.33        | 202.33        |
| <b>Other Investments (Cost):</b>                                                                                                                  |               |               |
| - Investments in mutual funds (Unquoted)                                                                                                          |               |               |
| SBI Mutual Fund Magnum Insta Cash Fund 7.356 (31 March 2015: 6.984) units of ₹ 1,675.03 each                                                      | 0.12          | 0.12          |
| SBI Equity Opportunities Fund - 50,000 (31 March 2015: 50,000) units of ₹ 10 each                                                                 | 5.00          | 5.00          |
|                                                                                                                                                   | <b>307.63</b> | 307.63        |
| Aggregate book value of unquoted non-current investment                                                                                           | <b>307.63</b> | 307.63        |

|                                                                                                                                |                 |          |
|--------------------------------------------------------------------------------------------------------------------------------|-----------------|----------|
| <b>14 DEFERRED TAX ASSETS (NET)</b>                                                                                            |                 |          |
| <i>Arising on account of timing difference in</i>                                                                              |                 |          |
| <b>Deferred tax liability</b>                                                                                                  |                 |          |
| - Excess of depreciation/amortisation on fixed assets under income-tax law over depreciation/amortisation provided in accounts | (591.01)        | (570.26) |
| <b>Total deferred tax liability</b>                                                                                            | <b>(591.01)</b> | (570.26) |
| <b>Deferred tax assets</b>                                                                                                     |                 |          |
| - Provision for employee benefits                                                                                              | 287.67          | 257.91   |
| - Provision for expenses                                                                                                       | 160.26          | 153.59   |
| - Provision for doubtful debts                                                                                                 | 2.43            | 2.43     |
| - Provision for loss                                                                                                           | 636.07          | -        |
| - Provision for lease rent equalisation                                                                                        | 195.66          | 191.17   |
| <b>Total deferred tax assets</b>                                                                                               | <b>1,282.09</b> | 605.10   |
| <b>Net deferred tax assets</b>                                                                                                 | <b>691.08</b>   | 34.84    |
| <b>Net deferred tax assets restricted to</b>                                                                                   | -               | 34.84    |
| <b>Net changes in deferred tax assets</b>                                                                                      | <b>(34.85)</b>  | (632.74) |

The Company has carry forward losses under tax laws, therefore recognition of deferred tax assets on timing differences have been restricted to the extent there exist deferred tax liabilities, in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized, in accordance with Accounting Standard 22 – 'Accounting for taxes on income'.

|                                                                                                  |                 |          |
|--------------------------------------------------------------------------------------------------|-----------------|----------|
| <b>15 LONG-TERM LOANS AND ADVANCES</b>                                                           |                 |          |
| <i>(Unsecured, considered good)</i>                                                              |                 |          |
| <b>To related parties</b>                                                                        |                 |          |
| - Security deposits (refer note 30.13)                                                           | 96.00           | 72.00    |
| <b>To parties other than related parties</b>                                                     |                 |          |
| - Security deposits                                                                              | 975.75          | 885.24   |
| - Advances for capital expenditure                                                               | 74.00           | 14.32    |
| - Advance tax [net of provision for tax of ₹ 10,445.05 lakhs (31 March 2015: ₹ 11,980.27 lakhs)] | 219.45          | 273.29   |
|                                                                                                  | <b>1,365.20</b> | 1,244.85 |

# NOTES

## TO THE FINANCIAL STATEMENT AS AT 31 MARCH 2016

(₹ in Lakhs)

|                                                               | 31 March 2016      | 31 March 2015      |
|---------------------------------------------------------------|--------------------|--------------------|
| <b>16 INVENTORIES</b>                                         |                    |                    |
| <i>(valued at the lower of cost and net realisable value)</i> |                    |                    |
| Raw material                                                  | 12,825.99          | 9,976.20           |
| Finished goods*                                               | 81,113.28          | 78,857.42          |
| Stock-in-trade*                                               | 18,563.72          | 22,457.64          |
| Packing material                                              | 61.03              | 76.21              |
|                                                               | <b>1,12,564.02</b> | <b>1,11,367.47</b> |

\*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.

|                                                                                      |              |              |
|--------------------------------------------------------------------------------------|--------------|--------------|
| <b>17 TRADE RECEIVABLES</b>                                                          |              |              |
| Outstanding for a period exceeding six months from the date they are due for payment |              |              |
| - Unsecured, considered good                                                         | 1.19         | -            |
| - Doubtful                                                                           | 7.67         | 7.67         |
|                                                                                      | <b>8.86</b>  | <b>7.67</b>  |
| Less: Provision for doubtful receivables                                             | (7.67)       | (7.67)       |
|                                                                                      | <b>1.19</b>  | <b>-</b>     |
| Other receivables                                                                    |              |              |
| - Unsecured, considered good *                                                       | 67.86        | 79.54        |
| Total                                                                                | <b>69.05</b> | <b>79.54</b> |

\* Includes receivable from credit card companies amounting to ₹ 26.69 Lakhs (31 March 2015: ₹ 54.84 Lakhs)

|                                                                                                                                  |                 |                 |
|----------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>18 CASH AND BANK BALANCES</b>                                                                                                 |                 |                 |
| <b>Cash and cash equivalents</b>                                                                                                 |                 |                 |
| <b>Cash on hand</b>                                                                                                              | 125.30          | 214.74          |
| Balances with banks                                                                                                              |                 |                 |
| - on current accounts#                                                                                                           | 492.05          | 238.05          |
|                                                                                                                                  | <b>617.35</b>   | <b>452.79</b>   |
| <b>Other bank balances</b>                                                                                                       |                 |                 |
| - deposits with original maturity for more than 3 months but less than 12 months*                                                | 3,216.33        | 2,801.92        |
|                                                                                                                                  | <b>3,833.68</b> | <b>3,254.71</b> |
| Details of bank balances/deposits                                                                                                |                 |                 |
| Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents' | 492.05          | 238.05          |
| Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'                          | 3,216.33        | 2,801.92        |
| Bank deposits due to mature after 12 months of the reporting date included under 'Other noncurrent assets'                       | -               | -               |

# Includes restricted amounts towards Unclaimed Dividend of ₹ 0.61 Lakhs (31 March 2015: ₹ 0.61 Lakhs) and share application money due for refund of ₹ 0.34 Lakhs (31 March 2015: ₹ 0.34 Lakhs).

\* Deposits with a carrying amount of ₹ 3.78 Lakhs (31 March 2015: ₹ 3.44 Lakhs) are under lien with VAT authorities as deposits.

\* Deposits with a carrying amount of ₹ 3,205.05 Lakhs (31 March 2015: ₹ 2,790.98 Lakhs) are under lien to secure working capital facilities availed from banks.

\* Deposits with a carrying amount of ₹ 7.50 Lakhs (31 March 2015: ₹ 7.50 Lakhs) are towards Base capital given to Multi Commodity Exchange India Ltd.

# NOTES

## TO THE FINANCIAL STATEMENT AS AT 31 MARCH 2016

(₹ in Lakhs)

|                                                                    | 31 March 2016      | 31 March 2015      |
|--------------------------------------------------------------------|--------------------|--------------------|
| <b>19 SHORT-TERM LOANS AND ADVANCES</b>                            |                    |                    |
| <i>(Unsecured, considered good)</i>                                |                    |                    |
| - <b>To related parties</b>                                        |                    |                    |
| - Other loans and advances                                         |                    |                    |
| Tribhovandas Bhimji Zaveri (Bombay) Ltd. (refer note 30.13)        | 424.62             | -                  |
| <b>To parties other than related parties</b>                       |                    |                    |
| - Security deposits                                                | 60.00              | 230.06             |
| - Other loans and advances                                         |                    |                    |
| Advance to suppliers                                               | 271.54             | 548.24             |
| Advances to employees and others                                   | 15.96              | 19.25              |
| Prepaid expenses                                                   | 197.76             | 274.54             |
| Balance with sales tax/VAT authorities                             | 274.96             | 217.09             |
|                                                                    | <b>1,244.84</b>    | <b>1,289.18</b>    |
| <b>20 OTHER CURRENT ASSETS</b>                                     |                    |                    |
| <i>(Unsecured, considered good)</i>                                |                    |                    |
| Interest accrued on bank deposits                                  | 55.91              | 51.73              |
|                                                                    | <b>55.91</b>       | <b>51.73</b>       |
| <b>21 REVENUE FROM OPERATIONS</b>                                  |                    |                    |
| <b>Sale of products</b>                                            |                    |                    |
| - Finished goods                                                   | 1,34,691.38        | 1,69,202.77        |
| - Traded goods                                                     | 30,739.67          | 24,169.75          |
| <b>Total</b>                                                       | <b>1,65,431.05</b> | <b>1,93,372.52</b> |
| <b>Details of sales</b>                                            |                    |                    |
| - Jewellery                                                        | <b>1,65,431.05</b> | <b>1,93,372.52</b> |
| <b>22 OTHER OPERATING REVENUE</b>                                  |                    |                    |
| - Repairing revenue                                                | 46.67              | 47.05              |
| <b>Total</b>                                                       | <b>46.67</b>       | <b>47.05</b>       |
| <b>23 OTHER INCOME</b>                                             |                    |                    |
| Interest income on bank deposits                                   | 236.12             | 356.18             |
| Rental income from property leases (refer note 30.13)              | 108.00             | 108.00             |
| Foreign exchange gain (net)                                        | -                  | 102.77             |
| Reversal of employee stock options scheme (ESOP) (refer note 30.2) | -                  | 0.10               |
| Gains on commodities hedging (refer note 30.5)                     | -                  | 780.74             |
| Provisions written back                                            |                    |                    |
| - Doubtful debts                                                   | -                  | 17.77              |
| - Other liabilities                                                | -                  | 75.27              |
| Miscellaneous income                                               | 118.68             | 10.28              |
|                                                                    | <b>462.80</b>      | <b>1,451.11</b>    |

# NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(₹ in Lakhs)

|                                                                     | 31 March 2016      | 31 March 2015 |
|---------------------------------------------------------------------|--------------------|---------------|
| <b>24 COST OF MATERIALS CONSUMED</b>                                |                    |               |
| Inventory at the beginning of the year                              | 9,976.20           | 8,990.21      |
| Add: Purchases                                                      | 1,12,370.91        | 1,43,824.90   |
|                                                                     | <b>1,22,347.11</b> | 1,52,815.11   |
| Less: Inventory at the end of the year                              | (12,825.99)        | (9,976.20)    |
| Cost of raw material and components consumed                        | <b>1,09,521.12</b> | 1,42,838.91   |
| <b>Details of raw materials and components consumed</b>             |                    |               |
| - Precious metals                                                   | 95,964.34          | 1,24,134.30   |
| - Precious stones                                                   | 13,554.84          | 18,704.61     |
| - Others                                                            | 1.94               | -             |
|                                                                     | <b>1,09,521.12</b> | 1,42,838.91   |
| <b>Details of inventory</b>                                         |                    |               |
| <b>Raw material and components</b>                                  |                    |               |
| - Precious metals                                                   | 5,293.58           | 2,828.41      |
| - Precious stones                                                   | 7,532.41           | 7,147.79      |
|                                                                     | <b>12,825.99</b>   | 9,976.20      |
| <b>25 PURCHASE OF TRADED GOODS</b>                                  |                    |               |
| - Precious metals                                                   | 23,625.66          | 11,170.12     |
| - Precious stones                                                   | 7,165.58           | 12,205.50     |
|                                                                     | <b>30,791.24</b>   | 23,375.62     |
| <b>26 CHANGES IN INVENTORIES OF FINISHED GOODS AND TRADED GOODS</b> |                    |               |
| Opening inventory                                                   |                    |               |
| - Finished goods                                                    | 78,857.42          | 80,772.86     |
| - Traded goods                                                      | 22,457.64          | 21,336.61     |
|                                                                     | <b>1,01,315.06</b> | 1,02,109.47   |
| Closing inventory                                                   |                    |               |
| - Finished goods                                                    | 81,113.28          | 78,857.42     |
| - Traded goods                                                      | 18,563.72          | 22,457.64     |
|                                                                     | <b>99,677.00</b>   | 1,01,315.06   |
| Decrease/ (Increase) in stock                                       | <b>1,638.06</b>    | 794.41        |
| <b>Details of inventory</b>                                         |                    |               |
| <b>Finished goods and traded goods</b>                              |                    |               |
| - Precious metals                                                   | 59,238.66          | 56,601.96     |
| - Precious stones                                                   | 36,965.96          | 41,201.10     |
| - Others                                                            | 3,472.38           | 3,512.00      |
|                                                                     | <b>99,677.00</b>   | 1,01,315.06   |
| <b>27 EMPLOYEE BENEFITS</b>                                         |                    |               |
| Salaries, wages and bonus                                           | 5,896.58           | 5,373.63      |
| Contribution to provident and other funds (refer note 30.3)         |                    |               |
| - Provident fund                                                    | 215.27             | 151.07        |
| - Other fund                                                        | 36.33              | 43.04         |
| Staff welfare expenses                                              | 284.48             | 294.24        |
| Gratuity expenses (refer note 30.3)                                 | 157.13             | (195.13)      |
| Compensated absences (refer note 30.3)                              | 6.37               | 5.44          |
|                                                                     | <b>6,596.16</b>    | 5,672.29      |

# NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(₹ in Lakhs)

|                                                                        | 31 March 2016    | 31 March 2015    |
|------------------------------------------------------------------------|------------------|------------------|
| <b>28 FINANCE COSTS</b>                                                |                  |                  |
| Interest expenses                                                      | 5,173.58         | 4,610.59         |
| Other borrowing costs                                                  | 395.90           | 411.09           |
|                                                                        | <b>5,569.48</b>  | <b>5,021.68</b>  |
| <b>29 OTHER EXPENSES</b>                                               |                  |                  |
| Power and fuel                                                         | 530.18           | 486.95           |
| Water charges                                                          | 24.23            | 21.78            |
| Packing materials                                                      | 223.73           | 215.38           |
| Repairs and maintenance                                                |                  |                  |
| - Plant and machinery                                                  | 97.94            | 137.24           |
| - Others                                                               | 316.41           | 231.43           |
| Jobwork charges                                                        | 71.07            | 77.85            |
| Rent (refer note 30.8)                                                 | 2,526.36         | 2,429.82         |
| Advertisement and sales promotion                                      | 5,086.54         | 6,331.46         |
| Freight and forwarding charges                                         | 112.72           | 136.24           |
| Commission and service charges                                         | 20.21            | 31.12            |
| Insurance                                                              | 68.89            | 61.99            |
| Travelling and conveyance expenses                                     | 212.98           | 263.10           |
| Rates and taxes                                                        | 201.87           | 273.28           |
| Legal and professional fees                                            | 758.45           | 869.65           |
| Royalty                                                                | 92.96            | 13.48            |
| Postage and telephone charges                                          | 274.80           | 279.96           |
| Payment to auditors:                                                   |                  |                  |
| - Statutory audit                                                      | 28.62            | 22.47            |
| - Limited review of quarterly results                                  | 23.98            | 15.73            |
| - Certification fees                                                   | 2.15             | 7.30             |
| - Out of pocket expenses                                               | 4.14             | 2.86             |
| Security charges                                                       | 247.96           | 205.52           |
| Bank charges                                                           | 526.63           | 655.30           |
| Foreign exchange loss (net)                                            | 0.24             | -                |
| Assets written off                                                     | 47.88            | 103.63           |
| Loss on sale of assets                                                 | 4.27             | -                |
| Loss on commodities hedging                                            | 952.69           | -                |
| Commodities hedging cost                                               | 39.39            | 31.78            |
| Bad debts written off                                                  | 19.66            | 12.56            |
| Contribution towards Corporate Social Responsibility (refer note 30.7) | 87.23            | 50.00            |
| Directors sitting fees                                                 | 6.83             | 6.85             |
| Commission to directors                                                | -                | 33.71            |
| Miscellaneous expenses                                                 | 364.54           | 246.22           |
|                                                                        | <b>12,975.55</b> | <b>13,254.66</b> |

### 30 Notes to Accounts

#### 30.1 Contingent liabilities and commitments

##### Contingent Liabilities

##### Guarantee

Corporate guarantees given to Kotak Mahindra Bank on behalf of the Tribhovandas Bhimji Zaveri (Bombay) Limited, a wholly owned subsidiary in respect of loans taken by them amounting to ₹ Nil (2015 : ₹ 500 lakhs).

# NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

The Company has provided a letter of financial support at least upto 31 March 2017 to its wholly owned subsidiary company, Tribhovandas Bhimji Zaveri (Bombay) Limited.

*Claims against the Company not acknowledged as debts*

| Particulars         | 31 March 2016 | 31 March 2015 |
|---------------------|---------------|---------------|
| Income tax matters  | 188.58        | 398.73        |
| Sales tax matters   | 429.14        | 254.88        |
| Custom duty matters | 18.25         | -             |

- (a) The Company's pending litigations comprise of claims against the Company by employees and pertaining to proceedings pending with Income Tax, 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 2016 is ₹ Nil (2015: ₹ NIL) (net of advances).

### 30.2 Employee Stock Option Plan

#### TBZ ESOP 2011 ('Scheme 2011')

In January 2011, the Board of the Company approved the TBZ ESOP 2011 ("the Scheme"), which covers the employees of the Company including its subsidiaries.

The scheme provides share based compensation to its employees using Stock Options ("Options") and Restricted Share Units ("RSU")

- The Scheme would be administered and supervised by the members of the Remuneration Committee (which has been authorized by the Board to function as the "Compensation Committee");
- Exercise price of options will be ₹ 149.93 per share and Exercise price of restricted stock units will be ₹ 10 per share;
- The Scheme provides that these options would vest in tranches over a period of 3 years as follows:

| Period within which options will vest unto the participant | % of options that will vest |
|------------------------------------------------------------|-----------------------------|
| End of 12 months from the date of grant of options*        | 33%                         |
| End of 24 months from the date of grant of options*        | 33%                         |
| End of 36 months from the date of grant of options*        | 34%                         |

\* Date of granting or date of listing whichever is later.

The Scheme provides that restricted stock units would vest in tranches over a period of 3 years as follows:

| Period within which options will vest unto the participant | % of options that will vest |
|------------------------------------------------------------|-----------------------------|
| End of 12 months from the date of grant of options*        | 66%                         |
| End of 36 months from the date of grant of options*        | 34%                         |

Maximum term of options granted ( in years) 3.65  
Method of settlement Equity settled

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## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

**Employee stock option activity under Scheme 2011 is as follows:**

### 1) Options

| Particulars                                   | 31 March 2016 | 31 March 2015 |
|-----------------------------------------------|---------------|---------------|
| Outstanding at beginning of the year          | 12,287        | 24,572        |
| Granted during the year                       | Nil           | Nil           |
| Forfeited during the year                     | Nil           | Nil           |
| Cancelled during the year                     | 12,287        | 1,383         |
| Exercised during the year                     | Nil           | 10,902        |
| Outstanding at the end of the year            | Nil           | 12,287        |
| Vested and exercisable at the end of the year | Nil           | Nil           |

The Company has accounted for the above as compensation cost following the Guidance Note issued by the Institute of Chartered Accountants of India relating to Employee Share Based Payment.

The total (credit) / charge to the Statement of Profit and Loss on account of Options is ₹ Nil (31 March 2015 ₹ (0.10 Lakhs))

The total carrying amount as at 31 March 2016 on account of Options is ₹ Nil (31 March 2015: ₹ 0.87 Lakhs)

### 2) Restricted Stock Units (RSUs)

| Particulars                                   | 31 March 2016 | 31 March 2015 |
|-----------------------------------------------|---------------|---------------|
| Outstanding at beginning of the year          | 10,720        | 15,723        |
| Granted during the year                       | Nil           | Nil           |
| Forfeited during the year                     | Nil           | Nil           |
| Cancelled during the year                     | Nil           | Nil           |
| Exercised during the year                     | 10,720        | 5,003         |
| Outstanding at the end of the year            | Nil           | 10,720        |
| Vested and exercisable at the end of the year | Nil           | Nil           |

The Company has accounted for the above as compensation cost following the Guidance Note issued by the Institute of Chartered Accountants of India relating to Employee Share Based Payment.

The total (credit) / charge to the Statement of Profit and Loss on account of RSU is ₹ Nil (31 March 2015 ₹- Nil)

The total carrying amount as at 31 March 2016 on account of RSU is ₹ Nil (31 March 2015: ₹ 15.76 Lakhs)

The fair value of the options/RSUs on the grant date was determined based on Intrinsic value method

Had compensation cost been determined under the fair value approach described in the Guidance Note using the Black Scholes pricing model, the Company's net income and basic and diluted earnings per share would have been as set out below:

| Particulars                            | 31 March 2016 | 31 March 2015 |
|----------------------------------------|---------------|---------------|
| Net (loss) / income as reported        | (2,312.98)    | 2,604.09      |
| Add: Intrinsic value compensation cost | -             | (0.10)        |
| Less: Fair value compensation cost     | -             | 2.15          |
| Adjusted proforma income               | (2,312.98)    | 2,601.84      |
| Earning per share: basic (₹)           |               |               |
| As reported                            | (3.47)        | 3.90          |
| Adjusted pro forma                     | (3.47)        | 3.90          |
| <b>Earning per share: Diluted (₹)</b>  |               |               |
| As reported                            | (3.47)        | 3.90          |
| Adjusted pro forma                     | (3.47)        | 3.90          |

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## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

| Particulars                                                                                                                             |                                                                                                                                    | 31 March 2016 |        | 31 March 2015 |        |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|---------------|--------|---------------|--------|
|                                                                                                                                         |                                                                                                                                    | Options       | RSUs   | Options       | RSUs   |
| The key assumptions used to estimate the fair value of options are :                                                                    |                                                                                                                                    |               |        |               |        |
| -                                                                                                                                       | The weighted average fair value of those options at the grant date                                                                 | 34.28         | 148.71 | 34.28         | 148.71 |
| -                                                                                                                                       | Option pricing model used                                                                                                          | Black Scholes |        | Black Scholes |        |
| -                                                                                                                                       | Inputs to that model including -                                                                                                   |               |        |               |        |
|                                                                                                                                         | weighted average share price (₹)                                                                                                   | 157.00        | 157.00 | 157.00        | 157.00 |
|                                                                                                                                         | exercise price (₹)                                                                                                                 | 149.93        | 10.00  | 149.93        | 10.00  |
|                                                                                                                                         | expected volatility                                                                                                                | 0.00%         | 0.00%  | 0.00%         | 0.00%  |
|                                                                                                                                         | option life (comprising vesting period + exercise period)                                                                          | 2.62          | 2.46   | 2.62          | 2.46   |
|                                                                                                                                         | expected dividends                                                                                                                 | 0.00%         | 0.00%  | 0.00%         | 0.00%  |
|                                                                                                                                         | risk-free interest rate                                                                                                            | 8.03%         | 8.03%  | 8.03%         | 8.03%  |
| any other inputs to the model including the method used and the assumptions made to incorporate the effects of expected early exercise. |                                                                                                                                    |               |        |               |        |
| -                                                                                                                                       | Determination of expected volatility, including explanation to the extent expected volatility was based on historical 'volatility. | NA            | NA     | NA            | NA     |
| -                                                                                                                                       | Any other features of the option grant were incorporated into the measurement of the fair value, such as market conditions.        | NA            | NA     | NA            | NA     |

The expected life of the stock is based on historical data and current expectation and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of option is indicative of future trends, which may also not necessarily be the actual outcome.

### 30.3 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 ₹ 251.60 Lakhs (31 March 2015: ₹ 194.11 Lakhs) which is shown under notes to financial statements 27 – 'Employee benefits'.

#### b) Defined benefit plans

|          |                                        | Gratuity (funded) |               |
|----------|----------------------------------------|-------------------|---------------|
|          |                                        | 31 March 2016     | 31 March 2015 |
| <b>I</b> | <b>Change in Benefit Obligation</b>    |                   |               |
|          | Liability at the beginning of the year | 361.42            | 590.38        |
|          | Interest cost                          | 25.61             | 51.56         |
|          | Current service cost                   | 80.77             | 76.41         |
|          | Benefit paid                           | (82.67)           | (35.08)       |
|          | Actuarial (gain) / loss on obligations | 33.76             | (321.85)      |
|          | Liability at the end of the year       | 418.89            | 361.42        |

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## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

|            |                                                                | Gratuity (funded)                                          |                                                            |
|------------|----------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
|            |                                                                | 31 March 2016                                              | 31 March 2015                                              |
| <b>II</b>  | <b>Amount recognised in the Balance Sheet</b>                  |                                                            |                                                            |
|            | Liability at the end of the year                               | 418.89                                                     | 361.42                                                     |
|            | Fair value of plan assets at the end of the year               | (107.44)                                                   | (162.53)                                                   |
|            | Amount recognised in the Balance Sheet                         | 311.45                                                     | 198.90                                                     |
| <b>III</b> | <b>Expenses recognised in the Statement of Profit and Loss</b> |                                                            |                                                            |
|            | Current service cost                                           | 80.77                                                      | 76.41                                                      |
|            | Interest cost                                                  | 25.61                                                      | 51.56                                                      |
|            | Expected return on plan assets                                 | (9.44)                                                     | (11.93)                                                    |
|            | Net actuarial (gain) / loss to be recognised                   | 43.19                                                      | (311.17)                                                   |
|            | Adjustment to opening balance of plan assets                   | 17.00                                                      | -                                                          |
|            | Expense recognised in Statement of Profit and Loss             | 157.13                                                     | (195.13)                                                   |
| <b>IV</b>  | <b>Balance Sheet Reconciliation</b>                            |                                                            |                                                            |
|            | Opening net liability                                          | 198.90                                                     | 489.19                                                     |
|            | Expense recognized in the Statement of Profit and Loss         | 157.13                                                     | (195.13)                                                   |
|            | Contribution Paid                                              | (44.58)                                                    | (95.16)                                                    |
|            | Amount recognised in Balance Sheet                             | 311.45                                                     | 198.90                                                     |
| <b>V</b>   | <b>Composition of plan assets</b>                              |                                                            |                                                            |
|            | Qualifying insurance policies*                                 | 107.44                                                     | 162.53                                                     |
| <b>VI</b>  | <b>Movement in fair value of plan assets</b>                   |                                                            |                                                            |
|            | Fair value of plan assets at the beginning of the year         | 162.53                                                     | 101.19                                                     |
|            | Adjustment to opening balance of plan assets                   | (17.00)                                                    | -                                                          |
|            | Contributions paid into the plan                               | 44.58                                                      | 95.00                                                      |
|            | Benefits paid by the plan                                      | (82.67)                                                    | (35.08)                                                    |
|            | Expected return on plan assets                                 | 9.44                                                       | 13.35                                                      |
|            | Actuarial (losses) / gains                                     | (9.44)                                                     | (11.93)                                                    |
|            | Fair value of plan assets at the end of the year               | 107.44                                                     | 162.53                                                     |
| <b>VII</b> | <b>Principal actuarial assumptions</b>                         |                                                            |                                                            |
|            | Discount rate per annum                                        | 7.46%                                                      | 8.00%                                                      |
|            | Expected rate of return on plan Assets                         | 7.46%                                                      | 9.00%                                                      |
|            | Salary escalation rate per annum                               | 5.00%                                                      | 5.00%                                                      |
|            | Mortality                                                      | Indian Assured<br>lives Mortality<br>(2006-08)<br>Ultimate | Indian Assured<br>lives Mortality<br>(2006-08)<br>Ultimate |
|            | Employee Turnover rate                                         | 0 - 28.00%                                                 | 0 - 25.00%                                                 |

\*The Company has maintained funds with Life Insurance Corporation of India and HDFC Life. The Company is unable to obtain the details of major category of Plan assets from the insurance companies 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.

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## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

| Experience Adjustments                      | Gratuity (funded) |                  |                  |                  |                  |
|---------------------------------------------|-------------------|------------------|------------------|------------------|------------------|
|                                             | 31 March<br>2016  | 31 March<br>2015 | 31 March<br>2014 | 31 March<br>2013 | 31 March<br>2012 |
| Present value of defined benefit obligation | 418.89            | 361.42           | 590.38           | 480.00           | 424.30           |
| Fair value of plan assets                   | 107.44            | 162.53           | 101.19           | 80.00            | -                |
| Funded status [surplus/(deficit)]           | (311.45)          | (198.90)         | (489.19)         | (400.00)         | (424.30)         |
| Net asset / (liability)                     | (311.45)          | (198.90)         | (489.19)         | (400.00)         | (424.30)         |
| Experience adjustment arising on:           |                   |                  |                  |                  |                  |
| a. Plan liabilities [loss/(gain)]           | 16.91             | 46.81            | 70.53            | 113.11           | 67.72            |
| b. Plan assets [loss/(gain)]                | 9.44              | 11.93            | (0.29)           | -                | -                |

### Classification into current / non-current

|              | Non - Current    |                  | Current          |                  |
|--------------|------------------|------------------|------------------|------------------|
|              | 31 March<br>2016 | 31 March<br>2015 | 31 March<br>2016 | 31 March<br>2015 |
| Gratuity     | 222.82           | 93.28            | 88.63            | 105.62           |
| <b>Total</b> | <b>222.82</b>    | <b>93.28</b>     | <b>88.63</b>     | <b>105.62</b>    |

The Company expects to pay ₹ 75 lakhs (31 March 2015 ₹ 50 lakhs) to the fund in the following year.

### c) Other long-term employee benefits

#### Compensated absences

The liability towards compensated absences (annual and sick leave) for the year ended 31 March 2016 based on actuarial valuation carried out by using Projected unit credit method resulted in decrease in liability by ₹ 6.37 Lakhs (31 March 2015: ₹ 5.44 Lakhs).

#### Annual and sick leave assumptions

|                                  | 31 March 2016                                     | 31 March 2015                                     |
|----------------------------------|---------------------------------------------------|---------------------------------------------------|
| Discount rate per annum          | 7.46%                                             | 8.00%                                             |
| Salary escalation rate per annum | 5.00%                                             | 5.00%                                             |
| Mortality                        | Indian Assured lives Mortality (2006-08) Ultimate | Indian Assured lives Mortality (2006-08) Ultimate |
| Employee turnover rate           | 0 - 28.00%                                        | 0 - 25.00%                                        |

### 30.4 Dues to Micro, Small and Medium Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprise.

On the basis of the information and records available with management, the following disclosures are made for the amounts due to Micro, Small and Medium enterprises who have registered with the Competent authorities.

|                                                                                                                                                                                                            | 31 March 2016 | 31 March 2015 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Principal amount and interest due thereon remaining unpaid to any supplier as at the year end                                                                                                              | -             | -             |
| 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                                                                                                                          | -             | -             |

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## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

### 30.5 Derivative financial instruments

The Company has adopted recognition and measurement criteria relating to cash flow hedge accounting as set out in AS 30 "Financial Instruments: Recognition and Measurement" issued by the Institute of Chartered Accountants of India for commodity forward contracts with effect from 1 April 2014.

The Company uses these commodity forward contracts to hedge its gold price fluctuation risks on its highly probable cash flows from future sales transactions. These derivatives are not used for trading or speculation purposes. The Company classifies such derivative contracts that hedge gold price fluctuation risk associated with highly probable forecast sale transactions as cash flow hedges and measures them at fair value. However, there are no outstanding commodity forward contracts outstanding as on 31 March 2016 (31 March 2015: Nil).

### 30.6 Long-term contracts

The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and determined that there are no long term contracts (including derivative contracts) which require provision under any law / accounting standards for material foreseeable losses.

### 30.7 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 Dr. Ernest Borges memorial fund (body affiliated to Tata Memorial Centre) and Dr. Ernest Borges memorial home for 'Promoting healthcare, including preventive health care' and 'promoting education', Our Lady of Dolours High School, West Wind Association, Manav Mandir School, SNEHA (Society for Nutrition Education & Health Action), and Contribution made in Prime Minister's National Relief Fund, which are specified in Schedule VII of the Companies Act, 2013.

| Particulars                                       | 31 March 2016 | 31 March 2015 |
|---------------------------------------------------|---------------|---------------|
| Gross amount required to be spent during the year | 164.03        | 195.66        |
| 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*                                  | 66.23         | 50.00         |
| b) Yet to be paid                                 | -             | -             |
| <b>Total</b>                                      | <b>66.23</b>  | <b>50.00</b>  |

\* In addition an amount of ₹ 21 Lakhs was paid during the current year which has been considered as contribution for the year 2014 - 2015 by the CSR Committee and the Board of Directors

### 30.8 Leases

#### Operating leases as a lessee

The Company has recognized the rent expenses in the books of accounts on straight line basis. Rental expenses under operating leases (including Cancellable and Non – cancellable) aggregating ₹ 2,526.36 Lakhs (31 March 2015: ₹ 2,429.82 Lakhs) have been included under "other expenses" in the Statement of Profit and Loss as disclosed under note 29.

The future minimum lease payments in respect of non-cancellable operating leases as at 31 March 2016 are as follows-

| Particulars                                                    | 31 March 2016 | 31 March 2015 |
|----------------------------------------------------------------|---------------|---------------|
| Amount due within one year from the balance sheet date         | 2,201.91      | 2,152.30      |
| Amount due for the period after one year and before five years | 7,085.15      | 6,669.86      |
| Amount due for the period after five years                     | 812.55        | 2,812.40      |

#### Operating leases as a lessor

The Company has recognized rent income on property given on operating lease to its wholly owned subsidiary on a straight line basis. The gross block of property given on lease is ₹ 567.11 Lakhs (31 March 2015: ₹ 567.11 Lakhs), the

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## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

accumulated depreciation is ₹ 91.89 Lakhs (31 March 2015: ₹ 73.95 Lakhs), and the net block is ₹ 475.22 Lakhs (31 March 2015: ₹ 493.16 Lakhs), and the depreciation charged during the year is ₹ 17.94 Lakhs (31 March 2015: ₹ 17.96 Lakhs). Rent income aggregating to ₹ 108 Lakhs (31 March 2015: ₹ 108 Lakhs) have been included under "other income" in the Statement of Profit and Loss as disclosed under note 23.

The future minimum lease payments in respect of non-cancellable operating leases as at 31 March 2016 are as follows -

| Particulars                                                           | 31 March 2016 | 31 March 2015 |
|-----------------------------------------------------------------------|---------------|---------------|
| Amount receivable within one year from the balance sheet date         | 108.00        | 81.00         |
| Amount receivable for the period after one year and before five years | 405.00        | -             |
| Amount receivable for the period after five years                     | -             | -             |

### 30.9 Expenditure in foreign currency

| Particulars         | 31 March 2016 | 31 March 2015 |
|---------------------|---------------|---------------|
| Travelling          | 32.72         | 55.37         |
| Royalty             | 92.96         | 13.48         |
| Exhibition expenses | 34.61         | -             |
| <b>Total</b>        | <b>160.29</b> | <b>68.85</b>  |

### 30.10 Value of Imports calculated on CIF basis

| Particulars           | 31 March 2016 | 31 March 2015 |
|-----------------------|---------------|---------------|
| Raw material          | 93.54         | 438.40        |
| Software              | -             | 23.05         |
| Purchase of jewellery | 9.33          | 55.03         |
| Capital goods         | -             | 17.75         |
| Packing material      | 0.80          | -             |
| <b>Total</b>          | <b>103.67</b> | <b>534.23</b> |

### 30.11 Details of imported and indigenous raw materials consumed during the financial year

|              | Percentage    |               | Value              |                    |
|--------------|---------------|---------------|--------------------|--------------------|
|              | 31 March 2016 | 31 March 2015 | 31 March 2016      | 31 March 2015      |
| Where of     |               |               |                    |                    |
| Imported     | 0.09%         | 0.31%         | 93.54              | 438.40             |
| Indigenously | 99.91%        | 99.69%        | 1,09,427.58        | 1,42,400.51        |
| <b>Total</b> | <b>100%</b>   | <b>100%</b>   | <b>1,09,521.12</b> | <b>1,42,838.91</b> |

### 30.12 Earnings in foreign currency

| Particulars     | 31 March 2016 | 31 March 2015 |
|-----------------|---------------|---------------|
| Export of Goods | 443.42        | -             |

### 30.13 Information on related party transactions as required by the Accounting Standard (AS) - 18 for the year ended 31 March 2016

#### I. Name of related parties

##### Key Managerial Personnel

- 1 Shrikant G Zaveri, Chairman and Managing Director
- 2 Binaisha Zaveri, Whole Time Director
- 3 Raashi Zaveri, Whole Time Director
- 4 Prem Hinduja, Chief Executive Officer (Upto 10<sup>th</sup> Sep't 2015)
- 5 Saurav Banerjee, Chief Financial Officer
- 6 Niraj Oza, Company Secretary

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## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

### Relative of Key Managerial Personnel

- 1 Bindu Zaveri

### Entities over which Key Managerial personnel and/or their relatives exercise significant influence

- 1 Tribhovandas Bhimji Zaveri Jewellers (Mumbai) Private Limited
- 2 Tribhovandas Bhimji Zaveri (TBZ) Private Limited

### Subsidiary

- 1 Konfiaance Jewellery Private Limited.
- 2 Tribhovandas Bhimji Zaveri (Bombay) Limited

### Transactions during the year 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 year *</b> |                          |                                      |                                                                                                    |              |
| Making and Melting charges           | -                        | -                                    | -                                                                                                  | 1,320.76     |
|                                      | -                        | -                                    | -                                                                                                  | (1,510.15)   |
| Remuneration paid**                  | 467.76                   | -                                    | -                                                                                                  | -            |
|                                      | (496.70)                 | -                                    | -                                                                                                  | -            |
| Sale of Assets                       | 3.32                     | -                                    | -                                                                                                  | -            |
|                                      | -                        | -                                    | -                                                                                                  | -            |
| Dividend paid                        | 432.60                   | 35.00                                | 27.00                                                                                              | -            |
|                                      | (973.49)                 | (78.75)                              | (60.75)                                                                                            | -            |
| Rent received                        | -                        | -                                    | -                                                                                                  | 108.00       |
|                                      | -                        | -                                    | -                                                                                                  | (108.00)     |
| Rent paid                            | 206.63                   | -                                    | -                                                                                                  | -            |
|                                      | (169.82)                 | -                                    | -                                                                                                  | -            |
| Deposit received                     | -                        | -                                    | -                                                                                                  | -            |
|                                      | (3.00)                   | -                                    | -                                                                                                  | -            |
| Deposit paid                         | 24.00                    | -                                    | -                                                                                                  | -            |
|                                      | (3.00)                   | -                                    | -                                                                                                  | -            |
| Loans and advances given             | -                        | -                                    | -                                                                                                  | 424.62       |
|                                      | -                        | -                                    | -                                                                                                  | -            |
| Loan repaid (non interest bearing)   | 5.00                     | -                                    | -                                                                                                  | -            |
|                                      | -                        | -                                    | -                                                                                                  | -            |
| <b>Balance as at 31 March 2016*</b>  |                          |                                      |                                                                                                    |              |
| Loans payable                        | 95.19                    | -                                    | -                                                                                                  | -            |
|                                      | (100.19)                 | -                                    | -                                                                                                  | -            |
| Loans and advances receivable        | -                        | -                                    | -                                                                                                  | 424.62       |
|                                      | -                        | -                                    | -                                                                                                  | -            |

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## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

| 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 |
|-----------------------|--------------------------|--------------------------------------|----------------------------------------------------------------------------------------------------|--------------|
| Remuneration payable  | 127.22                   | -                                    | -                                                                                                  | -            |
|                       | (21.00)                  | -                                    | -                                                                                                  | -            |
| Deposit receivable    | 96.00                    | -                                    | -                                                                                                  | -            |
|                       | (72.00)                  | -                                    | -                                                                                                  | -            |
| Deposit payable       | -                        | -                                    | -                                                                                                  | 54.00        |
|                       | -                        | -                                    | -                                                                                                  | (54.00)      |
| Trade payable         | -                        | -                                    | -                                                                                                  | -            |
|                       | -                        | -                                    | -                                                                                                  | (270.42)     |
| Investment            | -                        | -                                    | -                                                                                                  | 302.51       |
|                       | -                        | -                                    | -                                                                                                  | (302.51)     |
| Guarantees***         | -                        | -                                    | -                                                                                                  | -            |
|                       | -                        | -                                    | -                                                                                                  | (500.00)     |

\* Amounts pertaining to year ended 31 March 2015 are in brackets.

\*\* Remuneration does not include charge for gratuity and leave encashment as employee-wise break-up is not available.

\*\*\* Corporate guarantees given to Kotak Mahindra Bank on behalf of the Tribhovandas Bhimji Zaveri (Bombay) Limited, a wholly owned subsidiary in respect of loans taken by them amounting to ₹ Nil (31 March 2015: ₹ 500 lakhs )

Note: Guarantee given by the managing director ₹ 3,014 lakhs (31 March 2015: ₹ 3,014 lakhs)

**30.14** The management is of the opinion that the Company's domestic transactions are at an arms' length price so that the transfer pricing legislation will not have any impact on the financial statements, particularly on the tax expenses and that of provision of tax.

### 30.15 Earning Per Share (EPS)

| Particulars                                                                             | 31 March 2016 | 31 March 2015 |
|-----------------------------------------------------------------------------------------|---------------|---------------|
| Profit after taxation (in Lakhs)                                                        | (2,312.98)    | 2,604.09      |
| Weighted Average Number of Equity Shares                                                | 6,67,28,701   | 6,67,16,850   |
| Add: effect of potential issues of options                                              | Nil           | 11,595        |
| Number of shares considered as weighted average shares and potential shares outstanding | 6,67,28,701   | 6,67,28,445   |
| Basic earnings per share ( ₹ )                                                          | (3.47)        | 3.90          |
| Diluted earnings per share ( ₹ )                                                        | (3.47)        | 3.90          |

### 30.16 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 Accounting Standard 17 on "Segment Reporting" is not required to be disclosed.

# NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

### 30.17 Disclosure pursuant to clause 32 of the equity listing agreement 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 13.

The Company has given a corporate guarantee in respect of loan taken by its wholly owned subsidiary Tribhovandas Bhimji Zaveri (Bombay) Limited, amounting to ₹ Nil (2015 : ₹ 500 Lakhs) for working capital purpose.

### 30.18 Previous year figures

The figures of the previous year have been regrouped/ recast, where necessary, to conform to the current year classification. Deferred rent liability amounting to ₹ 502.47 Lakhs is disclosed under Other non-current liabilities, which was disclosed under Other current liabilities in the previous year, and sales tax expenses amounting to ₹ 367.82 lakhs are included in Cost of materials consumed, which were included in Rates and taxes in the previous year.

As per our report of even date attached  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**  
CIN: L27205MH2007PLC172598

**Vijay Mathur**  
Partner  
Membership No: 046476

**Shrikant Zaveri**  
Chairman and Managing Director  
DIN:00263725

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

**Saurav Banerjee**  
Chief Financial Officer

**Niraj Oza**  
Head-Legal &  
Company Secretary  
Membership No.:A20646

Place : Mumbai  
Date : 2 May 2016

Place : Mumbai  
Date : 2 May 2016

# 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 | Konfiaance Jewellery Private Limited    |
|-------------------------------------|---------------------------------------------|-----------------------------------------|
| 2. Reporting period                 | 31.03.2016 (same as of holding Company)     | 31.03.2016 (same as of holding Company) |
| 3. Reporting currency               | INR                                         | INR                                     |
| 4. Share capital                    | 502,000                                     | 1,000,000                               |
| 5. Reserves & Surplus               | (43,686,976)                                | 8,725,699                               |
| 6. Total Assets                     | 54,078,811                                  | 9,812,144                               |
| 7. Total Liabilities                | 97,781,362                                  | 86,445                                  |
| 8. Investments                      | 517,575                                     | -                                       |
| 9. Turnover                         | 132,076,690                                 | -                                       |
| 10. Profit / (Loss) before taxation | (40,129,080)                                | (89,931)                                |
| 11. Provision for taxation          | (3,930,493)                                 | -                                       |
| 12. Profit / (Loss) after taxation  | (44,059,573)                                | (89,931)                                |
| 13. Proposed Dividend               | NIL                                         | NIL                                     |
| 14. % of shareholding               | 100% Shareholding                           | 100% Shareholding                       |

#### Notes:

- Reporting period for the subsidiaries is same as that of the holding company i.e. 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016.
- Names of subsidiaries which are yet to commence operations – NIL
- Names of subsidiaries which have been liquidated or sold during the year – NIL.

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

For and on behalf of the Board of Directors of

**Shrikant Zaveri**

Chairman & Managing Director  
(DIN: 00263725)

**Raashi Zaveri**

Whole-time Director  
(DIN: 00713688)

**Saurav Banerjee**

Chief Financial Officer

**Niraj Oza**

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

Place: Mumbai

Date: 2<sup>nd</sup> May, 2016

# INDEPENDENT AUDITORS' REPORT

## To the Members of

## Tribhovandas Bhimji Zaveri Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated 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 (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31 March 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated 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 financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (particularly Accounting Standard 21, Consolidated Financial Statements). 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.

### Auditors' 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 there under.

We conducted our audit 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 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 by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated 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 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 2016, and its consolidated loss and its consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. 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 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, 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.

# INDEPENDENT AUDITORS' REPORT

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary companies as on 31 March 2016, taken on record by the Board of Directors of the Holding Company and its subsidiary companies, none of the directors of the Holding Company and its subsidiary companies are disqualified as on 31 March 2016 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 over financial reporting 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

1. The consolidated financial statements disclose the impact of the pending litigations on the consolidated financial position of the Group – Refer Note 30.1 to the consolidated financial statements;
2. 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 30.7 to the consolidated financial statements; and
3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Vijay Mathur**

Partner

Membership No: 046476

Mumbai  
2 May 2016

# INDEPENDENT AUDITORS' REPORT

## ANNEXURE A

### TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED 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 financial statements of Tribhovandas Bhimji Zaveri Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2016, 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 ('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

# INDEPENDENT AUDITORS' REPORT

## ANNEXURE A

### TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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 2016, 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 2016

# CONSOLIDATED BALANCE SHEET

## AS AT 31 MARCH 2016

(₹ in Lakhs)

|                                                                               | Notes | 31 March 2016      | 31 March 2015      |
|-------------------------------------------------------------------------------|-------|--------------------|--------------------|
| <b>EQUITY AND LIABILITIES</b>                                                 |       |                    |                    |
| <b>Shareholders' Funds</b>                                                    |       |                    |                    |
| Share Capital                                                                 | 3     | 6,673.06           | 6,671.99           |
| Reserves and Surplus                                                          | 4     | 36,933.14          | 39,687.62          |
|                                                                               |       | <b>43,606.20</b>   | <b>46,359.61</b>   |
| <b>Non-Current Liabilities</b>                                                |       |                    |                    |
| Long-term borrowings                                                          | 5     | 754.49             | 1,199.81           |
| Other long-term liabilities                                                   | 6     | 570.13             | 502.47             |
| Long-term provisions                                                          | 7     | 380.66             | 276.48             |
|                                                                               |       | <b>1,705.28</b>    | <b>1,978.76</b>    |
| <b>Current Liabilities</b>                                                    |       |                    |                    |
| Short Term Borrowings                                                         | 8     | 63,835.89          | 57,170.61          |
| Trade Payables                                                                | 9     |                    |                    |
| (A) Due to Micro, Small and Medium Enterprises                                |       | -                  | -                  |
| (B) Due to Other than Micro, Small and Medium Enterprises                     |       | 9,152.79           | 10,901.95          |
| Other Current Liabilities                                                     | 10    | 11,087.52          | 11,205.71          |
| Short-term provisions                                                         | 11    | 437.57             | 1,269.17           |
|                                                                               |       | <b>84,513.77</b>   | <b>80,547.44</b>   |
| <b>TOTAL</b>                                                                  |       | <b>1,29,825.25</b> | <b>1,28,885.81</b> |
| <b>ASSETS</b>                                                                 |       |                    |                    |
| <b>Non-Current Assets</b>                                                     |       |                    |                    |
| Fixed Assets                                                                  | 12    |                    |                    |
| Tangible assets                                                               |       | 10,682.44          | 10,469.26          |
| Intangible assets                                                             |       | 203.24             | 288.30             |
| Capital work-in-progress                                                      |       | -                  | 494.67             |
|                                                                               |       | <b>10,885.68</b>   | <b>11,252.23</b>   |
| Non-current investments                                                       | 13    | 10.30              | 10.29              |
| Deferred tax assets (net)                                                     | 14    | -                  | 89.32              |
| Long-term loans and advances                                                  | 15    | 1,472.76           | 1,338.40           |
|                                                                               |       | <b>1,483.06</b>    | <b>1,438.01</b>    |
| <b>Current Assets</b>                                                         |       |                    |                    |
| Inventories                                                                   | 16    | 1,12,573.23        | 1,11,370.47        |
| Trade Receivables                                                             | 17    | 69.05              | 79.97              |
| Cash and Bank balances                                                        | 18    | 3,933.75           | 3,400.72           |
| Short-term loans and advances                                                 | 19    | 824.57             | 1,292.68           |
| Other current assets                                                          | 20    | 55.91              | 51.73              |
|                                                                               |       | <b>1,17,456.51</b> | <b>1,16,195.57</b> |
| <b>TOTAL</b>                                                                  |       | <b>1,29,825.25</b> | <b>1,28,885.81</b> |
| Significant Accounting Policies                                               | 2     |                    |                    |
| The notes referred to above form an integral part of the financial statements |       |                    |                    |

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

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

**Niraj Oza**  
Head-Legal & Company Secretary  
Membership No.:A20646

Place : Mumbai  
Date : 2 May 2016

Place : Mumbai  
Date : 2 May 2016

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED 31 MARCH 2016

(₹ in Lakhs)

|                                                                               | Notes | 31 March 2016      | 31 March 2015      |
|-------------------------------------------------------------------------------|-------|--------------------|--------------------|
| <b>INCOME</b>                                                                 |       |                    |                    |
| <b>Revenue from operations</b>                                                |       |                    |                    |
| Sale of products                                                              | 21    | 1,65,431.05        | 1,93,372.52        |
| Other operating revenue                                                       | 22    | 46.67              | 47.05              |
|                                                                               |       | <b>1,65,477.72</b> | <b>1,93,419.57</b> |
| Other income                                                                  | 23    | 363.87             | 1,347.39           |
| <b>TOTAL REVENUE</b>                                                          |       | <b>1,65,841.59</b> | <b>1,94,766.96</b> |
| <b>EXPENSES</b>                                                               |       |                    |                    |
| Cost of materials consumed                                                    | 24    | 1,08,200.36        | 1,41,328.74        |
| Purchase of traded goods                                                      | 25    | 30,791.24          | 23,375.62          |
| Changes in inventories of finished goods and traded goods                     | 26    | 1,638.06           | 668.72             |
| Employee benefits                                                             | 27    | 7,171.80           | 6,230.18           |
| Finance costs                                                                 | 28    | 5,583.20           | 5,021.94           |
| Depreciation and amortisation                                                 | 12    | 1,044.59           | 866.36             |
| Other expenses                                                                | 29    | 13,974.13          | 14,432.92          |
| <b>TOTAL EXPENSES</b>                                                         |       | <b>1,68,403.38</b> | <b>1,91,924.48</b> |
| <b>(Loss)/profit before exceptional items and tax</b>                         |       | <b>(2,561.79)</b>  | <b>2,842.48</b>    |
| <b>Exceptional items</b>                                                      |       |                    |                    |
| Reversal of excess depreciation in respect of earlier years (refer note 12)   |       | -                  | 934.34             |
| <b>(Loss)/Profit before tax</b>                                               |       | <b>(2,561.79)</b>  | <b>3,776.82</b>    |
| <b>Tax expense</b>                                                            |       |                    |                    |
| - Current tax                                                                 |       | -                  | 712.12             |
| - Provision for tax of earlier years                                          |       | 103.36             | -                  |
| - Deferred tax charge                                                         | 14    | 89.32              | 632.74             |
| <b>Total tax expense</b>                                                      |       | <b>192.68</b>      | <b>1,344.86</b>    |
| <b>(Loss)/profit for the year</b>                                             |       | <b>(2,754.47)</b>  | <b>2,431.96</b>    |
| Earnings per equity share                                                     | 30.11 |                    |                    |
| [Nominal value of share ₹ 10 (31 March 2015: ₹ 10)]                           |       |                    |                    |
| Basic                                                                         |       | (4.13)             | 3.65               |
| Diluted                                                                       |       | (4.13)             | 3.64               |
| Significant Accounting Policies                                               | 2     |                    |                    |
| The notes referred to above form an integral part of the financial statements |       |                    |                    |

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

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

**Niraj Oza**  
Head-Legal & Company Secretary  
Membership No.:A20646

Place : Mumbai  
Date : 2 May 2016

Place : Mumbai  
Date : 2 May 2016

# CONSOLIDATED CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31 MARCH 2016

(₹ in Lakhs)

|                                                                                  | 31 March 2016     | 31 March 2015     |
|----------------------------------------------------------------------------------|-------------------|-------------------|
| <b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>                                   |                   |                   |
| Net (loss)/profit before tax                                                     | (2,561.79)        | 3,776.82          |
| Adjustments for:                                                                 |                   |                   |
| Depreciation and amortisation                                                    | 1,044.59          | 866.36            |
| Reversal of excess depreciation in respect of earlier years                      | -                 | (934.34)          |
| Finance costs                                                                    | 5,583.20          | 5,021.94          |
| Employee stock options scheme (net)                                              | -                 | (0.10)            |
| Foreign exchange loss                                                            | 0.24              | -                 |
| Interest income on bank deposits                                                 | (236.41)          | (356.46)          |
| Interest income on income tax refund                                             | (5.36)            | -                 |
| Loss/(profit) on sales of fixed assets                                           | 4.27              | (1.61)            |
| Dividend income                                                                  | (0.18)            | (0.21)            |
| Bad debts written off                                                            | 19.66             | 12.56             |
| Provisions written back                                                          |                   |                   |
| -Doubtful debts                                                                  | -                 | (17.77)           |
| -Other liabilities                                                               | (29.62)           | (78.09)           |
| Assets written off                                                               | 47.88             | 103.63            |
| <b>Operating cash flow before working capital changes</b>                        | <b>3,866.48</b>   | <b>8,392.73</b>   |
| <b>Movements in working capital</b>                                              |                   |                   |
| (Increase)/decrease in trade receivables                                         | (8.74)            | 211.99            |
| (Increase) in inventories                                                        | (1,202.76)        | (306.00)          |
| Decrease/(increase) in current assets and loans and advances                     | 352.33            | (397.72)          |
| (Decrease)/increase in trade payables                                            | (1,748.92)        | 2,996.08          |
| Increase/(decrease) in current liabilities and provisions                        | 217.47            | (8,574.36)        |
| <b>Cash generated from operations</b>                                            | <b>1,475.86</b>   | <b>2,322.72</b>   |
| Income taxes paid                                                                | (62.27)           | (841.48)          |
| <b>Net cash generated from operating activities (A)</b>                          | <b>1,413.59</b>   | <b>1,481.24</b>   |
| <b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>                                   |                   |                   |
| Purchase of fixed assets                                                         | (974.38)          | (1,284.56)        |
| Proceeds from sale of fixed assets                                               | 5.98              | 23.50             |
| Bank deposits (having original maturity of more than three months)               | (414.41)          | 3,321.91          |
| Investments in mutual funds                                                      | -                 | (5.00)            |
| Dividend received                                                                | 0.18              | 0.21              |
| Interest received on deposits                                                    | 232.23            | 540.67            |
| Interest received on income tax refund                                           | 5.36              | -                 |
| <b>Net cash (used) in/generated from investing activities (B)</b>                | <b>(1,145.04)</b> | <b>2,596.73</b>   |
| <b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>                                   |                   |                   |
| Proceeds from borrowings                                                         | 6,220.41          | 2,023.22          |
| Exercise of stock options                                                        | 1.07              | 16.85             |
| Dividend paid                                                                    | (667.20)          | (1,500.91)        |
| Dividend distribution tax paid                                                   | (138.56)          | (255.06)          |
| Finance cost paid                                                                | (5,565.65)        | (5,025.10)        |
| <b>Net cash used in financing activities (C)</b>                                 | <b>(149.93)</b>   | <b>(4,741.00)</b> |
| <b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>            | <b>118.62</b>     | <b>(663.03)</b>   |
| <b>Cash and cash equivalents at the beginning of the year (refer note below)</b> | <b>598.80</b>     | <b>1,261.83</b>   |
| <b>Cash and cash equivalents at end of the year (refer note below)</b>           | <b>717.42</b>     | <b>598.80</b>     |

# CONSOLIDATED CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31 MARCH 2016

(₹ in Lakhs)

|                                                                                                                                                                                                  | 31 March 2016 | 31 March 2015 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>Notes to cash flow statement</b>                                                                                                                                                              |               |               |
| <b>1</b> Components of cash and cash equivalents: (refer note 18)                                                                                                                                |               |               |
| Cash on hand                                                                                                                                                                                     | 125.42        | 214.91        |
| Balances with banks                                                                                                                                                                              |               |               |
| - on current accounts#                                                                                                                                                                           | 592.00        | 345.09        |
| - on margin accounts*                                                                                                                                                                            | -             | 38.80         |
|                                                                                                                                                                                                  | <b>717.42</b> | <b>598.80</b> |
| # Includes restricted amounts towards Unclaimed Dividend of ₹ 0.61 Lakhs (31 March 2015: ₹ 0.61 Lakhs) and share application money due for refund of ₹ 0.34 Lakhs (31 March 2015: ₹ 0.34 Lakhs). |               |               |
| * Amount deposited as margin with bank for gold taken on loan.                                                                                                                                   |               |               |
| <b>2</b> The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements".                                     |               |               |
| The notes referred to above form an integral part of the financial statements                                                                                                                    |               |               |

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

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

**Saurav Banerjee**  
Chief Financial Officer

**Niraj Oza**  
Head-Legal & Company Secretary  
Membership No.:A20646

Place : Mumbai  
Date : 2 May 2016

Place : Mumbai  
Date : 2 May 2016

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

### 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 other precious stones through its 29 show rooms and 1 franchisee outlet located across India. The Company successfully completed its Initial Public Offer during the year ended 31 March, 2013 for ₹ 20,000 lakhs by fresh issue of 16,666,667 equity shares.

### 2 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

The consolidated financial statements relate to Tribhovandas Bhimji Zaveri Limited ('TBZ or the "the Company") The Company has two subsidiaries namely "Konfiaance Jewellery Private Limited" ("KJPL") and "Tribhovandas Bhimji Zaveri (Bombay) Limited" (TBZBL). KJPL and TBZBL are wholly owned subsidiaries of the Company.

These consolidated financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act and other accounting principles generally accepted in India, to the extent applicable and in particular Accounting Standard 21 (AS 21) - 'Consolidated Financial Statements'.

#### 2.2 Principles of consolidation

The consolidated financial statements of Tribhovandas Bhimji Zaveri Limited together with audited financial statements of its subsidiary companies ('the Group') as described in note no. 29.2 have been prepared on the following basis:

- (i) The financial statements of the Company and its subsidiary companies are 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 and intra-group transactions

and resultant unrealised profits or losses in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"

- (ii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
- (iii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

#### 2.3 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Management believes the assumptions used in the estimates are prudent and reasonable. Any revision to accounting estimates is recognized prospectively in the current and future periods.

#### 2.4 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

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

of the following criteria:

- it is expected to be settled in the Company's normal operating cycle
- it is held primarily for the purpose of being traded
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have as unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current

### 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.

## 2.5 Fixed assets and depreciation / amortisation

### Tangible assets

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Tangible assets not ready for the intended use on the date of balance sheet are disclosed as "Capital work-in-progress".

Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation on fixed assets has been provided using straight line method over its useful lives in compliance with Schedule II in Companies Act, 2013, where hitherto Written Down Value method was adopted. Pursuant to this policy, the management estimates the useful lives for the assets as follows:

|                        |                         |
|------------------------|-------------------------|
| Factory buildings      | 30 years                |
| Other buildings        | 60 years                |
| Leasehold improvement  | Primary period of lease |
| Plant and machinery    | 15 years                |
| Computer equipment     | 3 to 6 years            |
| Furniture and fixtures | 10 years                |
| Vehicles               | 8 years                 |

Effective 1 April 2014, the Company and its wholly owned subsidiary has changed the method of providing depreciation from written down value to straight line method over the economic useful life of the assets. In management's view this change results in more appropriate presentation and gives a systematic basis of depreciation charge, in compliance with the useful lives as per Schedule II in Companies Act, 2013, representative of pattern of usage and economic benefits of the assets and provide greater consistency with the depreciation method used by other companies in the gems and jewellery industry.

Depreciation for the year is recognised in the Statement of Profit and Loss.

### 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.

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

### 2.6 Impairment of assets

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cashflows expected to arise from the continuing use of the asset and its eventual disposal. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the asset's recoverable amount is estimated and the carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### 2.7 Goodwill / Capital Reserve

Goodwill/Capital Reserve represents the excess/short cost of investment in Subsidiaries over the Company's portion of equity of the subsidiary at the date on which investment is made. Goodwill is amortised over a period of three years and tested for impairment, annually or more frequently if events or changes in circumstances indicate that its carrying value may be impaired. Any impairment loss is recognised immediately in the Statement of Profit and Loss and is not subsequently reversed.

### 2.8 Investments

Long term investments are carried at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

### 2.9 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.

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.

### 2.10 Borrowing Costs

Borrowing cost are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing cost of revenue nature are charged in the Statement of Profit and Loss over the period to which they relate to.

### 2.11 Revenue recognition

Revenue from sale of goods in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding the collection. The amount recognised as revenue is exclusive of sales tax and value added taxes (VAT), and is net of excise duty, returns, trade discounts and quantity discounts. Revenue from services is recognized upon rendering of services to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest income is recognized on a time proportion basis taking into account outstanding and the interest rate applicable.

Dividend income is recognised when the right to receive payment is established.

### 2.12 Foreign exchange transactions

Foreign exchange transactions are recorded at the exchange rates prevailing on the dates of the transactions. Exchange differences arising on foreign exchange 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 at the closing exchange rates. The resultant exchange differences are recognized in the Statement of Profit and Loss.

In respect of forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss of the reporting period in which the exchange rates change.

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

### 2.13 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

##### Provident fund

A defined contribution plan is a post-employment benefit plan under which an entity 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, which is a defined contribution plan, at the prescribed rates. Provident fund dues are recognized when the liability to contribute to the provident fund arises. 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 the Statement of Profit and Loss.

##### 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.

### 2.14 Employees Stock Option Scheme

The excess of the intrinsic value of shares, at the date of grant of options under the Employee Stock Option Schemes of the Company, over the exercise price is regarded as employee compensation, and recognised on a straight-line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

### 2.15 Leases

Lease rentals in respect of assets acquired under operating lease are charged to the Statement of Profit and Loss on straight line basis.

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income on an operating lease is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expenses in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

### 2.16 Income taxes

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Income-tax expense is recognised in Statement of Profit or Loss except that tax expense related to items recognised directly in reserves is also recognised in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is virtual / reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

### 2.17 Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders 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.

### 2.18 Hedge accounting

The Company uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions, foreign currency fluctuations relating to certain firm commitments and foreign currency and interest rate exposures relating to foreign currency loan, if any. The Company applies the hedge accounting principles set out in Accounting Standard (AS) 30 - Financial Instruments: Recognition and Measurement and has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions.

The use of derivative financial instruments is governed by the Company's policies approved by the board of directors, which provide written principles on the use of such instruments consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future

cash flows are recognised directly in hedging reserve and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognized in hedging reserve is retained until the forecast transaction occurs upon which it is recognized in the Statement of Profit and Loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss accumulated in hedging reserve is recognized immediately to the Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that have not been designated as hedging instruments are recognised in the Statement of Profit and Loss as they arise.

### 2.19 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 not discounted to its present value. These are reviewed at each year end date and adjusted to reflect the best current estimate.

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.

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT AS AT 31 MARCH 2016

(₹ in Lakhs)

|                                                                                 | 31 March 2016   | 31 March 2015   |
|---------------------------------------------------------------------------------|-----------------|-----------------|
| <b>3 SHARE CAPITAL</b>                                                          |                 |                 |
| <b>Authorised</b>                                                               |                 |                 |
| 75,000,000 (31 March 2015: 75,000,000) equity shares of ₹ 10 each               | 7,500.00        | 7,500.00        |
|                                                                                 | <b>7,500.00</b> | <b>7,500.00</b> |
| <b>Issued, subscribed and paid-up</b>                                           |                 |                 |
| 66,730,620 (31 March 2015: 66,719,900) equity shares of ₹ 10 each fully paid-up | 6,673.06        | 6,671.99        |
|                                                                                 | <b>6,673.06</b> | <b>6,671.99</b> |

**Note:-**

**a Employee stock options**

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company refer note 30.4.

**b Reconciliation of the shares outstanding at the beginning and at the end of the year**

|                                                                      | 31 March 2016      |                 | 31 March 2015      |                 |
|----------------------------------------------------------------------|--------------------|-----------------|--------------------|-----------------|
| Equity shares                                                        | No. of shares      | ₹ in Lakhs      | No. of shares      | ₹ in Lakhs      |
| At the beginning of the year                                         | 6,67,19,900        | 6,671.99        | 6,67,03,995        | 6,670.40        |
| Shares issued on exercise of employee stock option (refer note 30.4) | 10,720             | 1.07            | 15,905             | 1.59            |
| <b>At the end of the year</b>                                        | <b>6,67,30,620</b> | <b>6,673.06</b> | <b>6,67,19,900</b> | <b>6,671.99</b> |

**c 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 2016 |            | 31 March 2015 |            |
|-----------------------------------------------------------------------------------------|---------------|------------|---------------|------------|
| Equity shares                                                                           | No. of shares | ₹ in Lakhs | No. of shares | ₹ in Lakhs |
| Equity shares allotted as fully paid bonus shares by capitalization of security premium | -             | -          | 4,00,00,000   | 4,000.00   |
| Equity shares bought back by the Company                                                | -             | -          | -             | -          |

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

|                                          | 31 March 2016      |               | 31 March 2015      |               |
|------------------------------------------|--------------------|---------------|--------------------|---------------|
| Equity shares                            | % holding in class | No. of Shares | % holding in class | No. of Shares |
| Equity shares of ₹ 10 each fully paid-up |                    |               |                    |               |
| Shrikant Zaveri                          | 50.06%             | 3,34,02,275   | 50.06%             | 3,34,02,275   |
| Binaisha Zaveri                          | 7.92%              | 52,85,000     | 7.92%              | 52,85,000     |
| Raashi Zaveri                            | 6.85%              | 45,72,500     | 6.85%              | 45,72,500     |
| Smallcap World Fund, INC                 | -                  | -             | 6.50%              | 43,35,732     |
| Bindu Zaveri                             | 5.24%              | 35,00,000     | 5.25%              | 35,00,000     |

**e 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.

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT AS AT 31 MARCH 2016

(₹ in Lakhs)

|                                                                                   | 31 March 2016    | 31 March 2015 |
|-----------------------------------------------------------------------------------|------------------|---------------|
| <b>4 RESERVES AND SURPLUS</b>                                                     |                  |               |
| <b>i) Securities premium account</b>                                              |                  |               |
| At the commencement of the year                                                   | 16,775.59        | 16,752.21     |
| Add: premium received on exercise of employee stock options                       | 15.76            | 23.38         |
|                                                                                   | <b>16,791.35</b> | 16,775.59     |
| <b>ii) Employee stock options outstanding account*</b>                            |                  |               |
| At the commencement of the year                                                   | 16.63            | 24.85         |
| Less: transferred on exercise of stock options                                    | (15.76)          | (8.13)        |
| Less: transferred on cancellation of stock options                                | (0.87)           | (0.09)        |
|                                                                                   | -                | 16.63         |
| <b>iii) Capital reserves</b>                                                      |                  |               |
| At the commencement of the year                                                   | 36.96            | 36.96         |
|                                                                                   | <b>36.96</b>     | 36.96         |
| <b>iv) General reserves</b>                                                       |                  |               |
| At the commencement of the year                                                   | 1,400.60         | 1,400.60      |
| Add: Transfer on cancellation of stock options                                    | 0.86             | -             |
|                                                                                   | <b>1,401.46</b>  | 1,400.60      |
| <b>v) Cash flow hedge reserves</b>                                                |                  |               |
| At the commencement of the year                                                   | -                | -             |
| Less: Transfer to hedge reserve                                                   | 321.46           | (554.79)      |
| Add: Reversed from hedge reserve                                                  | (321.46)         | 554.79        |
|                                                                                   | -                | -             |
| <b>vi) Surplus in statement of profit and loss</b>                                |                  |               |
| At the commencement of the year                                                   | 21,457.84        | 19,858.43     |
| (Loss)/profit for the year                                                        | (2,754.47)       | 2,431.96      |
| Less: Appropriations                                                              |                  |               |
| - Equity dividend including dividend distribution tax paid for earlier years      | -                | (0.42)        |
| - Proposed final equity dividend [₹ Nil per share (31 March 2015: ₹ 1 per share)] | -                | (667.20)      |
| - Tax on proposed final equity dividend                                           | -                | (164.93)      |
|                                                                                   | <b>18,703.37</b> | 21,457.84     |
| <b>Total reserves and surplus</b>                                                 | <b>36,933.14</b> | 39,687.62     |

\*Created consequent to accounting of Employee Stock Option Plan issued to the Company's employees following the Guidance Note on Accounting for Employee Share based payments.

### 5 LONG-TERM BORROWINGS

|                                                                                                                                |               |          |
|--------------------------------------------------------------------------------------------------------------------------------|---------------|----------|
| <b>Secured</b>                                                                                                                 |               |          |
| <b>Term loans</b>                                                                                                              |               |          |
| from banks                                                                                                                     | 746.31        | 1,184.47 |
| from non-banking financial companies                                                                                           | 8.18          | 15.34    |
|                                                                                                                                | <b>754.49</b> | 1,199.81 |
| <b>Amount disclosed as current maturities of long term borrowings under the head other current liabilities (refer note 10)</b> |               |          |
| from banks                                                                                                                     | 440.02        | 438.15   |
| from non-banking financial companies                                                                                           | 15.34         | 16.76    |
|                                                                                                                                | <b>455.36</b> | 454.91   |

The term loans from banks carries interest in the range of 10.00% - 11.75% p.a (31 March 2015: 11.75% - 12.40% p.a.). The loans are repayable in equated monthly installments ranging from 60 to 72 months (31 March 2015: 60 to 72 months) with installments of ₹ 0.23 to ₹ 32.50 lakhs (31 March 2015: ₹ 4.01 to ₹ 32.50 lakhs). The loans are secured by first

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT AS AT 31 MARCH 2016

mortgage charge of assets purchased (i.e. premises at Nariman Point, Mumbai and IT equipments), 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 company comprises of vehicle loan which carries interest at 10.78% p.a (31 March 2015: 10.78% p.a.). The loan is repayable in 36 monthly installments of ₹ 1.62 lakhs (31 March 2015: ₹ 1.62 lakhs) alongwith interest, commencing from the date of loan. The loan is secured by hypothecation of the vehicle.

(₹ in Lakhs)

|                                                        | 31 March 2016    | 31 March 2015    |
|--------------------------------------------------------|------------------|------------------|
| <b>6 OTHER LONG-TERM LIABILITIES</b>                   |                  |                  |
| <b>Others (Unsecured, considered good)</b>             |                  |                  |
| <b>From other than related parties</b>                 |                  |                  |
| - Deferred rent liability                              | 570.13           | 502.47           |
|                                                        | <b>570.13</b>    | <b>502.47</b>    |
| <b>7 LONG-TERM PROVISIONS</b>                          |                  |                  |
| <b>i) Provision for employee benefits</b>              |                  |                  |
| - Provision for gratuity (refer note 30.9)             | 315.63           | 145.30           |
| - Provision for compensated absences (refer note 30.9) | 65.03            | 131.18           |
|                                                        | <b>380.66</b>    | <b>276.48</b>    |
| <b>8 SHORT-TERM BORROWINGS</b>                         |                  |                  |
| <b>Secured</b>                                         |                  |                  |
| <b>Loans repayable on demand</b>                       |                  |                  |
| - Working capital demand loan from banks               | 34,379.95        | 36,178.18        |
| - Cash credit from banks                               | 29,356.14        | 20,500.36        |
|                                                        | <b>63,736.09</b> | <b>56,678.54</b> |
| <b>Unsecured</b>                                       |                  |                  |
| <b>Loans repayable on demand</b>                       |                  |                  |
| - From directors (refer note 30.12)                    | 95.19            | 100.19           |
| <b>Others</b>                                          | 4.61             | 391.88           |
|                                                        | <b>99.80</b>     | <b>492.07</b>    |
|                                                        | <b>63,835.89</b> | <b>57,170.61</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 2.85% to 12% (31 March 2015: 4.25% - 12.35% 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.
- By way of hypothecation charge over fixed assets 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 pari passu basis over commercial premises at Santacruz, Mumbai belonging to Shri Shrikant Zaveri (Chairman and Managing Director) and the personal guarantee of the Chairman and Managing Director to the extent of the value of the said commercial premises at Santacruz, Mumbai.

The facility is also secured on second pari passu charge basis among the members of the consortium:

- By way of mortgage over land and building at Punjagutta, Hyderabad (first charge for the long-term loan from bank) and premises at Nariman Point, Mumbai (first charge for the long-term loan from bank).

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT AS AT 31 MARCH 2016

Further, bank deposits of ₹ 3,205.05 lakhs (31 March 2015: ₹ 2,790.98 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 of ₹ 16,127 lakhs (31 March 2015: ₹ 15,490 lakhs) and Letter of comfort of ₹ 14,956 lakhs (31 March 2015: ₹ 13,996 lakhs).

Working capital demand loan taken by the subsidiary is secured by first and exclusive hypothecation charge on all existing and future receivables / current assets of the subsidiary company. Further, the loan is secured by the corporate guarantee of Tribhovandas Bhimji Zaveri Limited, the holding company.

Loan from directors is interest free and repayable on demand.

Other borrowings carry interest in the range of 5% -10% p.a (31 March 2015: 5% -10% p.a). These are repayable at the end of 361 days from the date of borrowing.

(₹ in Lakhs)

|                                                       | 31 March 2016   | 31 March 2015    |
|-------------------------------------------------------|-----------------|------------------|
| <b>9 TRADE PAYABLES</b>                               |                 |                  |
| Due to                                                |                 |                  |
| Micro, Small and Medium Enterprises (refer note 30.5) | -               | -                |
| Other than Micro, Small and Medium Enterprises        | 9,152.79        | 10,901.95        |
|                                                       | <b>9,152.79</b> | <b>10,901.95</b> |

|                                                                                                     |                  |                  |
|-----------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>10 OTHER CURRENT LIABILITIES</b>                                                                 |                  |                  |
| Current maturities of long term borrowings (refer note 5)                                           | 455.36           | 454.91           |
| Interest accrued but not due on borrowings                                                          | 129.06           | 111.51           |
| Share application money due for refund*                                                             | 0.34             | 0.34             |
| Amount liable to be deposited in Investor Education and Protection Fund but not yet due for deposit |                  |                  |
| - Unclaimed dividend                                                                                | 0.61             | 0.61             |
| <b>Other payables</b>                                                                               |                  |                  |
| - Advance from customers                                                                            | 1,685.91         | 1,549.12         |
| - Customers dues under schemes / arrangements                                                       | 5,993.96         | 6,339.76         |
| - Statutory liabilities#                                                                            | 267.75           | 325.44           |
| - Book overdraft                                                                                    | 8.84             | -                |
| - Creditors for capital expenditure                                                                 | 134.89           | 312.94           |
| - Accrual for expenses                                                                              | 2,410.80         | 2,111.08         |
|                                                                                                     | <b>11,087.52</b> | <b>11,205.71</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.

#Statutory liabilities includes VAT, TDS, Excise duty, and PF.

|                                                        |               |                 |
|--------------------------------------------------------|---------------|-----------------|
| <b>11 SHORT-TERM PROVISIONS</b>                        |               |                 |
| <b>Provision for employee benefits</b>                 |               |                 |
| - Provision for gratuity (refer note 30.9)             | 95.35         | 121.01          |
| - Provision for compensated absences (refer note 30.9) | 342.22        | 316.03          |
| <b>Others</b>                                          |               |                 |
| - Proposed final equity dividend                       | -             | 667.20          |
| - Tax on proposed final equity dividend                | -             | 164.93          |
|                                                        | <b>437.57</b> | <b>1,269.17</b> |

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT AS AT 31 MARCH 2016

### 12 FIXED ASSETS

(₹ in Lakhs)

| Description of assets       | Gross block                     |                                 | Depreciation / Amortisation                   |                                 | Net block                     |                                |
|-----------------------------|---------------------------------|---------------------------------|-----------------------------------------------|---------------------------------|-------------------------------|--------------------------------|
|                             | As at<br>1 April<br>2015        | Additions<br>during<br>the year | Deletion/<br>adjustment<br>during the<br>year | As at<br>31 March<br>2016       | As at<br>1 April<br>2015      | As at<br>31 March<br>2016      |
| <b>Tangible assets</b>      |                                 |                                 |                                               |                                 |                               |                                |
| Land - owned                | 1,443.72<br>(1,443.72)          | -                               | -                                             | 1,443.72<br>(1,443.72)          | -                             | 1,443.72<br>(1,443.72)         |
| Buildings*                  | 5,232.05<br>(5,104.66)          | 23.60<br>(127.39)               | 47.70<br>-                                    | 5,207.95<br>(5,232.05)          | 374.61<br>(796.10)            | 4,660.99<br>(4,857.44)         |
| Lease hold<br>improvements  | 1,573.25<br>(1,452.39)          | 428.00<br>(343.76)              | -<br>(222.90)                                 | 2,001.25<br>(1,573.25)          | 426.17<br>(399.37)            | 1,355.45<br>(1,147.08)         |
| Plant and equipment         | 1,729.07<br>(1,616.01)          | 420.10<br>(119.14)              | 4.50<br>(6.08)                                | 2,144.67<br>(1,729.07)          | 420.73<br>(556.96)            | 1,502.53<br>(1,308.34)         |
| Furniture and fixtures      | 1,764.92<br>(1,598.30)          | 285.62<br>(300.01)              | 38.02<br>(133.39)                             | 2,012.52<br>(1,764.92)          | 655.09<br>(730.74)            | 1,224.92<br>(1,109.83)         |
| Vehicles                    | 272.11<br>(323.09)              | 14.01<br>(3.70)                 | 15.62<br>(54.68)                              | 270.50<br>(272.11)              | 134.74<br>(177.50)            | 104.96<br>(137.37)             |
| Computers                   | 919.22<br>(930.80)              | 70.44<br>(91.72)                | 3.67<br>(103.30)                              | 985.99<br>(919.22)              | 453.74<br>(359.47)            | 389.87<br>(465.48)             |
| <b>Sub Total</b>            | <b>12,934.34</b><br>(12,468.97) | <b>1,241.77</b><br>(985.72)     | <b>109.51</b><br>(520.35)                     | <b>14,066.60</b><br>(12,934.34) | <b>2,465.08</b><br>(3,020.14) | <b>10,682.44</b><br>(9,448.83) |
| <b>Intangible assets</b>    |                                 |                                 |                                               |                                 |                               |                                |
| Computer software           | 868.35<br>(585.13)              | 1.89<br>(283.22)                | -                                             | 870.24<br>(868.35)              | 580.05<br>(382.98)            | 203.24<br>(288.30)             |
| Goodwill                    | 43.59<br>(43.59)                | -                               | -                                             | 43.59<br>(43.59)                | 43.59<br>(43.59)              | -                              |
| <b>Sub Total</b>            | <b>911.94</b><br>(628.72)       | <b>1.89</b><br>(283.22)         | <b>-</b>                                      | <b>913.83</b><br>(911.94)       | <b>623.64</b><br>(426.57)     | <b>288.30</b><br>(202.15)      |
| <b>Total</b>                | <b>13,846.28</b><br>(13,097.69) | <b>1,243.66</b><br>(1,268.94)   | <b>109.51</b><br>(520.35)                     | <b>14,980.43</b><br>(13,846.28) | <b>3,088.72</b><br>(3,446.71) | <b>10,757.56</b><br>(9,650.98) |
| Capital work in<br>progress |                                 |                                 |                                               |                                 |                               | 494.67                         |

\* Buildings includes net block amounting to ₹ 475.22 Lakhs (31 March 2015: ₹ 493.16 Lakhs) being the carrying value of Factory building situated at Kandivali.

# Adjustment amount pertains to reversal of excess depreciation in respect of earlier years, due to change in accounting policy (refer Significant accounting policies- 2.5).

Figures in the brackets are the corresponding figures of the previous years.

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT AS AT 31 MARCH 2016

(₹ in Lakhs)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 31 March 2016   | 31 March 2015 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------|
| <b>13 NON-CURRENT INVESTMENTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                     |                 |               |
| <b>Other Investments (Cost):</b>                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |               |
| - Investments in equity instruments (quoted)                                                                                                                                                                                                                                                                                                                                                                                                                          |                 |               |
| 17,300 (31 March 2015: 17,300) equity shares of ₹ 10 each, fully paid-up of Dena Bank                                                                                                                                                                                                                                                                                                                                                                                 | 5.06            | 5.06          |
| - Investments in mutual funds (Unquoted)                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |               |
| SBI Mutual Fund Magnum Insta Cash Fund                                                                                                                                                                                                                                                                                                                                                                                                                                | 0.12            | 0.11          |
| 7.356 (31 March 2015: 6.984) units of ₹ 1,675.03 each                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |               |
| SBI Equity Opportunities Fund - 50,000 (31 March 2015: Nil) units of ₹ 10 each                                                                                                                                                                                                                                                                                                                                                                                        | 5.00            | 5.00          |
| - Investments in equity instruments (Unquoted)                                                                                                                                                                                                                                                                                                                                                                                                                        |                 |               |
| 1,150 (31 March 2015: 1,150) equity shares of ₹ 10 each, fully paid up of Saraswat Co-operative Bank Limited                                                                                                                                                                                                                                                                                                                                                          | 0.12            | 0.12          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>10.30</b>    | 10.29         |
| Aggregate book value of quoted non-current investment (Market Value ₹ 4.97 Lakhs, 31 March 2015: ₹ 8.79 Lakhs)                                                                                                                                                                                                                                                                                                                                                        | <b>5.06</b>     | 5.06          |
| Aggregate book value of unquoted non-current investment                                                                                                                                                                                                                                                                                                                                                                                                               | <b>5.25</b>     | 5.23          |
| <b>14 DEFERRED TAX ASSETS (NET)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                   |                 |               |
| <i>Arising on account of timing difference in</i>                                                                                                                                                                                                                                                                                                                                                                                                                     |                 |               |
| <b>Deferred tax liability</b>                                                                                                                                                                                                                                                                                                                                                                                                                                         |                 |               |
| - Excess of depreciation/amortisation on fixed assets under income-tax law over depreciation/amortisation provided in accounts                                                                                                                                                                                                                                                                                                                                        | (599.78)        | (575.09)      |
| <b>Total deferred tax liability</b>                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>(599.78)</b> | (575.09)      |
| <b>Deferred tax assets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                            |                 |               |
| - Provision for employee benefits                                                                                                                                                                                                                                                                                                                                                                                                                                     | 368.80          | 317.22        |
| - Provision for expenses                                                                                                                                                                                                                                                                                                                                                                                                                                              | 160.26          | 153.59        |
| - Provision for loss                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 742.24          | -             |
| - Provision for doubtful debts                                                                                                                                                                                                                                                                                                                                                                                                                                        | 2.43            | 2.43          |
| - Provision for lease rent equalisation                                                                                                                                                                                                                                                                                                                                                                                                                               | 195.66          | 191.17        |
| <b>Total deferred tax assets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1,469.38</b> | 664.41        |
| <b>Net deferred tax assets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>869.60</b>   | 89.32         |
| <b>Net deferred tax assets restricted to</b>                                                                                                                                                                                                                                                                                                                                                                                                                          | -               | 89.32         |
| <b>Net changes in deferred tax assets</b>                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>(89.32)</b>  | (632.74)      |
| - The Company has carry forward losses under tax laws, therefore recognition of deferred tax assets on timing differences have been restricted to the extent there exist deferred tax liabilities, in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized, in accordance with Accounting Standard 22 – 'Accounting for taxes on income'. |                 |               |
| <b>15 LONG-TERM LOANS AND ADVANCES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                |                 |               |
| <i>(Unsecured, considered good)</i>                                                                                                                                                                                                                                                                                                                                                                                                                                   |                 |               |
| <b>To related parties</b>                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 |               |
| - Security deposits (refer note 30.12)                                                                                                                                                                                                                                                                                                                                                                                                                                | 96.00           | 72.00         |
| <b>To parties other than related parties</b>                                                                                                                                                                                                                                                                                                                                                                                                                          |                 |               |
| - Security deposits                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 980.37          | 888.60        |
| - Advances for capital expenditure                                                                                                                                                                                                                                                                                                                                                                                                                                    | 74.00           | 14.32         |
| - Advance tax [net of provision for tax of ₹ 10,612.24 lakhs (31 March 2015: ₹ 12,172.76 lakhs)]                                                                                                                                                                                                                                                                                                                                                                      | 322.39          | 363.48        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1,472.76</b> | 1,338.40      |

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT AS AT 31 MARCH 2016

(₹ in Lakhs)

|                                                               | 31 March 2016      | 31 March 2015      |
|---------------------------------------------------------------|--------------------|--------------------|
| <b>16 INVENTORIES</b>                                         |                    |                    |
| <i>(valued at the lower of cost and net realisable value)</i> |                    |                    |
| Raw material                                                  | 12,825.99          | 9,976.20           |
| Finished goods*                                               | 81,113.28          | 78,857.42          |
| Stock-in-trade*                                               | 18,563.72          | 22,457.64          |
| Packing material                                              | 70.24              | 79.21              |
|                                                               | <b>1,12,573.23</b> | <b>1,11,370.47</b> |

\*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.

|                                                                                      |              |              |
|--------------------------------------------------------------------------------------|--------------|--------------|
| <b>17 TRADE RECEIVABLES</b>                                                          |              |              |
| Outstanding for a period exceeding six months from the date they are due for payment |              |              |
| - Unsecured, considered good                                                         | 1.19         | -            |
| - Doubtful                                                                           | 7.67         | 7.67         |
|                                                                                      | <b>8.86</b>  | <b>7.67</b>  |
| Provision for doubtful receivables                                                   | (7.67)       | (7.67)       |
| Other receivables                                                                    |              |              |
| - Unsecured, considered good *                                                       | 67.86        | 79.97        |
| Total                                                                                | <b>69.05</b> | <b>79.97</b> |

\* Includes receivable from credit card companies amounting to ₹ 26.69 Lakhs (31 March 2015: ₹ 54.84 Lakhs)

|                                                                                                                                  |                 |                 |
|----------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>18 CASH AND BANK BALANCES</b>                                                                                                 |                 |                 |
| <b>Cash and cash equivalents</b>                                                                                                 |                 |                 |
| <b>Cash on hand</b>                                                                                                              | 125.42          | 214.91          |
| Balances with banks                                                                                                              |                 |                 |
| - on current accounts#                                                                                                           | 592.00          | 345.09          |
| - on margin accounts                                                                                                             | -               | 38.80           |
|                                                                                                                                  | <b>717.42</b>   | <b>598.80</b>   |
| <b>Other bank balances</b>                                                                                                       |                 |                 |
| - deposits with original maturity for more than 3 months but less than 12 months*                                                | 3,216.33        | 2,801.92        |
|                                                                                                                                  | <b>3,933.75</b> | <b>3,400.72</b> |
| <b>Details of bank balances/deposits</b>                                                                                         |                 |                 |
| Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents' | 592.00          | 383.89          |
| Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'                          | 3,216.33        | 2,801.92        |
| Bank deposits due to mature after 12 months of the reporting date included under 'Other noncurrent assets'                       | -               | -               |

# Includes restricted amounts towards Unclaimed Dividend of ₹ 0.61 Lakhs (31 March 2015: ₹ 0.61 Lakhs) and share application money due for refund of ₹ 0.34 Lakhs (31 March 2015: ₹ 0.34 Lakhs).

\* Deposits with a carrying amount of ₹ 3.78 Lakhs (31 March 2015: ₹ 3.44 Lakhs) are under lien with VAT authorities as deposits.

\* Deposits with a carrying amount of ₹ 3,205.05 Lakhs (31 March 2015: ₹ 2,790.98 Lakhs) are under lien to secure working capital facilities availed from banks.

\* Deposits with a carrying amount of ₹ 7.50 Lakhs (31 March 2015: ₹ 7.50 Lakhs) are towards Base capital given to Multi Commodity Exchange India Ltd.

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT AS AT 31 MARCH 2016

(₹ in Lakhs)

|                                                                    | 31 March 2016      | 31 March 2015      |
|--------------------------------------------------------------------|--------------------|--------------------|
| <b>19 SHORT-TERM LOANS AND ADVANCES</b>                            |                    |                    |
| <i>(Unsecured, considered good)</i>                                |                    |                    |
| <b>To parties other than related parties</b>                       |                    |                    |
| - Security deposits                                                | 60.00              | 230.06             |
| <b>Other loans and advances</b>                                    |                    |                    |
| Advance to suppliers                                               | 271.54             | 548.24             |
| Advances to others                                                 | 17.76              | 19.59              |
| Prepaid expenses                                                   | 200.31             | 277.70             |
| Balance with sales tax/VAT authorities                             | 274.96             | 217.09             |
|                                                                    | <b>824.57</b>      | <b>1,292.68</b>    |
| <b>20 OTHER CURRENT ASSETS</b>                                     |                    |                    |
| <i>(Unsecured, considered good)</i>                                |                    |                    |
| Interest accrued on bank deposits                                  | 55.91              | 51.73              |
|                                                                    | <b>55.91</b>       | <b>51.73</b>       |
| <b>21 REVENUE FROM OPERATIONS</b>                                  |                    |                    |
| <b>Sale of products</b>                                            |                    |                    |
| - Finished goods                                                   | 1,34,691.38        | 1,69,202.76        |
| - Traded goods                                                     | 30,739.67          | 24,169.76          |
| <b>Total</b>                                                       | <b>1,65,431.05</b> | <b>1,93,372.52</b> |
| <b>Details of sales</b>                                            |                    |                    |
| - Jewellery                                                        | <b>1,65,431.05</b> | <b>1,93,372.52</b> |
| <b>22 OTHER OPERATING REVENUE</b>                                  |                    |                    |
| - Repairing revenue                                                | 46.67              | 47.05              |
| <b>Total</b>                                                       | <b>46.67</b>       | <b>47.05</b>       |
| <b>23 OTHER INCOME</b>                                             |                    |                    |
| <b>Interest income on</b>                                          |                    |                    |
| - Bank deposits                                                    | 236.41             | 356.46             |
| - Income Tax Refund                                                | 5.36               | -                  |
| Foreign exchange gain (net)                                        | -                  | 102.77             |
| Reversal of employee stock options scheme (ESOP) (refer note 30.4) | -                  | 0.10               |
| Gains on commodities hedging (refer note 30.6)                     | -                  | 780.74             |
| Provisions written back                                            |                    |                    |
| - Doubtful debts                                                   | -                  | 17.77              |
| - Other liabilities                                                | 3.25               | 78.09              |
| Miscellaneous income                                               | 118.85             | 11.46              |
|                                                                    | <b>363.87</b>      | <b>1,347.39</b>    |

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(₹ in Lakhs)

|                                                                     | 31 March 2016      | 31 March 2015 |
|---------------------------------------------------------------------|--------------------|---------------|
| <b>24 COST OF MATERIALS CONSUMED</b>                                |                    |               |
| Inventory at the beginning of the year                              | 9,976.21           | 8,990.21      |
| Add: Purchases                                                      | 1,11,050.14        | 1,42,314.73   |
|                                                                     | <b>1,21,026.35</b> | 1,51,304.94   |
| Less: Inventory at the end of the year                              | (12,825.99)        | (9,976.20)    |
| Cost of raw material and components consumed                        | <b>1,08,200.36</b> | 1,41,328.74   |
| <b>Details of raw materials and components consumed</b>             |                    |               |
| - Precious metals                                                   | 95,964.34          | 1,24,134.30   |
| - Precious stones                                                   | 12,234.08          | 17,194.44     |
| - Others                                                            | 1.94               | 0.00          |
|                                                                     | <b>1,08,200.36</b> | 1,41,328.74   |
| <b>Details of inventory</b>                                         |                    |               |
| <b>Raw material and components</b>                                  |                    |               |
| - Precious metals                                                   | 5,293.58           | 2,828.40      |
| - Precious stones                                                   | 7,532.41           | 7,147.80      |
|                                                                     | <b>12,825.99</b>   | 9,976.20      |
| <b>25 PURCHASE OF TRADED GOODS</b>                                  |                    |               |
| - Precious metals                                                   | 23,625.66          | 11,170.12     |
| - Precious stones                                                   | 7,165.58           | 12,205.50     |
|                                                                     | <b>30,791.24</b>   | 23,375.62     |
| <b>26 CHANGES IN INVENTORIES OF FINISHED GOODS AND TRADED GOODS</b> |                    |               |
| Opening inventory                                                   |                    |               |
| - Finished goods                                                    | 78,857.42          | 80,647.18     |
| - Traded goods                                                      | 22,457.64          | 21,336.60     |
|                                                                     | <b>1,01,315.06</b> | 1,01,983.78   |
| Closing inventory                                                   |                    |               |
| - Finished goods                                                    | 81,113.28          | 78,857.42     |
| - Traded goods                                                      | 18,563.72          | 22,457.64     |
|                                                                     | <b>99,677.00</b>   | 1,01,315.06   |
| Decrease/ (Increase) in stock                                       | <b>1,638.06</b>    | 668.72        |
| <b>Details of inventory</b>                                         |                    |               |
| <b>Finished goods</b>                                               |                    |               |
| - Precious metals                                                   | 59,238.66          | 56,601.96     |
| - Precious stones                                                   | 36,965.96          | 41,201.10     |
| - Others                                                            | 3,472.38           | 3,512.00      |
|                                                                     | <b>99,677.00</b>   | 1,01,315.06   |
| <b>27 EMPLOYEE BENEFITS</b>                                         |                    |               |
| Salaries, wages and bonus                                           | 6,374.43           | 5,843.64      |
| Contribution to provident and other funds (refer note 30.9)         |                    |               |
| - Provident fund                                                    | 239.02             | 171.69        |
| - Other fund                                                        | 42.41              | 49.29         |
| Staff welfare expenses                                              | 299.83             | 310.79        |
| Gratuity expenses (refer note 30.9)                                 | 201.23             | (168.92)      |
| Compensated absences (refer note 30.9)                              | 14.88              | 23.69         |
|                                                                     | <b>7,171.80</b>    | 6,230.18      |

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(₹ in Lakhs)

|                                                                        | 31 March 2016    | 31 March 2015    |
|------------------------------------------------------------------------|------------------|------------------|
| <b>28 FINANCE COSTS</b>                                                |                  |                  |
| Interest expenses                                                      | 5,187.30         | 4,610.85         |
| Other borrowing costs                                                  | 395.90           | 411.09           |
|                                                                        | <b>5,583.20</b>  | <b>5,021.94</b>  |
| <b>29 OTHER EXPENSES</b>                                               |                  |                  |
| Power and fuel                                                         | 592.58           | 542.35           |
| Water charges                                                          | 24.23            | 21.78            |
| Boxes and packing materials                                            | 223.73           | 215.38           |
| Repairs and maintenance to others                                      |                  |                  |
| - Plant and machinery                                                  | 97.94            | 137.24           |
| - Others                                                               | 353.00           | 262.64           |
| Jobwork charges                                                        | 444.60           | 521.89           |
| Stores and spares consumed                                             | 357.54           | 544.47           |
| Rent (refer note 30.10)                                                | 2,526.36         | 2,443.16         |
| Advertisement and sales promotion                                      | 5,086.54         | 6,331.46         |
| Freight and forwarding charges                                         | 112.72           | 136.24           |
| Commission and service charges                                         | 20.21            | 31.12            |
| Insurance                                                              | 69.57            | 62.68            |
| Travelling and conveyance expenses                                     | 214.48           | 265.23           |
| Rates and taxes                                                        | 239.61           | 293.64           |
| Legal and professional fees                                            | 821.91           | 877.13           |
| Royalty                                                                | 92.96            | 13.48            |
| Postage, telegrams and telephone charges                               | 278.33           | 283.44           |
| Payment to auditors:                                                   |                  |                  |
| - Statutory audit                                                      | 38.39            | 30.90            |
| - Limited Review of quarterly results                                  | 23.98            | 15.73            |
| - Certification fees                                                   | 2.15             | 7.30             |
| - Out of pocket expenses                                               | 4.14             | 3.43             |
| Security charges                                                       | 279.24           | 223.29           |
| Bank charges                                                           | 526.86           | 657.66           |
| Assets written off                                                     | 47.88            | 103.63           |
| Loss on sale of assets                                                 | 4.27             | -                |
| Loss on commodities hedging                                            | 952.69           | -                |
| Commodities hedging cost                                               | 39.39            | 31.78            |
| Foreign exchange loss (net)                                            | 0.24             | -                |
| Bad debts written off                                                  | 19.66            | 12.56            |
| Contribution towards Corporate Social Responsibility (refer note 30.8) | 87.23            | 50.00            |
| Directors sitting fees                                                 | 6.83             | 6.85             |
| Commission to directors                                                | -                | 33.71            |
| Miscellaneous expenses                                                 | 384.87           | 272.75           |
|                                                                        | <b>13,974.13</b> | <b>14,432.92</b> |

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

### 30 Notes to Accounts

#### 30.1 Contingent liabilities and commitments

##### Contingent Liabilities

*Claims against the Company not acknowledged as debts*

| Particulars         | 31 March 2016 | 31 March 2015 |
|---------------------|---------------|---------------|
| Income tax matters  | 188.58        | 398.73        |
| Sales tax matters   | 429.14        | 254.88        |
| Custom duty matters | 18.25         | -             |

- (a) The Company's pending litigations comprise of claims against the Company by employees and pertaining to proceedings pending with Income Tax, Sales tax, VAT 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

Estimated amount of Contracts remaining to be executed on capital account and not provided for as at 31 March 2016 is ₹ Nil (31 March 2015: NIL) (net of advances).

#### 30.2 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 2016 | Accounting period             |
|---------------------------------------------|--------------------------|----------------------------------|-------------------------------|
| Konfiaance Jewellery Private Limited        | India                    | 100.00%                          | 1 April 2015 to 31 March 2016 |
| Tribhovandas Bhimji Zaveri (Bombay) Limited | India                    | 100.00%                          | 1 April 2015 to 31 March 2016 |

#### 30.3 Additional Information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as subsidiaries

| Name of the Entity                          | Net Assets i.e. total assets minus total liabilities |                     | Share in profit or loss             |                     |
|---------------------------------------------|------------------------------------------------------|---------------------|-------------------------------------|---------------------|
|                                             | As % of consolidated net assets                      | Amount (₹ in lakhs) | As % of consolidated profit or loss | Amount (₹ in lakhs) |
| <b>Parent</b>                               |                                                      |                     |                                     |                     |
| Tribhovandas Bhimji Zaveri Limited          | 102.06%                                              | 44,505.51           | 83.97%                              | (2,312.98)          |
| <b>Subsidiaries</b>                         |                                                      |                     |                                     |                     |
| Tribhovandas Bhimji Zaveri (Bombay) Limited | (0.98%)                                              | (431.85)            | 16.00%                              | (440.60)            |
| Konfiaance Jewellery Private Limited        | 0.22%                                                | 97.25               | 0.03%                               | (0.90)              |
| Total eliminations                          | (1.30%)                                              | (564.71)            | 0.00%                               | 0.01                |
| <b>Total</b>                                | <b>100.00%</b>                                       | <b>43,606.20</b>    | <b>100.00%</b>                      | <b>(2,754.47)</b>   |

#### 30.4 Employee Stock Option Plan

TBZ ESOP 2011 (Scheme 2011)

In January 2011, the Board of the Company approved the TBZ ESOP 2011 ("the Scheme"), which covers the employees of the Company including its subsidiaries.

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

The scheme provides share based compensation to its employees using Stock Options ("Options") and Restricted Share Units ("RSU")

- The Scheme would be administered and supervised by the members of the Remuneration Committee (which has been authorized by the Board to function as the "Compensation Committee");
- Exercise price of options will be ₹ 149.93 per share and exercise price of restricted stock units will be ₹ 10 per share;
- The Scheme provides that these options would vest in tranches over a period of 3 years as follows:

| Period within which options will vest unto the participant | % of options that will vest |
|------------------------------------------------------------|-----------------------------|
| End of 12 months from the date of grant of options*        | 33%                         |
| End of 24 months from the date of grant of options*        | 33%                         |
| End of 36 months from the date of grant of options*        | 34%                         |

\* Date of granting or date of listing whichever is later.

The Scheme provides that restricted stock units would vest in tranches over a period of 3 years as follows:

| Period within which options will vest unto the participant | % of options that will vest |
|------------------------------------------------------------|-----------------------------|
| End of 12 months from the date of grant of options*        | 66%                         |
| End of 36 months from the date of grant of options*        | 34%                         |

\* Date of granting or date of listing whichever is later.

Maximum term of options granted ( in years) 3.65

Method of settlement Equity settled

Employee stock option activity under Scheme 2011 is as follows:

### 1) Options

| Particulars                                   | 31 March 2016 | 31 March 2015 |
|-----------------------------------------------|---------------|---------------|
| Outstanding at beginning of the year          | 12,287        | 24,572        |
| Granted during the year                       | Nil           | Nil           |
| Forfeited during the year                     | Nil           | Nil           |
| Cancelled during the year                     | 12,287        | 1,383         |
| Exercised during the year                     | Nil           | 10,902        |
| Outstanding at the end of the year            | Nil           | 12,287        |
| Vested and exercisable at the end of the year | Nil           | Nil           |

The Company has accounted for the above as compensation cost following the Guidance Note issued by the Institute of Chartered Accountants of India relating to Employee Share Based Payment.

The total (credit) / charge to the Statement of Profit and Loss on account of Options is ₹ Nil (31 March 2015 ₹ 0.10 Lakhs)

The total carrying amount as at 31 March 2016 on account of Options is ₹ Nil (31 March 2015: ₹ 0.87 Lakhs)

### 2) Restricted Stock Units (RSUs)

| Particulars                                   | 31 March 2016 | 31 March 2015 |
|-----------------------------------------------|---------------|---------------|
| Outstanding at beginning of the year          | 10,720        | 15,723        |
| Granted during the year                       | Nil           | Nil           |
| Forfeited during the year                     | Nil           | Nil           |
| Cancelled during the year                     | Nil           | Nil           |
| Exercised during the year                     | 10,720        | 5,003         |
| Outstanding at the end of the year            | Nil           | 10,720        |
| Vested and exercisable at the end of the year | Nil           | Nil           |

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

The Company has accounted for the above as compensation cost following the Guidance Note issued by the Institute of Chartered Accountants of India relating to Employee Share Based Payment.

The total (credit) / charge to the Statement of Profit and Loss on account of RSU is ₹ Nil (31 March 2015 ₹ Nil).

The total carrying amount as at 31 March 2016 on account of RSU is ₹ Nil (31 March 2015: ₹ 15.76 Lakhs).

The fair value of the options/RSUs on the grant date was determined based on Intrinsic value method.

Had compensation cost been determined under the fair value approach described in the Guidance Note using the Black Scholes pricing model, the Company's net income and basic and diluted earnings per share would have been as set out below:

| Particulars                            | 31 March 2016 | 31 March 2015 |
|----------------------------------------|---------------|---------------|
| Net income as reported                 | (2,754.47)    | 2,431.96      |
| Add: Intrinsic value compensation cost | -             | (0.10)        |
| Less: Fair value compensation cost     | -             | 2.15          |
| Adjusted proforma income               | (2,754.47)    | 2,429.71      |
| Earning per share: Basic (₹)           |               |               |
| As reported                            | (4.13)        | 3.65          |
| Adjusted pro forma                     | (4.13)        | 3.64          |
| Earning per share: Diluted (₹)         |               |               |
| As reported                            | (4.13)        | 3.64          |
| Adjusted pro forma                     | (4.13)        | 3.64          |

| Particulars                                                                                                                             | 31 March 2016 |        | 31 March 2015 |        |
|-----------------------------------------------------------------------------------------------------------------------------------------|---------------|--------|---------------|--------|
|                                                                                                                                         | Options       | RSUs   | Options       | RSUs   |
| The key assumptions used to estimate the fair value of options are :                                                                    |               |        |               |        |
| - The weighted average fair value of those options at the grant date                                                                    | 34.28         | 148.71 | 34.28         | 148.71 |
| - Option pricing model used                                                                                                             | Black Scholes |        | Black Scholes |        |
| - Inputs to that model including -                                                                                                      |               |        |               |        |
| weighted average share price (₹)                                                                                                        | 157.00        | 157.00 | 157.00        | 157.00 |
| exercise price (₹)                                                                                                                      | 149.93        | 10.00  | 149.93        | 10     |
| expected volatility                                                                                                                     | 0.00%         | 0.00%  | 0.00%         | 0.00%  |
| option life (comprising vesting period + exercise period)                                                                               | 2.62          | 2.46   | 2.62          | 2.46   |
| expected dividends                                                                                                                      | 0.00%         | 0.00%  | 0.00%         | 0.00%  |
| risk-free interest rate                                                                                                                 | 8.03%         | 8.03%  | 8.03%         | 8.03%  |
| any other inputs to the model including the method used and the assumptions made to incorporate the effects of expected early exercise. |               |        |               |        |
| - Determination of expected volatility, including explanation to the extent expected volatility was based on historical 'volatility.    | NA            | NA     | NA            | NA     |
| - Any other features of the option grant were incorporated into the measurement of the fair value, such as market conditions.           | NA            | NA     | NA            | NA     |

The expected life of the stock is based on historical data and current expectation and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of option is indicative of future trends, which may also not necessarily be the actual outcome.

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

### 30.5 Dues to Micro and small suppliers

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to dues to Micro, Small and Medium Enterprises.

On the basis of the information and records available with management, during the year there is no transaction with Micro, Small and Medium enterprises, who have registered with the competent authorities.

|                                                                                                                                                                                                            | 31 March 2016 | 31 March 2015 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Principal amount and interest due thereon remaining unpaid to any supplier as at the year end                                                                                                              | -             | -             |
| 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                                                                                                                          | -             | -             |

### 30.6 Derivative financial instruments

The Company has adopted recognition and measurement criteria relating to cash flow hedge accounting as set out in AS 30 "Financial Instruments: Recognition and Measurement" issued by the Institute of Chartered Accountants of India for commodity forward contracts with effect from 1 April 2014.

The Company uses these commodity forward contracts to hedge its gold price fluctuation risks on its highly probable cash flows from future sales transactions. These derivatives are not used for trading or speculation purposes. The Company classifies such derivative contracts that hedge gold price fluctuation risk associated with highly probable forecast sale transactions as cash flow hedges and measures them at fair value.

However, there are no outstanding commodity forward contracts outstanding as on 31 March 2016 (31 March 2015: ₹ Nil).

### 30.7 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.

### 30.8 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 Dr. Ernest Borges memorial fund (body affiliated to Tata Memorial Centre) and Dr. Ernest Borges memorial home for 'Promoting healthcare, including preventive health care' and 'promoting education', Our Lady of Dolours High School, West Wind Association, Manav Mandir School, SNEHA (Society for Nutrition Education & Health Action), and Contribution made in Prime Minister's National Relief Fund, which are specified in Schedule VII of the Companies Act, 2013.

| Particulars                                       | 31 March 2016 | 31 March 2015 |
|---------------------------------------------------|---------------|---------------|
| Gross amount required to be spent during the year | 164.03        | 195.66        |
| 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*                                  | 66.23         | 50.00         |
| b) Yet to be paid                                 | -             | -             |
| <b>Total</b>                                      | <b>66.23</b>  | <b>50.00</b>  |

\* In addition, an amount of ₹ 21 Lakhs was paid during the current year which has been considered as contribution for the year 2014 - 2015 by the CSR Committee and the Board of Directors

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

### 30.9 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, which is a 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 ₹ 281.43 Lakhs (31 March 2015: ₹ 220.98 Lakhs) which is shown under note 27 – 'Employee benefits' to financial statements.

#### b) Defined benefit plans

##### i) Gratuity (funded)

| Particulars                                                        | Gratuity (funded) |               |
|--------------------------------------------------------------------|-------------------|---------------|
|                                                                    | 31 March 2016     | 31 March 2015 |
| <b>I Change in Benefit Obligation</b>                              |                   |               |
| Liability at the beginning of the year                             | 428.82            | 638.52        |
| Liability of subsidiary prior to acquisition of its shares         | -                 | -             |
| Interest cost                                                      | 30.90             | 55.94         |
| Current service cost                                               | 97.70             | 86.45         |
| Benefit paid                                                       | (94.63)           | (42.01)       |
| Actuarial (gain) / loss on obligations                             | 55.63             | (310.06)      |
| Liability at the end of the year                                   | 518.42            | 428.82        |
| <b>II Amount recognised in the Balance Sheet</b>                   |                   |               |
| Liability at the end of the year                                   | 518.42            | 428.82        |
| Fair value of plan assets at the end of the year                   | (107.44)          | (162.53)      |
| Amount recognised in the Balance Sheet                             | 410.98            | 266.31        |
| <b>III Expenses recognised in the Statement of Profit and Loss</b> |                   |               |
| Current service cost                                               | 97.70             | 86.45         |
| Interest cost                                                      | 30.90             | 55.94         |
| Expected return on plan assets                                     | (9.44)            | (11.93)       |
| Net actuarial (gain) / loss to be recognised                       | 65.06             | (299.38)      |
| Adjustment to opening balance of plan assets                       | 17.00             | -             |
| Expense recognised in Statement of Profit and Loss                 | 201.22            | (168.92)      |
| <b>IV Balance Sheet Reconciliation</b>                             |                   |               |
| Opening net liability                                              | 266.31            | 537.32        |
| Liability of subsidiary prior to acquisition of its shares         | -                 | -             |
| Expense recognized in the Statement of Profit and Loss account     | 201.23            | (168.92)      |
| Contribution paid                                                  | (56.56)           | (102.10)      |
| Amount recognised in the Balance sheet                             | 410.98            | 266.31        |
| <b>V Composition of plan assets</b>                                |                   |               |
| Qualifying insurance policies*                                     | 107.44            | 162.53        |
| <b>VI Movement in fair value of plan assets</b>                    |                   |               |
| Fair value of plan assets at the beginning of the year             | 162.53            | 101.19        |
| Adjustment to opening balance of plan assets                       | (17.00)           | -             |
| Contributions paid into the plan                                   | 44.58             | 95.00         |
| Benefits paid by the plan                                          | (82.67)           | (35.08)       |
| Expected return on plan assets                                     | 9.44              | 13.35         |
| Actuarial (losses) / gains                                         | (9.44)            | (11.93)       |
| Fair value of plan assets at the end of the year                   | 107.44            | 162.53        |

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

| Particulars                                | Gratuity (funded)                                 |                                                   |
|--------------------------------------------|---------------------------------------------------|---------------------------------------------------|
|                                            | 31 March 2016                                     | 31 March 2015                                     |
| <b>VII Principal actuarial assumptions</b> |                                                   |                                                   |
| Discount rate per annum                    | 7.46%-7.99%                                       | 8.00%                                             |
| Expected rate of return on plan Assets     | 7.46%                                             | 9.00%                                             |
| Salary escalation rate per annum           | 5%-10%                                            | 5.00%                                             |
| Mortality                                  | Indian Assured lives Mortality (2006-08) Ultimate | Indian Assured lives Mortality (2006-08) Ultimate |
| Employee Turnover rate                     | 0 - 28.00%                                        | 0 - 28.00%                                        |

\*The Company has maintained funds with Life Insurance Corporation of India and HDFC Life. The Company is unable to obtain the details of major category of Plan assets from the insurance companies 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.

| Experience Adjustments                      | Gratuity (funded) |               |               |               |               |
|---------------------------------------------|-------------------|---------------|---------------|---------------|---------------|
|                                             | 31 March 2016     | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 |
| Present value of defined benefit obligation | 518.42            | 428.84        | 638.52        | 523.48        | 454.76        |
| Fair value of plan assets                   | 107.44            | 162.53        | 101.19        | 101.19        | -             |
| Funded status [surplus/(deficit)]           | (410.98)          | (266.31)      | (537.33)      | (469.29)      | (454.76)      |
| Net asset / (liability)                     | (410.98)          | (266.31)      | (537.33)      | (469.29)      | (454.76)      |
| Experience adjustment arising on:           |                   |               |               |               |               |
| a. Plan liabilities [loss/(gain)]           | 17.29             | 46.81         | (69.27)       | 111.25        | 73.02         |
| b. Plan assets [loss/(gain)]                | 9.44              | 11.93         | 0.29          | -             | -             |

### Classification into current / non-current

|              | Non - Current |               | Current       |               |
|--------------|---------------|---------------|---------------|---------------|
|              | 31 March 2016 | 31 March 2015 | 31 March 2016 | 31 March 2015 |
| Gratuity     | 315.63        | 145.30        | 95.35         | 121.01        |
| <b>Total</b> | <b>315.63</b> | <b>145.30</b> | <b>95.35</b>  | <b>121.01</b> |

The Company expects to pay ₹ 75 lakhs (31 March 2015 ₹ 50 lakhs) to the fund in the following year.

### ii) Other long-term employee benefits

#### Compensated absences

The liability towards compensated absences (annual and sick leave) for the year ended 31 March 2016 based on actuarial valuation carried out by using Projected unit credit method resulted in decrease in liability by ₹ 14.88 Lakhs (31 March 2015: ₹ 23.69 Lakhs).

#### Annual and sick leave assumptions

|                                  | 31 March 2016                                     | 31 March 2015                                     |
|----------------------------------|---------------------------------------------------|---------------------------------------------------|
| Discount rate per annum          | 7.46%-7.99%                                       | 8.00%                                             |
| Salary escalation rate per annum | 5%-10%                                            | 5.00%                                             |
| Mortality                        | Indian Assured lives Mortality (2006-08) Ultimate | Indian Assured lives Mortality (2006-08) Ultimate |
| Employee turnover rate           | 0 - 28.00%                                        | 0 - 28.00%                                        |

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

### 30.10 Leases

#### Operating leases as a lessee

The Group has recognized the rent expenses in the books of accounts on a straight line basis. Rental expenses under operating leases (including Cancellable and Non – cancellable) aggregating ₹ 2,526.36 Lakhs (2015: ₹ 2,443.16 Lakhs) have been included under “other expenses” in the Consolidated Statement of Profit and Loss as disclosed under note 29.

The future minimum lease payments in respect of non-cancellable operating leases as at 31 March 2016 are as follows -

| Particulars                                                    | 31 March 2016 | 31 March 2015 |
|----------------------------------------------------------------|---------------|---------------|
| Amount due within one year from the balance sheet date         | 2,201.91      | 2,233.30      |
| Amount due for the period after one year and before five years | 7,085.15      | 6,669.86      |
| Amount due for the period after five years                     | 812.55        | 2,812.40      |

### 30.11 Earning Per Share (EPS)

| Particulars                                                             | 31 March 2016 | 31 March 2015 |
|-------------------------------------------------------------------------|---------------|---------------|
| Profit after taxation ( ₹ in Lakhs)                                     | (2,754.47)    | 2,431.96      |
| Weighted average number of equity shares for calculation of basic EPS   | 6,67,28,701   | 6,67,16,850   |
| Add: Diluted effect of stock options outstanding                        | Nil           | 11,595        |
| Weighted average number of equity shares for calculation of diluted EPS | 6,67,28,701   | 6,67,28,445   |
| Basic earnings per share ( Face value ₹ 10 per share )                  | (4.13)        | 3.65          |
| Diluted earnings per share (Face value ₹ 10 per share ))                | (4.13)        | 3.64          |

### 30.12 Information on related party transactions as required by the Accounting Standard (AS) - 18 for the year ended 31 March 2016

#### I. Name of related parties

##### Key Managerial Personnel

- 1 Shrikant G Zaveri, Chairman and Managing Director
- 2 Binaisha Zaveri, Whole Time Director
- 3 Raashi Zaveri, Whole Time Director
- 4 Prem Hinduja, Chief Executive Officer
- 5 Saurav Banerjee, Chief Financial Officer
- 6 Niraj Oza, Company Secretary

##### Relative of Key Managerial Personnel

- 1 Bindu Zaveri

##### Entities over which Key Managerial personnel and/or their relatives exercise significant influence

- 1 Tribhovandas Bhimji Zaveri Jewellers (Mumbai) Private Limited
- 2 Tribhovandas Bhimji Zaveri (TBZ) Private Limited

#### Transactions during the year 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 year *</b> |                          |                                      |                                                                                                    |
| Making and Melting charges           | -                        | -                                    | -                                                                                                  |
|                                      | -                        | -                                    | -                                                                                                  |
| Remuneration paid**                  | 467.76                   | -                                    | -                                                                                                  |
|                                      | (496.70)                 | -                                    | -                                                                                                  |
| Purchases of Assets                  | 3.32                     | -                                    | -                                                                                                  |
|                                      | -                        | -                                    | -                                                                                                  |
| Dividend paid                        | 432.60                   | 35.00                                | 27.00                                                                                              |
|                                      | (973.49)                 | (78.75)                              | (60.75)                                                                                            |

# CONSOLIDATED NOTES

## TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

| Nature of transaction               | Key Managerial Personnel | Relative of Key Managerial Personnel | Entities over which Key Managerial personnel and/or their relatives exercise significant influence |
|-------------------------------------|--------------------------|--------------------------------------|----------------------------------------------------------------------------------------------------|
| Rent paid                           | 206.63                   | -                                    | -                                                                                                  |
|                                     | (169.82)                 | -                                    | -                                                                                                  |
| Deposit received                    | -                        | -                                    | -                                                                                                  |
|                                     | (3.00)                   | -                                    | -                                                                                                  |
| Deposit paid                        | 24.00                    | -                                    | -                                                                                                  |
|                                     | (3.00)                   | -                                    | -                                                                                                  |
| Loan repaid (non interest bearing)  | 5.00                     | -                                    | -                                                                                                  |
|                                     | -                        | -                                    | -                                                                                                  |
| <b>Balance as at 31 March 2016*</b> |                          |                                      |                                                                                                    |
| Loans payable                       | 95.19                    | -                                    | -                                                                                                  |
|                                     | (100.19)                 | -                                    | -                                                                                                  |
| Remuneration payable                | 127.22                   | -                                    | -                                                                                                  |
|                                     | (21.00)                  | -                                    | -                                                                                                  |
| Deposit receivable                  | 96.00                    | -                                    | -                                                                                                  |
|                                     | (72.00)                  | -                                    | -                                                                                                  |

\* Amounts pertaining to year ended 31 March 2015 are in bracket.

\*\* Remuneration does not include charge for gratuity and leave encashment as employee-wise break-up is not available.

\*\*\* Corporate guarantees given to Kotak Mahindra Bank on behalf of the Tribhovandas Bhimji Zaveri (Bombay) Limited, a wholly owned subsidiary in respect of loans taken by them amounting to ₹ Nil. (2015: ₹ 500 lakhs)

Note: Guarantee given by the managing director ₹ 3,014 lakhs (31 March 2015: ₹ 3,014 lakhs)

### 30.13 Segment reporting

The Group 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 Accounting Standard 17 on "Segment Reporting" is not required to be disclosed.

**30.14** The management is of the opinion that the Group's domestic transactions are at an arms' length price so that the transfer pricing legislation will not have any impact on the financial statement, particularly on the tax expenses and that of provision for tax.

### 30.15 Previous year figures

The figures of the previous year have been regrouped/ recast, where necessary, to conform to the current year classification. Deferred rent liability amounting to ₹ 502.47 Lakhs is disclosed under Other non-current liabilities, which was disclosed under Other current liabilities in the previous year, and sales tax expenses amounting to ₹ 367.82 lakhs are included in Cost of materials consumed, which were included in Rates and taxes in the previous year.

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

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

**Niraj Oza**  
Head-Legal &  
Company Secretary  
Membership No.:A20646

Place : Mumbai  
Date : 2 May 2016

Place : Mumbai  
Date : 2 May 2016

**TRIBHOVANDAS BHIMJI ZAVERI LIMITED**

CIN: L27205MH2007PLC172598 Regd. Off.: 241/43, Zaveri Bazar, Mumbai - 400 002  
Tel. No.: (022) 3956 5001. Fax No. (022) 3956 5056  
Corporate Off.: 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) 3073 5000. Fax No.: (022) 3073 5088  
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, 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)<br>(including joint holders, if any) | : | _____                                                                   |
| 2. No. of Shares held                                             | : | _____                                                                   |
| 3. Registered Folio No. / DP ID &<br>CLIENT ID No.                | : | _____                                                                   |
| 4. E-mail ID for receipt of<br>documents in electronic mode       | : | <div style="border: 1px solid black; height: 20px; width: 100%;"></div> |

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. Fax No. (022) 3956 5056.

Corporate Off.: 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) 3073 5000. Fax No.: (022) 3073 5088.

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 9<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 Monday, 19<sup>th</sup> September, 2016 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  
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[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.<br>Tel. No.: (022) 3956 5001<br>Fax No.: (022) 3956 5056<br>E-mail ID: <a href="mailto:investors@tbzoriginal.com">investors@tbzoriginal.com</a><br>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 \_\_\_\_\_ 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 9<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 19<sup>th</sup> September, 2016 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                                                                                                                                                         |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <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, 2016.                     |
| 2                        | Reappointment of Ms. Raashi Zaveri (DIN: 00713688), Whole-time Director who retires by rotation.                                                                   |
| 3                        | To ratify the appointment of BSR & Co. LLP (Firm Registration No. 101248W/W-100022), Chartered Accountants, Mumbai as Statutory Auditors.                          |
| <b>Special Business</b>  |                                                                                                                                                                    |
| 4                        | To consider re-appointment of Mr. Shrikant Zaveri (DIN: 00263725) as Chairman & Managing Director of the Company and fixing terms of appointment and remuneration. |
| 5                        | To consider re-appointment of Ms. Binaisha Zaveri (DIN: 00263657) as Whole-time Director of the Company and fixing terms of appointment and remuneration.          |
| 6                        | To consider re-appointment of Ms. Raashi Zaveri (DIN: 00713688) as Whole-time Director of the Company and fixing terms of appointment and remuneration.            |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Signature of shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

Affix  
Revenue  
Stamp

**Notes:**

- 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.
- Please complete all details including details of member(s) before submission.







TRIBHOVANDAS BHIMJI ZAVERI  
SHRIKANT ZAVERI GROUP

**Registered Office**

241/43, Zaveri Bazar,  
Mumbai – 400 002.  
Tel. No. (022) 3956 5001  
Fax No. (022) 3956 5056

**Corporate Office**

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CIN No.: L27205MH2007PLC172598

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