

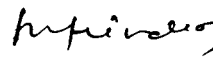
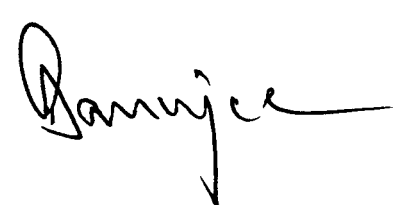
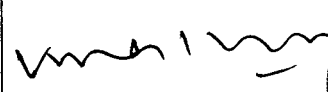
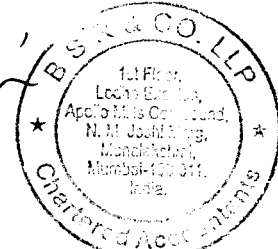
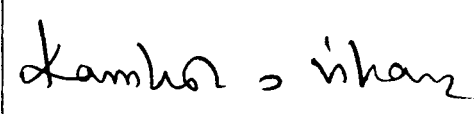


# FORM A

## Covering Letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company	Tribhovandas Bhimji Zaveri Limited
2.	Registered Office of the Company	241/43, Zaveri Bazar, Mumbai – 400 002
3.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
4.	Type of Audit observation	Un-qualified Audit Report
5.	Frequency of observation	N.A. (Unqualified Audit Report)
6.	To be signed by-	
	<ul style="list-style-type: none"> <li>Mr. Shrikant Zaveri, Chairman &amp; Managing Director</li> <li>Mr. Prem Hinduja, Chief Executive Officer</li> <li>Mr. Saurav Banerjee, Chief Financial Officer</li> </ul>	   
	<ul style="list-style-type: none"> <li>B S R &amp; Co. LLP, Statutory Auditors</li> </ul>	 
	<ul style="list-style-type: none"> <li>Mr. Kamlesh Vikamsey, Independent Director, Audit Committee Chairman</li> </ul>	

**tbz**<sup>®</sup>

The original since 1864

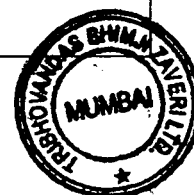
TRIBHOVANDAS BHIMJI ZAVERI LTD.

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

# Luxury Legacy Leadership

ANNUAL REPORT 2014 - 15



tbz®

The original since 1864

TRIBHOVANDAS BHIMJI ZAVERI  
SHRIKANT ZAVERI GROUP



# Luxury Legacy Leadership

Today, we personify the epitome of **luxury** with jewellery pieces that are timeless across generations. Our products comprise a thoughtfully curated assortment of mesmerising, stunning and inspiring designs in gold and diamond, showcasing the art of elegance. They are each unique and exclusive to our brand and highly aspired for as the exemplar of luxury.

We enjoy an ageless **legacy** of trust and craftsmanship. This stems from our old time-tested value system that holds superlative quality and product purity at its core. We are also the custodians of a rich heritage of jewellery designs gathered over a century. Our 150-year old history in the jewellery business has given us the reputation of being the “jeweller whom India trusts”.

We are recognised as **leaders** in wedding jewellery and our customers swear by this. Our latest nuptial collections are designed to meet the needs of varying occasions, aspirations and age groups. As a result, they remain relevant for a lifetime and not just for moments. This is the result of our ability to fuse traditional with contemporary designs in innovative ways. This is the testimony of our capability to take designs to reality through inimitable and pain-staking craftsmanship.

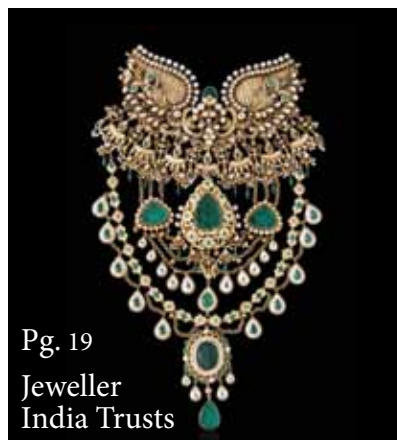
**We are a place which Luxury, Legacy,  
and Leadership call their home.  
We are a place where value creation  
is our main purpose.**



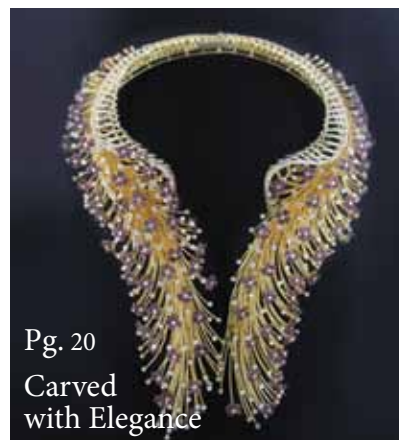
# What's Inside



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# Our Corporate Identity

We are in the business of design, manufacture and sale of studded gold, platinum and silver jewellery with a rich legacy of 150 years. We are the jewellery destination of choice for every occasion. We have a century-old legacy of enthralling India with stunning and inspiring designs in gold, diamond and pearl jewellery and have successfully transformed into a modern and innovative jewellery maker/retailer corporation.

We are backed by our strong pedigree, exclusive designs, innovative offerings, widening reach and a committed team. We are primarily focussed on the wedding and fashion segments and are appreciated for our originality and exquisite detailing.

Our product profile includes rings, earrings, pendants, bracelets, necklaces and chains, which are manufactured using polished diamonds, precious and other semi-precious stones set in precious metals such as gold, platinum and silver. Our state-of-the-art manufacturing facilities at Kandivali, Mumbai, undertake manufacturing processes of studded and design jewellery.

We believe the heritage and values we have inherited are keys to our success as we put trust, quality and craftsmanship above all. Our unique combinations of aesthetically designed pieces encompass the tastes and needs of different generations for different occasions. Every piece of our jewellery collection tells a story of antique royalty, uniqueness and elegance.

## Our Product Variety

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

## Our Styles

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

## Jewellery for Every Occasion

- Wedding jewellery
- Festival jewellery
- Light weight and trendy jewellery
- Everyday wear jewellery
- Contemporary jewellery
- Traditional jewellery

# Our Presence





## Our Scintillating Collection

- Bridal Jewellery
- Dohra Detachable Jewellery
- Temple Jewellery Collection
- Surprises Collection
- Necklace Collection
- Showstoppers Collection

## Our Differentiating Factors

- Impeccable finishing by careful selection of gold or diamond pieces used in the manufacturing process
- Exclusive, innovative and customised designs





## SCALABILITY & REACH

- 28 stores (~91,000 sq. ft.)
- Presence - 22 cities,  
10 states

## PEDIGREE

- 150 years in jewellery business
- First jeweller to offer buyback guarantee in 1938
- Professional organisation spearheaded by 5<sup>th</sup> generation of the family

## DESIGN EXCLUSIVITY

- Team of Designers (including CAD)
- 8 - 10 new jewellery lines added each year
- In-house diamond jewellery production
- Premium pricing

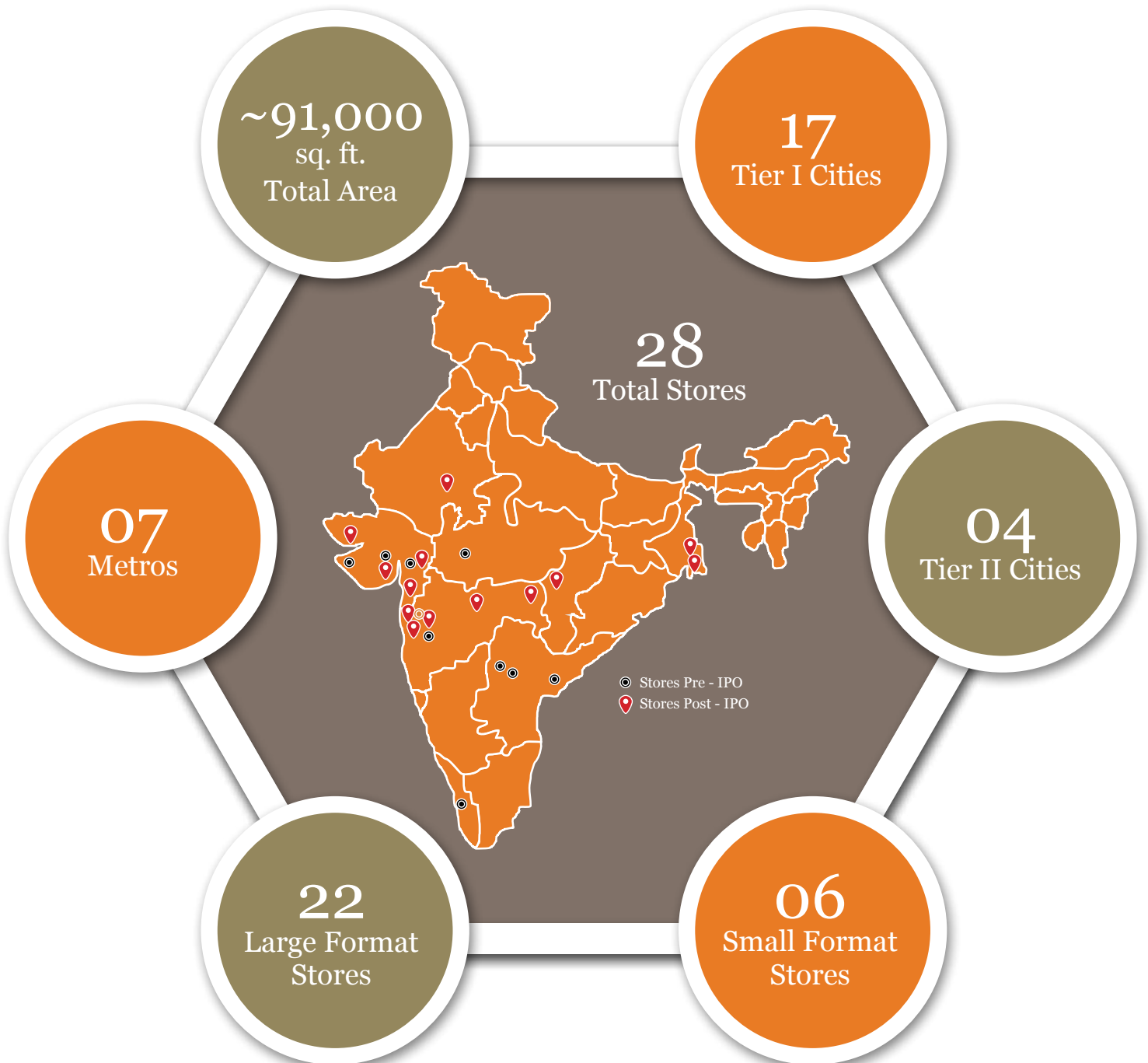
- High sales productivity—  
₹ 254 k per sq. ft. per annum  
(at mature stores)
- High footfalls conversion -79%
- High ticket size -  
Gold - ₹ 85 k,  
Diamond- ₹ 139 k

## STRONG BRAND VALUE

- ~ 65% of sales are wedding & wedding related purchases
- Compulsion buying
- Stable fixed budget purchases by customers

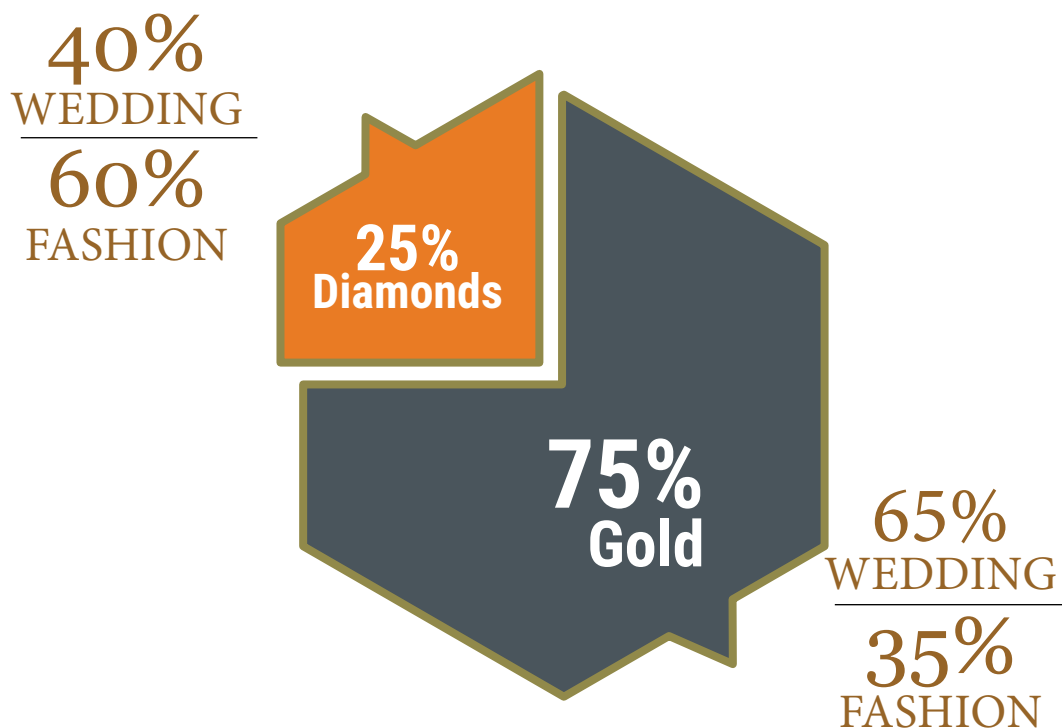
## SPECIALITY WEDDING JEWELLER

# Our Pan India Presence



# Business Model

Our business model is well equipped to cater to the aspirations of a wide cross-section of customers across multiple price points. We are constantly identifying and embracing growth opportunities, mitigating risks and strategising our business model for scalable and sustainable growth. These include realigning our focus towards margin-accretive diamond-studded jewellery and leveraging the Hub-and-Spoke Model (a larger format store surrounded by smaller stores). We remain focussed on bettering our realisations and achieving quality growth through brand extensions and store expansion.



# Chairman's Overview



**Shrikant Zaveri**  
Chairman & Managing Director



Dear Shareholders,

Whilst we have only been listed for a few years, we have been in business for more than 150 years across five generations. Over this long illustrious history, we've witnessed the transformation of what was then a small nation into a vibrant and independent country, and we have seen and thrived in many economic cycles during this time. You might say that we have weathered enough to both capitalise on the good times and also prudently manage ourselves during down cycles. It is our industry knowledge, sheer vigilance and prudent approach that has been enabling us to sustain profitability amidst economic downturns. Our years of experience has made us adept in managing such difficult cycles and coming out stronger at the end of it to make the best of better times.

Calendar years 2013 and 2014 have been periods of generally soft consumer demand. With real structural changes taking shape gradually on the ground, FY2015 still remained a year of challenges of many sorts, least of which were regulatory hurdles on gold financing and supplies, coupled with a generally soft economy with muted consumer demand and modest growth numbers for the industry as a whole. Not surprisingly, FY2015 has been a year of consolidation for us – one in which we strategically decelerated our expansion and remained highly concentrated on maintaining healthy sales at our existing stores. We remained focussed on improving the overall performance of the business in line with our overarching commitment for creating value for our shareholders. Despite a backdrop of multiple challenges, we used this period to introspect, re-evaluate and re-calibrate. We are pleased to report that during FY2015, satisfactory progress has been made on meeting our priorities.

## Shining bright

Our performance has been quite commendable given the overall circumstances. Constant innovation, our core expertise for designing, market and consumer understanding, aggressive and competitive pricing and the launch of new attractive collections provided momentum to our revenues and growth. Our financial performance was largely driven by our new collections of jewellery and highly visible display and television based marketing and branding initiatives.

Our total operating revenue increased by 6.4% from ₹ 1,81,812.82 lakhs in FY2014 to ₹ 1,93,419.57 lakhs in FY2015. This can be attributed to positive same store sales growth of 4.0%. Our revenue growth was slower compared to previous years due to soft consumer demand, political uncertainty in early part of the year and a difficult regulatory environment. The decline in gross margins due to discounting has been partially offset by the improving product mix as the share of diamond sales as a percentage of total sales increased from 20.7% in FY2014 to 22.4% in FY2015. Gold gross margins were steady at around 9.2% and diamond gross margins were around 29.5% for FY2015. EBITDA stood at ₹ 8,934.79 lakhs in FY2015, as compared to ₹ 13,933.72 lakhs in FY2014. EBITDA margins improved in the latter half of the year with the gradual improvement in the demand scenario and good growth witnessed for the important festive seasons.

## Luxury. Legacy. Leadership.

Our key differentiation in the marketplace has been our basic genesis – that of being a luxury brand both for the elite and for the masses of India. We are the custodians of a rich legacy of jewellery design gathered over a century and one of the oldest and leading jewellery retailers in India. Our inherited heritage and values have been key to our success. At TBZ, we continue to be inspired by our rich legacy of stakeholder trust. Our legacy is helping us in building relationships with stakeholders and in attaining leadership. We are known for our legendary values of trust, tradition and craftsmanship in creating unique and refreshingly new jewellery. Our unique manufacturing processes are setting new standards for style, quality, design and elegance. We take pride in having attained an unmatched prowess in innovative jewellery designing – a hallmark making us an institution in the realm of jewellery. Our pieces of timeless jewellery which exude luxury and exclusivity have earned wide acclaim and recognition and underpinned our longevity and the journey ahead. TBZ is an iconic name in the jewellery industry in India which maintains its relevance with the present.

## Alluring across Generations

We are the jewellery destination of choice for every segment of the women population and for every occasion. We are trend-setting across generations by understanding their needs, desires and tastes in jewellery that is alluring to them. At TBZ, we have embarked on a journey towards differentiation by augmenting our brand portfolio with unique design signatures to satiate diverse preferences. We are also targeting the modern woman who wants to accessorise her office or party wear jewellery. We are also building relationships with all segments of women by catering to their preferences – right from a young lady's daily wear needs to her wedding day and beyond that. We have emerged as one of the leading integrated players in jewellery retailing through our bouquet of brands. In addition to having contemporary, traditional and modern jewellery collections, our endeavour is to also cater to the Generation Y segment through sleek and



modern designs. We pay as much attention to quality and excellence for the affordable jewellery as we do for the luxury category of jewellery. Our objective is to connect with all segments of consumer customers and to be their “partner for life” across their life stages by building relationships that are long-term, and not just transactional.

## Moving ahead

Growing urbanisation and rising income levels are resulting in changing consumer tastes towards branded jewellery. Increased jewellery consumption over the past decade and changing industry dynamics is leading to higher purchases. We see a glittering future ahead. During 2012-17, the jewellery market is projected to register a CAGR of 16.26%. We wish to leverage the most of this opportunity and gain market share through contemporary designs and aggressive marketing. Purity of the precious metals, higher quality and design standards and greater transparency are drawing more people to our brand.

Our approach to creating value and achieving profitable growth has clearly met with approval. It can be summed up in two words – innovative and sustainable. Looking back on our history, we draw inspiration from the past as we chart a new path for the future. Going forward, we are focussed on leveraging our expertise to drive innovation. In the coming year, we shall expand on our category of diamond jewellery and enhanced our retail footprint through new stores and through franchising in other important markets where we have seen opportunities.

As we progress into FY2016, we have embarked on an exciting journey with a commitment to delight the customer. We wish to do this by setting industry benchmarks through best-in-class products and by having a pan-India footprint.

We take this opportunity to express our special thanks and deep appreciation to our employees for their dedication. We are proud of Team TBZ who by itself adds huge value to the Company.

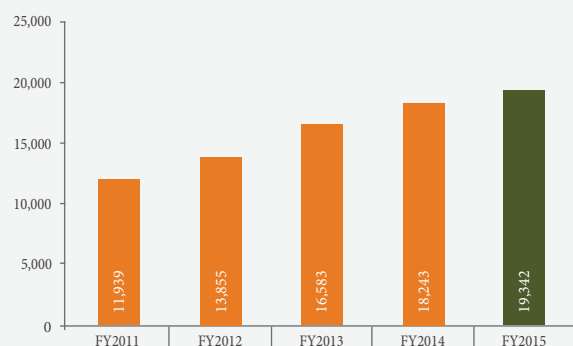
We also would like to appreciate the constant backing of our shareholders, lenders and stakeholders who share in our success. Your encouragement and support are very precious to us.

Best Regards,

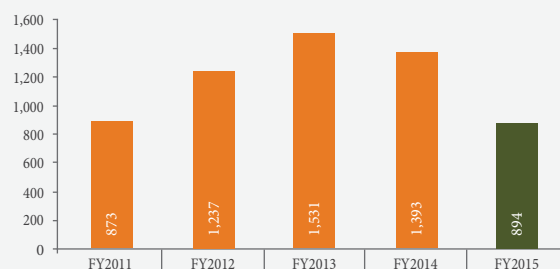
**Shrikant Zaveri**  
Chairman & Managing Director

# This is how we Grew over the Years

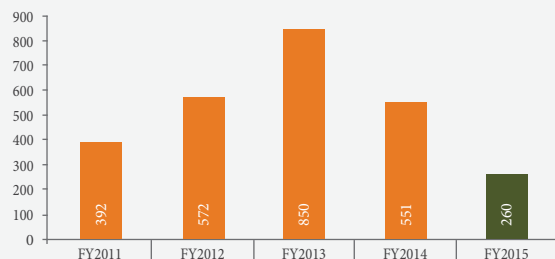
## Operating Income (₹ Million)



## EBITDA (₹ Million)

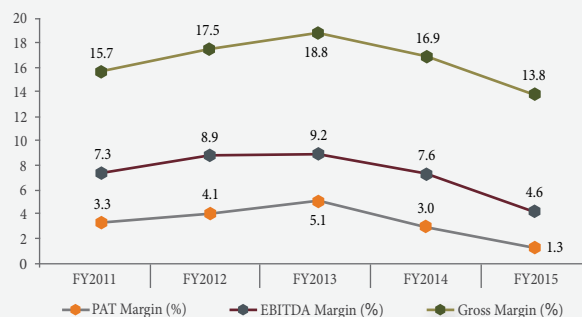


## PAT (₹ Million)

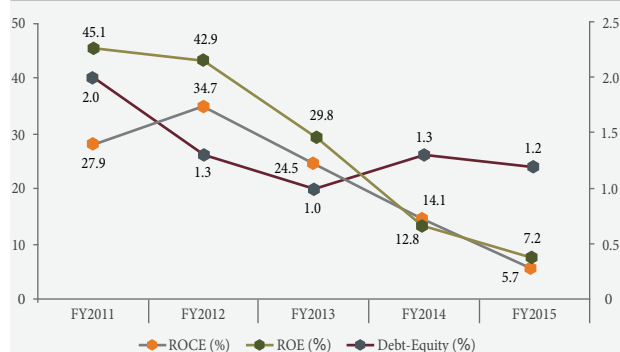


\*\* FY2015 PAT includes the after-tax impact of ₹ 91.6 mn due to an exceptional gain from change in depreciation policy.

## Margins



## Leverage & Return



# Year in Retrospect

Our performance has been driven by store addition, new collections of jewellery added, fresh marketing initiatives and exclusive promotions and offers. Our innovative designs and beautifully crafted jewellery have enhanced our value proposition for customers in a highly competitive and evolving industry.











# Our Signature Collection in Wedding Jewellery

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Our Wedding Collection is classic, yet contemporary; modern, yet traditional. It is flawlessly crafted for the most important day of any woman's life. Targeted at the modern bride with her roots firmly embedded in tradition, our mesmerising Bridal Collection is created in gold and diamond – one that flatters every bride, being lovingly strung together with opulent Indian heritage and contemporary craftsmanship.

Our signature collection comprises the Wedding Jewellery. Our dazzling Bridal Collection in diamond and gold represents precious desirable adornments, fulfilling the innate needs of Indian brides. These are a symbol of pride and prestige along with being a denotative of the rich Indian traditions and cultural heritage, reflecting the dreams and desires of a bride. We take pride in each piece of jewellery we sell. We have perfected the art form of wedding jewellery – a craft which has been handed down the generations – thus creating masterpieces reminiscent of the elegance, charm and grandeur of India's heritage.

We are well established for our innovative designs and craftsmanship in gold and diamond wedding jewellery. It perfect fits in with customers who are mature, successful and have an affinity for stylish tastes. Our originality and exquisite detailing in designing wedding jewellery is much appreciated and has won us several Indian and international jewellery design and industry awards. Our exclusively designed range of jewellery with a stunning and eye catchy variety reflects a blend of modernity and ethnicity. Each piece of the wedding jewellery is singularly crafted by our skilled craftsmen.

The Wedding Collection is aimed at making the bride feel 'special' whilst wearing her designer jewellery sets, which are an endearing and appealing combination of gold, diamond, platinum, pearls and silver and studded with precious stones. The contemporary designs of our antique wedding jewellery exude royalty and a defined charisma.





# Being the Jeweller India Trusts

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Our 150-year old presence in the retail jewellery business has helped us create a strong brand recall for being a jeweller whom India trusts. We are a desirable brand and luxury is in our DNA. Our privileged lineage of the TBZ legacy showcases our century-old tradition and culture in terms of enthralling designs. Our track record reflects consumers' trust in quality, purity and uniqueness of our products.

TBZ-The Original is a custodian of a rich legacy of jewellery designs gathered over a century. We are one of India's oldest and leading jewellery retailers, nurturing a tradition of rich craftsmanship. We have a glorious history and proud legacy of sharing strong relationship with all our stakeholders – one that is based on trust. The heritage and values we have inherited have been our key to our success.

We have a long-standing legacy, leadership, trust and tradition of superlative quality, superior craftsmanship, product purity and innovation in creating fabulous designs. It is our legacy that helps us create jewellery for those who wish to feel 'special', whilst wearing unusual designer jewellery sets with diverse materials. We elevate our jewellery designs through inimitable craftsmanship to result in a happy blend of usefulness, investment and aesthetics.

We put trust, quality and craftsmanship above all. Our jewellery is a pure reflection of India's culture. Our legacy is reflected in the way we have created a distinct identity in the jewellery landscape. The way we deliver value in the marketplace through sheer domain expertise and innovation in designing jewellery also showcases pure legacy. With our unmatched prowess in innovative jewellery design, we remain fully committed to excellence and have successfully created a distinct identity in the jewellery landscape.

# Carved with Elegance

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Designing of jewellery is our forte. Our contemporary and stunning jewellery designs and the “Signature Look” is the result of an impeccable craftsmanship, bestowing an impression of a rare and everlasting grace. Every piece of our collection tells a unique story of antique royalty, uniqueness and elegance. We create art that is not just an expression of beauty or a creative visual, but art that evokes.

Our intricate designs have an appeal that is enduring. They never fail to make a style statement, with their quality and craftsmanship. They showcase our unmatched prowess in innovative jewellery designing, a hallmark that has made TBZ an institution in the realm of jewellery. Over the years, our design expertise has earned wide acclaim and recognition. Our creation echoes notes of grace, class and finesse. We create “one of a kind” pieces of timeless jewellery.

We have a knack of what is a good design. Our stunning designs reflect a strong and antique touch that exudes royalty and a defined charisma. In our craftsmanship lies our pride, as we desire to create each product lovingly. Behind each design there lays a significance, a sentiment that transforms to an exquisite piece of jewellery. These inspiring designs in a combination of intricate gold, diamond and pearls work are beautifully carved and hand-worked.

Our contemporary designs reflect different facets of the personality of a strong woman of today. The exquisite jewellery pieces at TBZ are perfect for women of any age, and can be matched to suit any festive or social occasion. We pride ourselves in understanding the Indian psyche. We recognise trends early on and embody them into our designs, providing sheer delight to our customers. We are thus trend-setting across the spectrum and delivering what our customers desire. We identify the gaps in customer requirement and create different styles of jewellery for different very occasions, and get them tested in-house to arrive at varied feedback, which is then executed in our designs.







# Alluring to All

---

We are the jewellery destination of choice for every segment of the women population and every occasion. Our jewellery is alluring to all as we go about building relationships with women at every stage of their life – right from a girl's daily wear needs till the biggest day of her life—with our delicately-crafted wedding jewellery.

We believe in creating jewellery that is more of an experience for a woman – one that liberates, yet binds, women across generations. Our endearing collection makes a woman feel prized, yet independent; subtle, yet confident; bold, yet mysterious. Our collection serves as a signature statement and allows women to step out of the mundane and define themselves as unique, confident, passionate and interesting. A culmination of this makes our jewellery timeless and alluring to all generations. The TBZ collection balances two worlds perfectly – navigating modernity with values of tradition with conventional and fusion jewellery. We give women the elegance to cherish the joyous and passionate moments of their life.

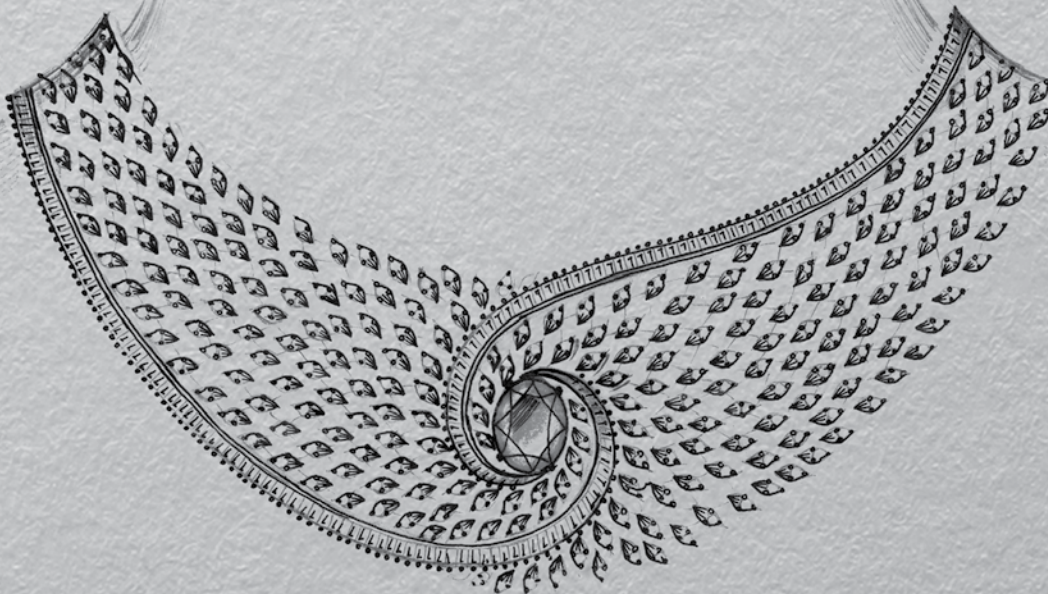
## Serving Gen Y and the Modern Woman

Our deep understanding of constantly evolving women challenges us to divulge our strong expertise into serving the next generation of women. We understand that a modern Indian woman is bold and outgoing, yet close to her heritage. When it comes to ornaments, she uses it to channelise her bold sense of style, her fiery spirit and classic taste. Our modern pieces of jewellery are a representation of her core qualities – being resilient, glamorous and precious. The jewellery carries a certain level of elegance and aura – one that serves as an ultimate signature statement. We are also targeting the modern woman who wants to accessorise her office wear or party wear jewellery. Our attractive finishes and sophisticated designs make every piece perfect for a gift that is sure to meet the aspiration of a young woman. Our aesthetic designs in 18 and 22 carat gold in intricate settings are modern and chic, yet reminiscent of our brilliant craftsmanship. Our alluring diamond pendants strung on light weight chains, beautiful earrings, radiant rings and bracelets. Our designs are perfect for daily-wear with delicate yet intricate work, making them perfect for day or evening wear.

## Building Relationships

Our objective is to build an ever-lasting relationship with our customers and be with them through different cycles of life. We aim to build relationships that are long-term, and not transactional. In addition to our contemporary, traditional and modern jewellery collection through which we cater to the wedding segment, traditional jewellery buyers and the modern, working women, we have begun catering to the Generation Y segment. This enables us to build deep relationships with them and be their “partner for life” at different stages.







# Accelerating Ahead with Manufacturing Excellence

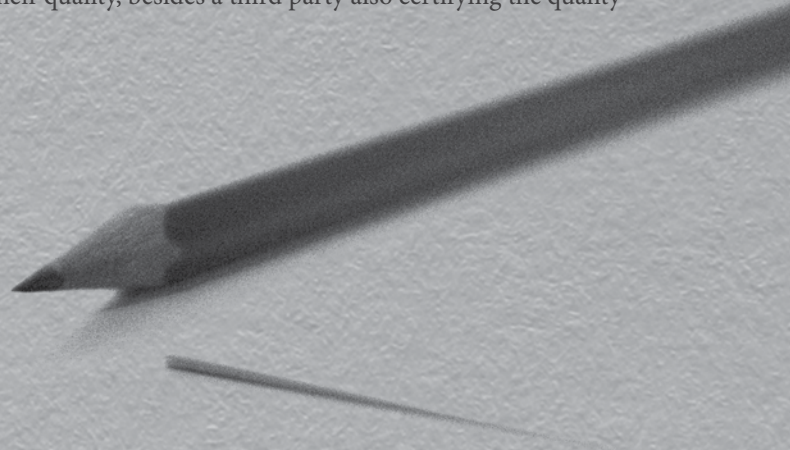
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Jewellery is imaginative and creative. And each creation has a story to tell. The way the magic is crafted at TBZ-The Original is all about meticulous procedures, impeccable perfection, state-of-the-art and advanced technology, dedicated research and artistic craftsmanship. The manufacturing process is as intricate and unique as the jewellery design itself.

The making of each piece of jewellery is very composite as it undergoes a long and slow procedure, making it distinctive in its own right. Burgeoning on a legacy which prides high design standards, we reiterate the mantra that a piece of jewellery should make the wearer feel precious. At TBZ-The Original, our exquisite designs by our Designers (including CAD Designers) reflect our detailed manufacturing processes. Our manufacturing excellence is setting new standards for style, quality, design and elegance. Each product undergoes a series of procedures before we create beautiful jewellery. Being unique, the jewellery making process involves a lot of time and skill.

## Focus on Quality Control

What makes us stand apart from the rest is our stringent quality control processes – right from raw material procurement to creating the finished product. Our purity and finish is checked by a carat meter. Loose diamonds, precious and semi-precious stones also pass our stringent quality test to confirm their quality, besides a third party also certifying the quality of diamonds sold.



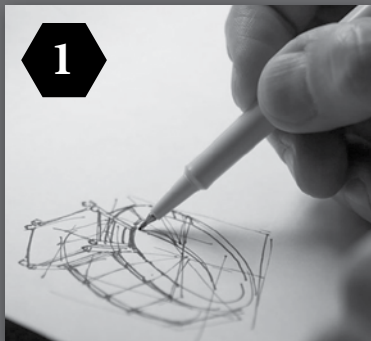


# Accelerating Ahead with Manufacturing Excellence

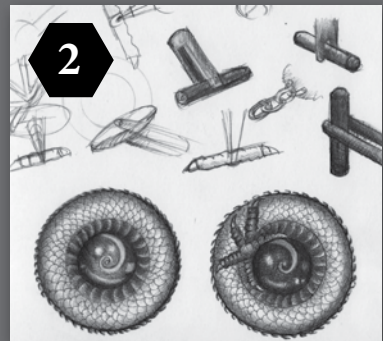
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## Our Production Process

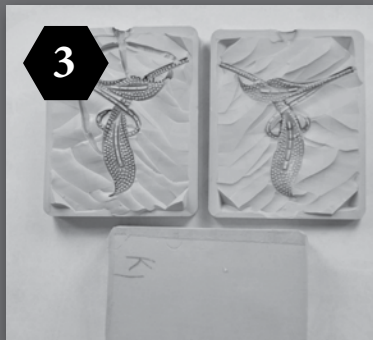
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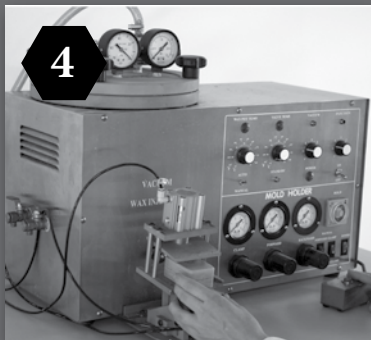
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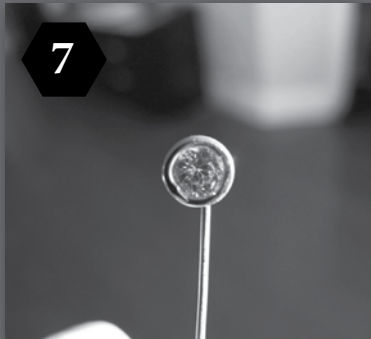
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## Stage 1: The Design

To produce a unique piece, the initial process is to create a design. Our talented designers make a sketch of the design, which is carried out by proficient craftsmen using techniques and methods handed down over the years.

## Stage 2: The Concept

Each piece of jewellery starts off with a concept, which is a rough design in the mind of the designer. A concept is basically a rough design in the mind of the designer. The designer's concept and drawing is used by the model maker to create an original piece of jewellery. The final design is the result of close co-operation between the designer and craftsmen, giving the art object a real hand-crafted origin.

## Stage 3: Molding

After the sketch is complete with the fine details, it is passed on to the molding section to make a high-technology mold which is used to make wax reproductions of the jewellery. Experienced molders turn the sketch into a master mold, which is a very complex level of crafting as the final outcome rests on it.

## Stage 4: Casting

Casting is a complex process and requires utmost skilled and experienced casters for the desired product. The wax replicas are placed in steel containers which are then heated in a chamber which solidifies the wax leaving behind the perfect effect. Liquefied metal is poured into the flasks, allowed to cool and demolished to reveal the jewellery in casting form.

## Stage 5: Filing

Filing is an essential technique in jewellery making and is done to remove excess metal, even out surfaces, smooth or shape and form the texture pieces.

## Stage 6: Polish

The entire mount is carefully made clean and polished to the highest degree of smoothness to ensure each part is attractively polished. This brings the highest quality of precision and shine to products, setting them in the trademark.

## Stage 7: Embellishment

After a product is cased and foiled, required decorative stones of correct sizes and weight are cut and made with extreme preciseness and assorted for the final setting. This requires immense patience and skills to make a master model and produce an exquisite casting free from defects, which needs minimum chasing to make it perfect.

## Stage 8: Quality Checking

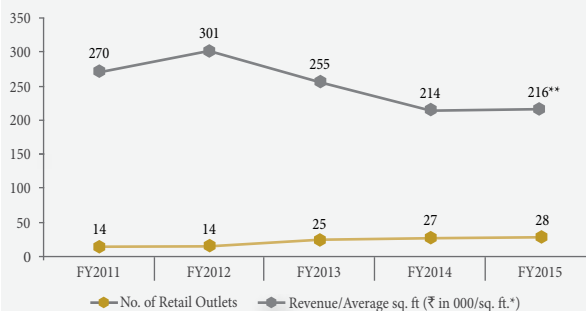
Once the plating process is complete, the product is brought to the checking department. Here, each piece is checked with excessive attention and thoroughly checked for defects. The process is carried out by experienced workers and all the defect pieces are sent back to the respective departments.

# Our Key Operating Metrics

During the year, we showcased continual improvement in most of our operating metrics and remained focussed on quality growth. Our domain expertise in the jewellery industry, strong brand recall, constant innovation in design concepts is constantly fuelling our growth. Our highly scalable business model, expansion in smaller cities and towns and an increased online presence is propelling future growth.



## No. of Retail Outlets Revenue per Average sq. ft.

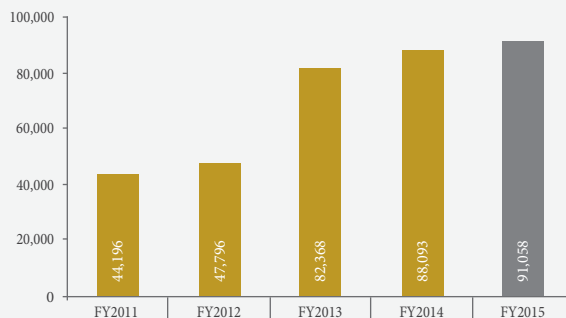


Notes:

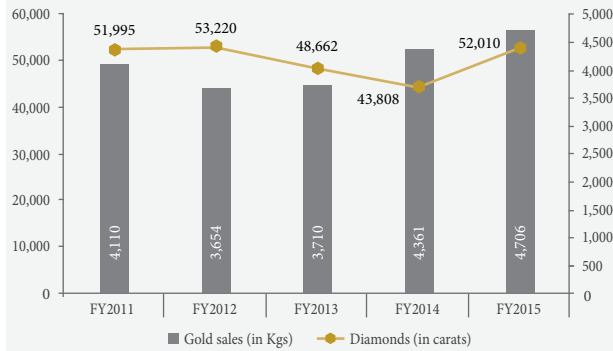
\* Average of retail area at the beginning and at the end of the financial year

\*\* Sales productivity over last 12 months. Productivity at mature stores – 254 k per sq ft

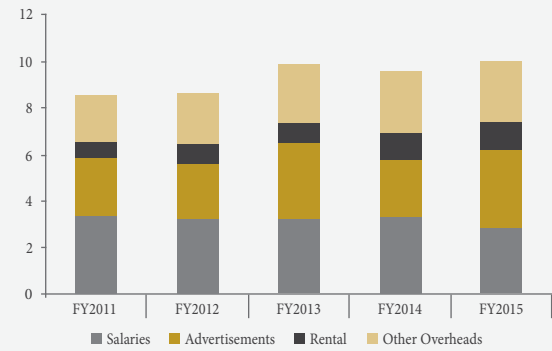
## Carpet Area (In sq. ft.)



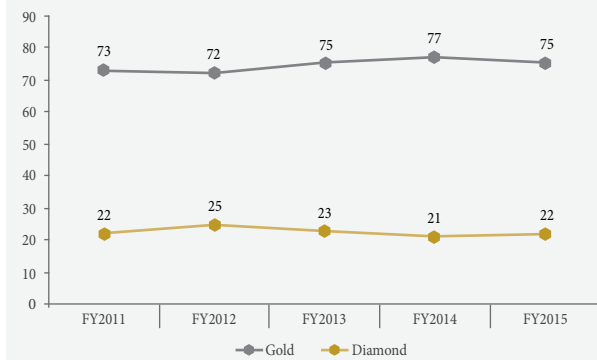
## Gold and Diamond Volumes



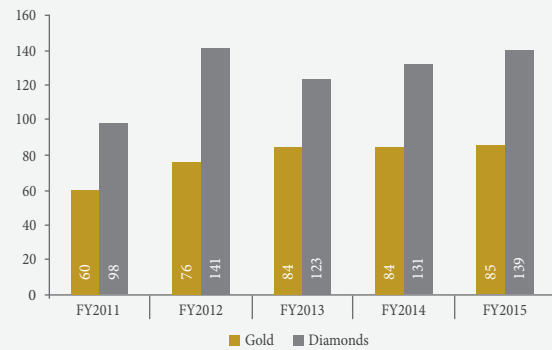
## Operational Efficiency (%)



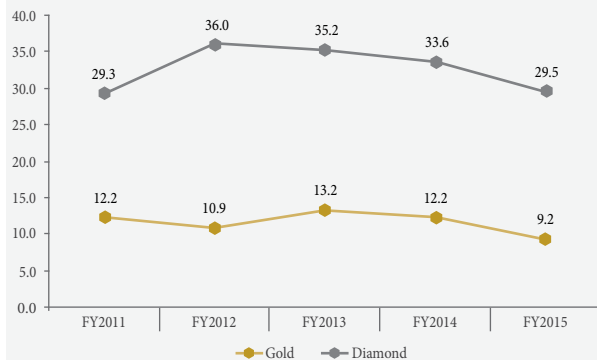
## Gold and Diamond Sales Mix (%)



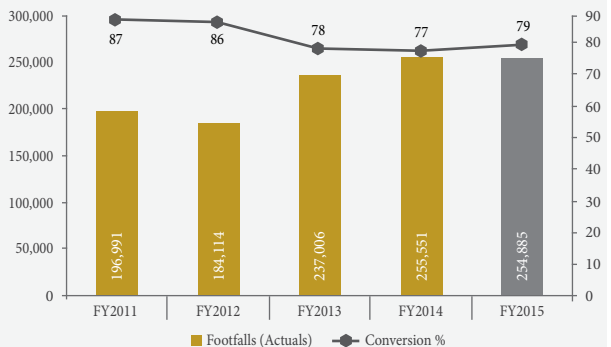
## Average Ticket Size (₹ '000)



## Gold and Diamond Margins %

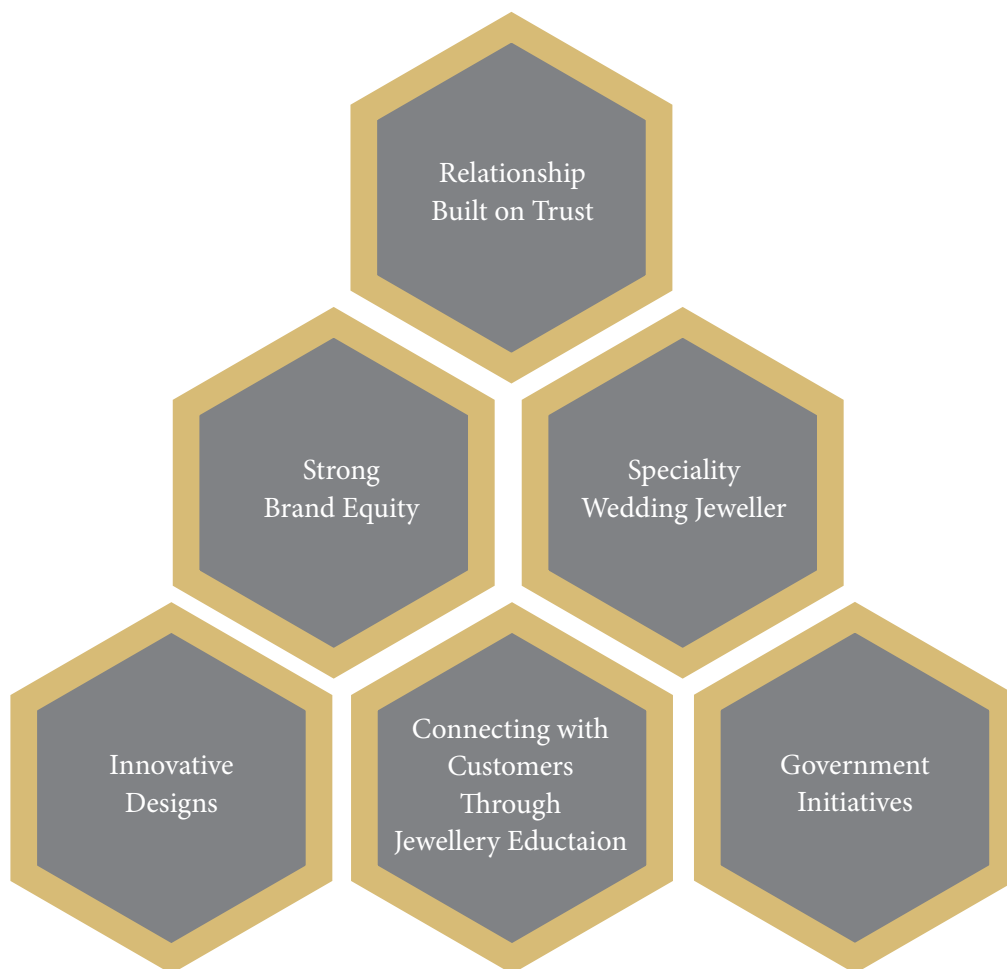


## Footfalls and Conversions



# Our Competitive Advantages

TBZ is the vanguard of quality products as we are constantly reinventing ourselves. We are backed by our strong pedigree, exclusive designs, innovative offerings, widening reach and a committed team. Our competitive strengths enable us in executing our plan and gaining an edge over the unorganised sector. With a strong portfolio, manufacturing capabilities and wide-spread distribution, we are well-positioned to grow.



## Relationship Built on Trust

Our legacy dates back to 150 years. The brand is trusted by consumers due to its ~150 year history and the quality and purity of its products. We were the first jewellers in India to offer a buyback guarantee way back in 1938. With our innovative designs and high quality standards, we have established ourselves as a leading premium jewellery brand in India, with our relationships with customers based on trust.

## Strong Brand Equity

Our customer-centric approach has led to the creation of strong brand equity for TBZ. Our sales productivity was high at Rs 216,000/sq ft as of FY2015 (mature stores productivity of Rs 254,000/sq ft), one of the highest in the industry. Our footfall conversion rate is impressive at around 80%. The average ticket size in case of gold jewellery stands at Rs 85,000 and for diamond jewellery at Rs 139,000, among the highest in the industry. TBZ has won several prestigious awards reinforcing its strong brand equity. It was recently honoured with an award of “Asia’s Most Promising Brands – 2014” by World Consulting & Research Corporation (WCRC).

## Speciality Wedding Jeweller

TBZ has emerged as the “go-to” brand for wedding jewellery. A trip to the nearest TBZ store appears on the priority list when it comes to marriage preparations. Around 65% of the company’s revenues are generated through wedding and wedding-related purchases and is a major factor behind our high average ticket size and sales productivity. The high quantum of wedding-related purchases generates stable revenues and footfalls for the Company as this segment is more of compulsion buying and is less affected by economic sentiments.

## Innovative Designs

We have a strong in-house design team to bring continuous innovation in jewellery designs. Strong design expertise has helped the Company maintain a loyal customer base and command premium pricing. The Company recently won the award for the “Best Diamond

Jewellery & Bracelet Design” at the Gems & Jewellery Trade Council of India Excellence Awards – 2014; and also for “Coloured Gemstone Jewellery of the Year” at the Annual Gemfields & Nazraana Retail Jeweller India Awards – 2014.

## Connecting with Customers through Jewellery Education

TBZ believes in educating and empowering customers with knowledge in the art, design and purity of jewellery to ensure customers are well informed before purchasing their gold/diamond jewellery items. As part of our customer education initiative, we organise summer camps on jewellery education for women at all our outlets across the country. These camps are conducted in small batches of 10-15 participants per session of around one hour each. These are aimed towards fostering a healthy knowledge support amongst womanhood in identifying and selecting genuine quality jewellery items, whenever they plan their purchases. Customers seeking such knowledge are invited to register their names in the nearest TBZ-The Original showrooms.

## Government Initiatives

Improved business performance will be driven by positive regulatory, industry and macroeconomic environment, going forward. The removal of the 80:20 regulation is seen leading to improved gold availability. Further, reinstatement of gold metal loans led to lower working capital funding costs and efficient gold price risk management. There is an expected improvement in consumer discretionary sentiments due to a rise in real disposable incomes driven by improving economic scenario, lower inflation and lower oil prices. In addition to this, the announcement of Domestic Gold Monetisation Scheme in Union Budget 2015-16 will mobilise idle domestic gold, with an aim to reduce gold imports.



# 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 Executive Officer

**Prem Hinduja**

## Chief Financial Officer

**Saurav Banerjee**

## 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

## Registrar & Share Transfer Agent

**Karvy Computershare Private Limited**

Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad – 500 032.

Tel. No. (040) 67161606 / (040) 67161602

Fax No. (040) 23420814

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

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

**Day & Date:** Wednesday, 9<sup>th</sup> September, 2015

**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.

# Awards & Accolades

TBZ-The Original is renowned for innovative designs and craftsmanship in gold and diamond jewellery. Over the years, the company has pioneered many concepts in the Indian jewellery retail business and has also received recognition. We have been consistently bestowed with accolades for Quality and Designs from several Indian and international jewellery design and industry awards, recognising our product excellence.



# Directors' Profile

## 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 three years in the Gems and Jewellery industry. He has completed his education upto matriculation. He took over as the managing partner of the business in 2001. He continued his forefather's business with one flagship store at Zaveri Bazar, and given his immense efforts, your Company presently has twenty eight showrooms in twenty two cities and ten states across India. With his considerable

wealth of experience, Mr. Shrikant Zaveri brings immense 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.

## 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 eleven 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 two 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 seven

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 over thirty two years of experience in accounting and finance, corporate advisory services. He is a chairperson of the audit advisory committee of the United Nations Development Programme (UNDP) and a member of Indian Advisory Board at Intuit. He was past president of the Institute of Chartered Accountants of India (ICAI) and a member of the appellate authority of ICAI. Amongst other, he was also 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 TBZ Board on 26th 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 twenty seven 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 Board on 14th December, 2010 and has given valued contribution to the Board of Directors. He is Chairman of the Nomination and Remuneration Committee and Stakeholders Relationship Committee and the member of the Audit Committee, Corporate Social Responsibility Committee (CSR Committee) and Risk Management 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. 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 five years of experience in the field of law and corporate matters. He is presently a senior partner at Crawford Bayley and Co., and deals with corporate laws, laws of mergers and acquisitions and capital market transactions.

Mr. Asher joined TBZ Board on 14th December, 2010 and has given valued contribution to the Board of Directors. He is member of the Nomination and Remuneration Committee.



# Management Discussion & Analysis

## ECONOMIC OVERVIEW

### Global Economy:

The global economy grew at a modest rate of 3.4% during 2014 driven by a pick-up in the developed economies, partially offset by a slowdown in the emerging economies. Complex forces that affected the global activity in 2014 are still shaping the outlook. These include medium and long-term macro-economic trends, such as an aging population, declining potential growth, sharp fall in oil prices (~45% decline since September 2014). These also include country or region-specific factors such as crisis legacies and exchange rate swings triggered by actual and expected changes in monetary policies. Geo-political tensions across various regions in Middle East, Africa and Ukraine had global repercussions.

Going forward, the global GDP growth rate is expected to remain stable at 3.5% in 2015 and pick up marginally to 3.8% in 2016. Growth is expected to be stronger in the advanced economies, but weaker in emerging and oil-exporting countries. In advanced economies, growth is expected to increase to 2.4% in 2015 versus 1.8% in 2014. However, growth in the emerging economies is seen marginally decreasing from 4.6% in 2014 to 4.3% in 2015. Geo-political tensions, disruptive asset price shifts in financial markets, stagnation and low inflation in the advanced economies can continue to pose significant challenges to global economic growth. (Source: IMF Estimates)



**The International Monetary Fund (IMF) sees India clocking a GDP growth of 7.5% in 2016 on the back of recent reforms carried out by the Government, a pick-up in investments and lower oil prices.**



## Indian Economy:

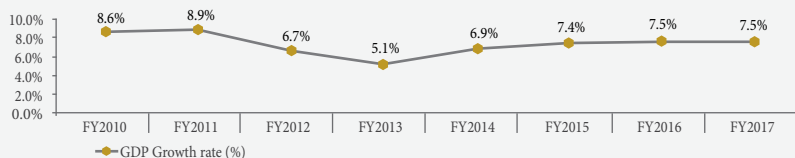
Indian economy witnessed a challenging period during FY2013 and FY2014, characterised by a slowdown in growth, rising retail inflation, weakening rupee, widening fiscal and current account deficit and an uncertain business environment. However, India managed to weather the storm rather well. The Indian economy expanded 7.3% in FY2015, marginally higher than 6.9% recorded in the previous year, crossing the \$2.1 trillion mark, compared to 6.9% in FY2014 and 5.1% in FY2013, as per the data released by India's statistics office. (Source: Central Statistics Office) More importantly, an uptick in economic growth has been complemented by desirable concomitants of lower inflation, receding global oil prices, manageable current account deficit and fiscal deficit levels, a stable rupee and rising foreign exchange reserves creating a stable macro-economic scenario. With a stable and majority Government at the centre, there is a sense of optimism regarding economic prospects reverberating across the nation.

The Indian economy has a strong growth outlook over the next few years. The International Monetary Fund (IMF) sees India clocking a GDP growth of 7.5% in 2016 on the back of recent reforms carried out by the Government, a pick-up in investments and lower oil prices. With growth expected to decelerate in China to 6.8% in 2015, India is poised to overtake the erstwhile leader and become the world's fastest growing economy. Lower oil prices will help keep inflation under check and offer the

**7.3%**  
**EXPANSION  
OF THE INDIAN  
ECONOMY  
IN FY2015**

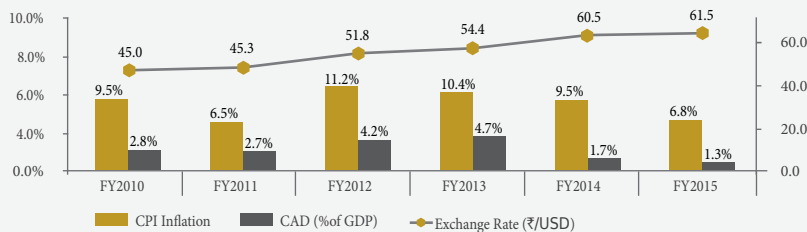
government an opportunity to carry out structural reforms. The strong growth projections for India against the current global backdrop of a slowing growth make India a “growth bright spot” in the global economic landscape. (Source: International Monetary Fund)

### India GDP Growth Rate (%)



Source: RBI, IMF

### Receding Levels of Inflation and Current Account Deficit and Strengthening Indian Rupee



Source: RBI, India Budget Document

India is currently the second-largest gold jewellery market in the world, next only to China.

## INDUSTRY OVERVIEW

The Gems & Jewellery industry has been a significant contributor towards the growth of the Indian economy, accounting for around 6% - 7% of India's GDP (Source: Indian Brand Equity Foundation). The industry is export oriented and labour intensive, thereby playing a significant role in employment generation and foreign exchange inflows. The industry currently provides employment to around 2.5 million people. The Gems & Jewellery Skill Council of India aims to train, skill and enhance 4.07 million people by 2022 with the aim of meeting the demand for skilled manpower.

### Domestic Jewellery Industry Update:

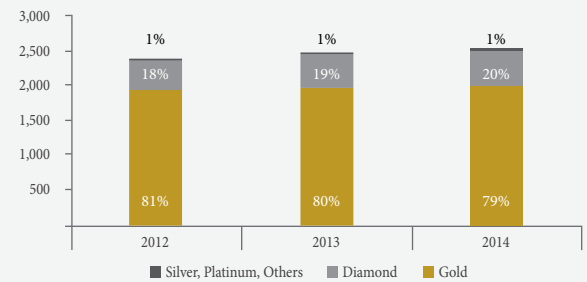
India is currently the second-largest gold jewellery market in the world, next only to China. The domestic jewellery segment has a market size of around ₹ 2,535 billion in 2014, largely dominated by gold jewellery which accounted for around 79% of the total share in 2014.

**6-7%**

**SHARE OF GEMS  
& JEWELLERY IN  
INDIA'S GDP**

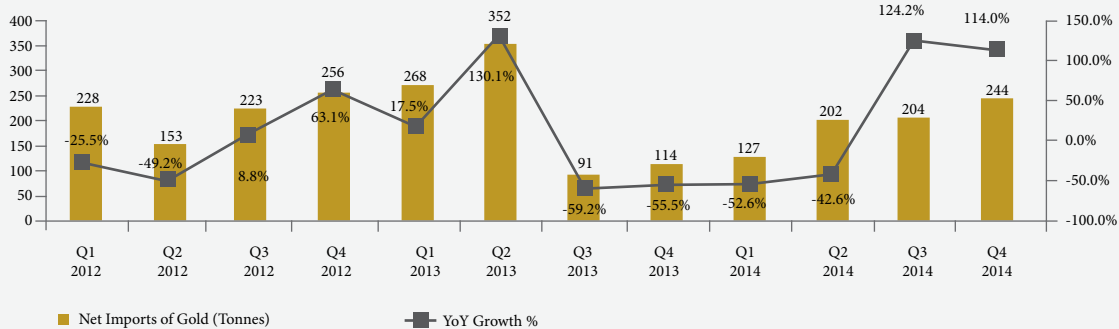
The domestic industry displayed an improved performance in 2014, driven by resilient jewellery demand which grew 8% YoY to reach 662.1 tonnes in 2014. This was despite various government measures introduced to restrict gold imports, being in place for most of the year. Domestic jewellery demand was sustained by wedding and festival-related purchases which increased 19% YoY to account for 179.1 tonnes in Q4 of 2014. While the domestic jewellery demand has been sustained, there was a decline in investment demand for gold which decreased 50% YoY to 180.6 tonnes in 2014. This sharp decline was largely driven by negative gold price expectation trends and record purchasing levels seen in 2013. While the demand for coins and bars was healthy during festivals and auspicious occasions, the overall investment demand remained muted.

## India's Jewellery Market (₹ Million)



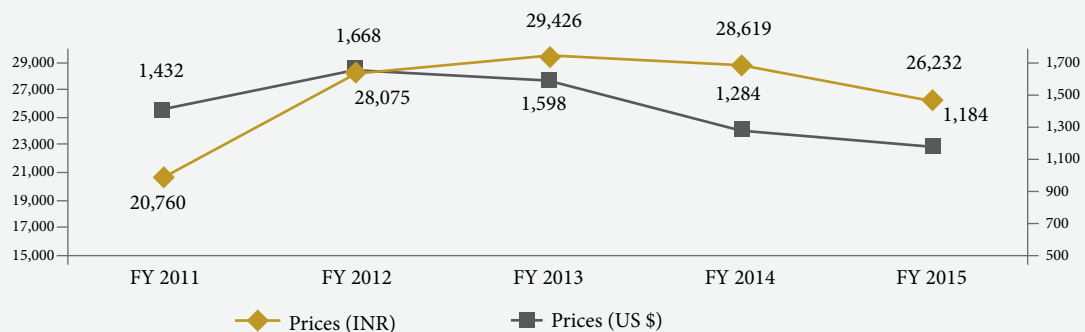
Source: Equity Communications Report

## Indian Gold Jewellery: Net Gold Import Trends



Source: RBI, IMF

## Gold Prices: Domestic & Global



Source: RBI, IMF

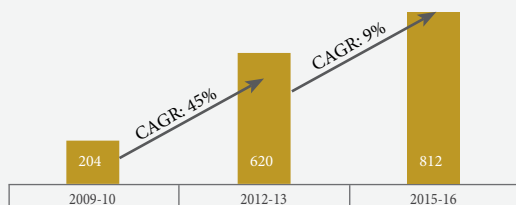


## Domestic Jewellery - Industry Structure:

Currently, the jewellery market is majorly constituted by unorganised players which account for around 80% of the total market share. However, in the recent past, there has been an increasing consumer preference for branded and hallmarked jewellery with better quality and designs. With fast-changing consumer preferences and aggressive retail expansion by organised jewellery retailers, the market share of organised players has increased to around 20% in 2014 – up from sub 5% a decade ago. Furthermore, considering the vast untapped jewellery demand potential of non-metro cities, there is a vast scope for organised jewellery retailers with superior brand, product quality, designs and innovative marketing initiatives to undertake aggressive geographic expansion across India. The organised jewellery retailers are expected to continue to grow faster than the unorganised players, thereby gaining incremental market share. (Source: CRISIL)

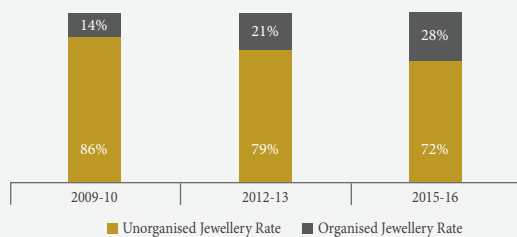
Considering the vast untapped jewellery demand potential of non-metro cities, there is a vast scope for organised jewellery retailers with superior brand, product quality.

### Organised Jewellery Retail (₹ Million)



Source: CRISIL Report

### Increasing Share of Organised Jewellery Retail Segment



Source: CRISIL Report

# 14%

**GROWTH IN GOLD JEWELLERY IN VOLUME TERMS EXPECTED IN FY2016**

## Regulatory Scenario:

In view of high current account deficit which almost doubled from 2.7% in FY2011 to 4.7% in FY2013, the Indian Government and the Reserve Bank of India (RBI) tightened the gold import norms through a series of regulatory changes as listed in the below table.

### *Major Regulatory Changes during 2013-2014*

Month	Regulation	Details
Jan-13	Hike of import duty on gold	Import duty on gold increased to 6% from 4%
May-13	Disallowance of Gold Metal Loan	Disallowance of gold metal loan requiring the organised retailers to pay cash on upfront basis to buy gold
May-13	Ban on import of gold on consignment basis	Financial institutions and trading houses were not allowed to import gold on a consignment basis
Jul-13	80:20 rule	For every 100 kg of gold imported, 20 kg has to be exported
Aug-13	Hike of import duty on gold	Import duty on gold hiked further to 10%
Aug-13	Restriction on imports of gold coins	Import of gold coins banned
Sep-13	Hike of import duty on gold	Import duty on gold jewellery raised to 15%
May-14	Reinstatement of Gold Metal Loan	Gold metal loan allowed, however imports will still be governed by 80:20 rule
Nov-14	Removal of 80:20 rule	Removal of all the restrictions on gold imports
Feb-15	Domestic gold monetisation scheme	Allow the domestic depositors of gold to earn interest in their metal accounts and the jewellers to obtain loans in their metal account

As the government imposed several restrictions on gold imports into India, it resulted in significant reduction in gold imports through official channels, leading to a spike in spot gold prices. The price premium for domestic gold increased from ₹ 20-30/gm to more than ₹ 250/gm. Higher gold price premiums, disallowance of gold metal loan leading to higher working capital costs, and subdued consumer sentiments impacted business performance of several jewellery retailers. Going forward, with the easing of the regulatory environment with removal of 80:20 rule and allowance of gold metal loan, stable gold prices and improving consumer discretionary sentiments, the demand for gold is expected to improve in 2015-16. CRISIL estimates India's gold jewellery demand to pick up by 14% in volume terms and 7% in value terms in 2015-16.

## Significant Growth Drivers:

- Secure Investment Avenue

Gold is still a popular tool for investment among Indians as it acts as an effective hedge against inflation and can also act as a medium of exchange in times of economic uncertainties. The status of gold as a popular investment vehicle is expected to continue driving growth for the industry.

- Rising Per Capita Income and Affluence

India's per capita GDP at current market price is expected to almost double reaching close to ₹ 1.9 lakh

by FY2020 (Source: DNB). Another major driver is the emergence of a strong middle class, more than one-third of the population is likely to reach the 'aspire' class (annual income of US\$ 7.4k – US\$ 18.5K) by 2020, compared to 20% in 2010 and 9% in 2000. Also the number of affluent households in India is expected to increase from 5% in 2010 to 13% by 2020 (Source: India Retail Report 2013). Rising affluence and purchasing power will fuel strong demand for jewellery in the future.

- **Rise in Number of Working Women**

With a large number of women force now financially independent and increasingly getting employed at middle and senior management positions, the demand for jewellery, especially fashion jewellery, will escalate going forward.

- **Easing of Working Capital Funding Issues**

Withdrawal of the 80:20 rule and reinstatement of gold metal loan is a huge positive for the industry. The gold metal loan will help lower borrowing costs and also provide efficient price-risk hedging mechanism. In terms of supply, imports over the medium term are expected to reach the levels witnessed prior to the curbs, largely replacing sourcing of gold through the unofficial channels. This has already resulted in normalisation of gold price premiums and will have a positive impact on the working capital requirements of the organised jewellery segment.

- **Increasing Share of Studded Jewellery**

India has traditionally been a gold jewellery market with a preference for the conventional yellow metal heavy gold jewellery. However, now with increasing consumer preference for diamond-studded and gems-studded gold jewellery, the jewellery retailers are quickly adapting their product mix. As the studded jewellery attract higher gross margins, rising share of studded jewellery would help the jewellery retailers to improve their overall operating margins over a medium to long-term period.

## Business Outlook:

India's gold jewellery industry is expected to record a sustainable growth of about 8% - 10% over the medium-to-long term, based on various industry estimates. Growth will be primarily driven by the rising penetration of the organised jewellery segment, aggressive expansion of organised jewellery retailers, increasing penetration in Tier 2 & 3 markets, and improving consumer sentiments. The recent easing of regulatory measures by the government has led to an improvement in gold availability. Furthermore, reinstatement of low-cost gold metal loan has also helped create a favourable environment. According to a FICCI report on the Indian Gems & Jewellery industry, the domestic jewellery market has the potential to grow from ₹ 2,535 billion in 2014 to ₹ 5,000 - ₹ 5,300 billion by 2018.

## COMPANY OVERVIEW

Tribhovandas Bhimji Zaveri Limited (TBZ) is one of India's leading premium jewellery brands that commenced its operations 150 years ago. Through its unique designs, uncompromising quality and customer-centric approach, it has inspired trust and confidence in buyers for more than a century, leading to the creation of Brand TBZ that we know of today. Since inception, beginning with its first store in Zaveri Bazar in Mumbai, the Company has come a long way turning into a major player in the Indian Jewellery Industry with a pan-India presence. As on March 31, 2015, it had 28 stores spread across 22 cities in 10 states with a total operational retail space of around 91,000 square feet.

TBZ is primarily focussed on the wedding and fashion jewellery segment. It is backed by a strong pedigree, exclusive designs, innovative offerings, widening reach and a committed team. Its human capital is endowed with varied experience across business functions which ensures optimal sourcing, quality and cost control. This strategy enables it to execute its plan and gain an edge over the unorganised players. Our state-of-the-art facilities also





undertake the manufacturing of studded jewellery and of designing jewellery in plain gold to maintain quality standards.

### Our Pan-India Presence

The Company has a diversified retail presence in 22 cities across 10 states in India spread across a total area of 91,000 sq. ft. Of the 28 stores, 22 are Large Format stores, while the remaining 6 are Small Format Stores. It has a significant presence in Tier I cities with 17 stores, with 4 stores in Tier II cities and 7 stores in metro cities.

### Our Product Basket

The Company's product portfolio includes a wide product range (rings, earrings, pendants, bracelets, necklaces and bangles, and other articles in plain gold or studded variants). The product mix includes gold jewellery, diamond studded jewellery, precious and semi-precious stone studded jewellery, plain and diamond studded platinum jewellery, jewellery with coloured stones in gold and diamond, loose diamond solitaires, loose precious and semi-precious stones and jadau jewellery. Some of its signature jewellery collection includes – the Temple Jewellery Collection, Surprise Collection, Necklace Collection and the Showstoppers Collection. TBZ's innovative designs and craftsmanship in gold and diamond jewellery are liked by the customers and largely appreciated for their originality and exquisite detailing.

**>91,000**  
**SQUARE FEET**  
**RETAIL SPACE**

**28**  
**STORES**

**22**  
**CITIES**

## Our Business Segments

### Diamond:

Diamond jewellery forms 22.42% of the total revenue. It has manufacturing units for diamond-studded jewellery at Kandivali, Mumbai. A majority of the production activity for diamond jewellery is carried out at our manufacturing facility.

### Gold:

Gold jewellery forms 75.33% of the total revenue. We are getting most of our gold jewellery manufactured by Karigars spread across India.

## Differentiating Capabilities

### Product Design & Range

The designs are from a wide range of cultures – from traditional Indian design to western and indo-western, as per changing consumer preferences. A wide range of price points enable TBZ to cater to people from different socio-economic backgrounds. Customised jewellery is the forte of the Company and it offers products across price points to widen the target base. Product design is a major USP and have a dedicated design team, which includes trained computer aided (CAD) designers. A diversified product range caters to regional specifications, traditional and indo-western and western jewellery. Innovative designs and beautifully crafted jewellery have enhanced value proposition for customers in a highly competitive and evolving industry.

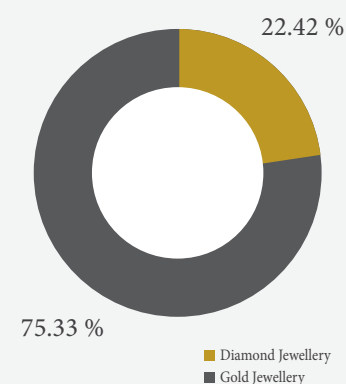
### Manufacturing Facilities

The Company manufactures most of the diamond jewellery in-house by creating its own designs and sourcing a small portion from vendors and suppliers. It possesses state-of-the-art equipment, including gem testing labs and karat meters, to ensure industry-leading quality excellence. It remains focussed on increasing the manufacturing operations further.

### Customer Centricity

A customer-friendly ambience is created at all the TBZ outlets, with amenities such as displays, comfortable chairs, ambient lighting and elegant stylish interiors. There is use of complementing and contrasting colours with bright lights and appropriate cooling which ensures that customers enjoy a unique experience. Prospective customers are given personalised attention and customised services. They also get a chance to consult the TBZ team including the senior resources in Mumbai for their specific requirements. The Company's showrooms offer a wide array of innovative and attractive jewellery designs for fashion-conscious men and women, with an added attraction of custom-made products. Continuous employee training in sales techniques, product

Our Jewellery Market in India



**WE ARE  
CUSTODIANS TO  
>20,000  
PROPRIETARY  
DESIGNS**

knowledge helps in sales conversion, backed by a range of products with different designs and price points.

## Building Relationships

Your Company maintains long-term relationships with its karigars, most of whom have been associated with it for more than decades. It also maintains relationships with gold suppliers, which enables our raw material availability and security and achieve purchase economies.

## Marketing Initiatives

Initiatives on the marketing front ensure high visibility and top-of-the-mind recall. It also leverages the social media platform to target the Gen-Y segment. This ensures repeat and steady flow of customers to showrooms. In addition to the above, it ensure good sales staff interaction through dedicated training programmes leading to superior sales conversion rate.

## Inventory Management

At TBZ, inventory for each showroom is planned at the beginning of each year to achieve the desired sales and inventory turnover. The inventory is bar-coded, monitored and controlled through Oracle E-business suite software. In an effort to increase turnover, the Company rotates jewellery between different showrooms. It returns back or exchanges the unsold inventory with other products, in case of purchases made from third parties. There is adequate insurance coverage for inventory to hedge against risks.

## Delivering Growth Strategy in FY2016

- **Creation of Dazzling Jewellery through Continuous Innovation**

The endeavour of the Company is to continuously create innovative, unique and dazzling jewellery with timeless designs to maintain the sales traction. Creating high-quality designs at different price points for wedding and fashion segments is of key importance to capture more value in the market.

- **Asset Light Model of Expansion**

The prospects of the Gems & Jewellery sector are further growing after its inclusion in the Prime Minister's 'Make in India' initiative. Recent Government policies such as the elimination of the 80:20 Rule for gold imports are conducive to industry growth. Positive macro-economic trends have inspired the Company to invite more members to the TBZ-The Original family to partner in its expansion journey.

For the first time in its 150-year old history, your Company is expanding its presence by leveraging the franchisee model. During the year under review, your Company announced the franchising opportunity and invited franchisees to be part of its jewellery retailing business. Through the franchising opportunity, entrepreneurs can open 'TBZ – The Original' stores across India and retail the brand's product including over 20,000 in-house designs. The strategy on scaling higher through the franchisee model has been formulated to address the ever-increasing fondness and demand from customers across geographies aspiring to own jewellery from TBZ-The Original. Franchising is a unique opportunity for these entrepreneurs to capitalise on immense growth possibilities in the Indian gems & jewellery retailing business.

## RESEARCH & DEVELOPMENT

With businesses and technologies changing constantly, investment in research and development activities is of paramount importance. Your Company lays a great emphasis on knowledge management and has an institutionalized process for absorption of new technologies. Research & Development is considered as a continuous process and continuous steps are taken for further development of new products of superior quality, up-gradation of existing product designs to improve the quality and reduction in rejections. Your Company continued its focus on quality up-gradation and product enhancements.



**Key Benefits:**

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

## MANAGEMENT OUTLOOK

With the Indian economy recording good growth in FY2015, the positive sentiments will percolate down to the gems & jewellery sector, which contributes 6-7% of the country's GDP. In addition to this, the increasing consumer preference for branded and hallmarked jewellery with better quality and designs usher in a sense of optimism. Growing presence of organised retail players will boost industry performance. Fast-changing consumer preferences and aggressive retail expansion by organised jewellery retailers is leading to an increased share of organised players, which we hope to capitalise on with a superior brand recall, better product quality, excellent designs and innovative marketing initiatives.

At TBZ, FY2015 was a year of consolidation – a year in which the Company focussed on its enduring strengths. Its primary aim was to enable healthy sales at the existing stores. It continued to reiterate and reinforce its position as a “luxury jewellery brand”. With consumer demand picking up gradually, it aims to capitalise on its key market differentiators – a 150-year legacy of trust, leadership in wedding jewellery space, domain expertise in signature and timeless designs and being a “luxury, everlasting and premium” brand.

Moving forward, TBZ aims to leverage a combination of asset-light and franchisee model of expansion to increase market share and cater to rising demand for premium jewellery. Trust being the biggest driver in jewellery purchases, trend-setting across the spectrum to produce designs for all categories of the market. This includes traditional wedding jewellery buyers, the modern working women and the Gen-Y segment aiming to buy jewellery which is a blend of fashion, usefulness, aesthetics and investment. The Company is reaching out to customers across generations during their entire life-cycle – right from their first-time jewellery purchase to further stages of life, including wedding and other important occasions. On the bottom line front, TBZ is aiming to optimise margins further, enhance retailing space and regain market share. From the juncture where it currently stands, it is expanding horizons large enough to witness purposeful and meaningful growth.

## Financial Overview:

### Financial Particulars:

Particulars	FY2014-15	FY2013-14
Operating Income	1,93,419.57	1,81,812.82
Gross Profit	26,778.45	30,848.61
EBITDA	8,934.79	13,933.72
Finance Cost	5,021.68	4,634.97
Depreciation & Amortisation	837.95	999.33
Profit Before Tax	3,948.95	8,299.42
Profit After Tax	2,604.09	5,505.90
Basic Earnings Per Share (EPS) (₹)	3.90	8.26
Dividend per Share – Normal (₹)	1.00	1.50
Dividend per Share – Special (₹)	Nil	0.75
Networth	46,555.19	44,766.90
Short-term Borrowings (Including working capital loans)	56,671.04	54,691.23
Borrowings	58,325.76	56,802.10
Inventory	111,367.47	111,188.38
Debtors	79.54	286.28
Net Block	10,933.42	9,564.33
Cash & Bank Balance	3,254.71	7,285.45

Note: All figures in ₹ lakhs, except Dividend Per Share and Earnings Per Share

### Operating Revenue

The total operating revenue of the Company has increased by 6.4% from ₹ 1,81,812.82 lakhs in FY2014 to ₹ 1,93,419.57 lakhs in FY2015. The increase in revenue can be primarily attributed to positive same store sales growth. The company registered same store sales growth of 4.0%. However, the revenue growth was slower compared to previous years due to the lacklustre demand scenario, political uncertainty in early part of the year and a difficult regulatory environment.

**₹46,555 Lakhs**  
**NETWORTH**  
**IN FY2015**

**The increasing consumer preference for branded and hallmarked jewellery with better quality and designs usher in a sense of optimism.**

## Gross Profit

The Company's Gross Profit decreased from ₹ 30,848.61 lakhs in FY2014 to ₹ 26,778.45 lakhs in FY2015 due to the tactical discounts that were offered to customers to maintain healthy footfalls and store level sales. The decline in gross margins due to discounting was partially offset by the improving product mix as share of diamond sales as % of total sales increased from 20.7% in FY2014 to 22.4% in FY2015. Gold gross margins were 9.2% and diamond gross margins were 29.5% for FY2015.

## EBITDA

The Company has witnessed a 35.9% decline in adjusted EBITDA from ₹ 13,933.72 lakhs in FY2014 to ₹ 8,934.79 lakhs in FY2015. The decline was primarily due to lower gross margins. However, the EBITDA margins improved in the latter half of the year with the gradual improvement in the demand scenario and good growth witnessed during the festive season.

## Profit After Tax (PAT)

The Company's reported profit after tax declined by 52.7% as compared to the previous year. The drop in the PAT margin was a primarily a result of lower EBITDA margins, however it was partially offset by lower finance costs brought about by increase in sourcing of gold through the Gold on Loan model. The PAT has decreased from ₹ 5,505.89 lakhs in FY2014 to ₹ 2,604.09 lakhs in FY2015.

## Networth

The Company's networth increased from ₹ 44,766.90 lakhs in FY2014 to ₹ 46,555.19 lakhs in FY2015.

## Reserves

The Company's reserves increased from ₹ 38,096.50 in FY2014 to ₹ 39,883.2 lakhs in FY2015. It comprises of securities premium, general reserve and profit & loss account.

## Borrowings

The Company's book debts in FY2015 stood at ₹ 58,325.76 lakhs, as compared to ₹ 56,802.10 lakhs in FY2014. The debt to equity ratio remained largely stable at 1.25, as compared to 1.27 in the previous year.

(Note – Gold on Loan included in the Debt)

**1.24**  
**DEBT TO**  
**EQUITY IN**  
**FY2015**



## RISK & CONCERNS:

### Global economic slowdown can impact jewellery off-take

#### Risk Mitigation:

India accounts for nearly one-third of the global demand for gold. Over the last decade, gold demand in India increased outpacing the country's real GDP. This indicates that fascination for gold is likely to be enduring. This is best reflected in the huge demand for gold and diamond jewellery.

### The retail jewellery market is highly unorganised

#### Risk Mitigation:

The retail jewellery market is highly dominated by unorganised and local players which form nearly 90% of the market. The retail organised sector also faces intense competition. However, extensive brand exercise and promised delivery enables TBZ to build an image of being a trusted jewellery retailer with high quality, unique and a wide variety of products. TBZ maintains its strong brand recall through high visibility advertisement campaigns, especially built around festivals. The Company also has a strong focus on the wedding jewellery segment where it enjoys a leadership position.

### Raw material costs may increase

#### Risk Mitigation:

The Company enjoys long-term relationships with major raw material suppliers which results in the raw material availability. The Company has a centralised procurement policy and generally make purchases in large volumes to stock its showrooms. Economies of scale enable the Company to benefit from purchasing raw materials at lower prices than its competitors and thus benefit in terms of better pricing and margins. Any price increase in gold is passed on to the customer. Besides, the Company has entered into the business of light-weight jewellery which uses less gold and is less sensitive to increases in raw material costs.

### Labour-intensive business of jewellery retail involves specialised competencies

#### Risk Mitigation:

From a retail perspective, the Company has 28 outlets. It is growing its retail presence to strengthen its competitiveness. It is investing in differentiated designs resulting in a pipeline of 20,000 designs.



## Currency volatility can affect earnings

### Risk Mitigation:

In FY2015, revenues derived from export were nil, whereas only 0.31% of its raw materials are imported.

## Raw material sourcing and inventory management

### Risk Mitigation:

In addition to purchasing inventory and raw materials in bulk to lower the overall relative cost, the Company plans to take advantage of additional economies of scale as it scales higher and increases its number of showrooms. With the right mix of state-of-the-art manufacturing facilities and external suppliers, the Company is able to control costs and preserve quality. The inventory is bar-coded, monitored and controlled through Oracle E-business suite software. In an effort to increase turnover, jewellery is rotated between different showrooms. The Company returns back or exchanges the unsold inventory with other products, in case of purchases made from third-party vendors. There is adequate insurance coverage for inventory to hedge against risks.

## HUMAN RESOURCES

By virtue of being in the gems & jewellery industry, TBZ deals with a great deal of people with pedigree. Human Resource is not a mere department or support system for recruiting employees, but a significant function. It is not just an organisation offering careers, but an institution in itself. Employees are the strategic assets of the Company – its key to success. Each employee at TBZ is special and unique in their own way. It has a diverse employee base – a combination of people with creativity and technical and functional abilities. TBZ, as an organisation, cherishes its employees' diversities and multifariousness. It has created a healthy and productive work environment which encourages excellence. It has put in place a scalable requirement and human resource management process, which enables it to attract and retain creative employees. It makes continuous investments in training staff with the latest manufacturing technology in gems & jewellery.

## INTERNAL CONTROLS

The Company has a well-structured internal control mechanism and the same is monitored by the Internal Audit conducted by well-known Audit firm, which independently reviews and strengthens the control measures. The Internal Audit team regularly briefs the Management and the Audit Committee on their findings and also on the steps to be taken with regard to deviation, if any. The Company has adequate IT security for data protection and continues updating it to keep it abreast of developments across the globe. There have been no reports or instances of any breach of security in the sensitive database. Being a player in the global supply chain, the Company is a certified partner in C-TPAT. It is the Customs-Trade Partnership against Terrorism. The goal & objective of the C-TPAT is to improve supply chain security worldwide. The Company follows the security criteria, best practices and implementation procedures stipulated under C-TPAT.

## CAUTIONARY STATEMENT

This document contains statements about expected future events, financial and operating results of TBZ Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. 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, 2014-15.

# NOTICE

Notice is hereby given that the Eighth Annual General Meeting 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 Wednesday, 9<sup>th</sup> September, 2015 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, 2015, including audited Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2015.
3. To appoint a Director in place of Ms. Binaisha Zaveri (DIN: 00263657), who retires by rotation and being eligible, offers herself for re-appointment.
4. To ratify the appointment of 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 ninth AGM of the Company to be held in the year 2016 at a remuneration as may be decided by the Board of Directors.”

## SPECIAL BUSINESS:

5. 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 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** subject to the provisions of Sections 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to approval of the Central Government, if required, approval of the Members of the Company be and is hereby accorded for fixing of remuneration payable to Mr. Shrikant Zaveri, Chairman & Managing Director of the Company, for the balance period of his appointment of nine months, i.e.

from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> December, 2015, as contained in the amendment Agreement to be entered into by and between the Company and Mr. Shrikant Zaveri, the draft whereof is placed before the meeting and for the purpose of identification initialed by the Company Secretary of the Company, with the liberty and authority to the Board of Directors to alter and vary the terms and conditions from time to time within the limits prescribed by Schedule V and all other applicable provisions of the Companies Act, 2013, or any amendment thereto or any re-enactment thereof and as may be determined by the Board of Directors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution and matters incidental thereto.”

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 4<sup>th</sup> August, 2015

**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, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice annexed hereto. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Director retiring by rotation and seeking re-appointment and for fixing of remuneration of Chairman & Managing Director for the balance period of his appointment at the ensuing Annual General Meeting as set out in item nos. 3 and 5 of the Notice are attached hereto.
4. Corporate Members intending to send their Authorised Representative to attend and vote at the Meeting are requested to ensure that the Authorised Representative carries a duly certified true copy of the Board Resolution, Power of Attorney or such other valid authorisation, authorising him 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 **Thursday, 3<sup>rd</sup> September, 2015 to Wednesday, 9<sup>th</sup> September, 2015** (both days inclusive).
8. Subject to the provisions of Section 126 of the Companies Act, 2013, dividend on Equity Shares as recommended by the Board, if declared at the Annual General Meeting, will be paid/ dispatched commencing from **14<sup>th</sup> September, 2015** to those Members:
  - (a) whose names appear as Beneficial Owners as at the end of the business hours on **2<sup>nd</sup> September, 2015** in the list of Beneficial Owners to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic mode; and
  - (b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/ its Registrar and Share Transfer Agent on or before **2<sup>nd</sup> September, 2015**.

Note: The Company has allotted 10,720 Equity Shares on Monday, 15<sup>th</sup> June, 2015 under 3<sup>rd</sup> tranche of 'TBZ ESOP, 2011' and the Company got Listing Approval to deal in these Equity Shares granted under 'TBZ ESOP, 2011' w.e.f. Thursday, 25<sup>th</sup> June, 2015 from both the Stock Exchanges. The paid-up capital of your Company has increased from ₹ 667,199,000 to ₹ 667,306,200 (i.e. from 66,719,900 Equity Shares to 66,730,620 Equity Shares).

Due to increase in the Equity Shares by 10,720 Equity Shares and the paid-up share capital by ₹ 107,200 there is increase in the total outgo of dividend amount including the dividend tax amount for the current year. The total increase in the outgo for the current year on above additional Equity Shares amounts to ₹ 12,902.34 (Rupees Twelve Thousand Nine Hundred Two and Thirty Four paise only), including dividend distribution tax of ₹ 2,182.34 (Rupees Two Thousand One Hundred Eighty Two and Thirty Four paise only) for the financial year ended 31<sup>st</sup> March, 2015.

9. Share transfer documents and all other correspondence relating thereto, should be addressed to the Registrar and Share Transfer Agent (R & T Agent) of the Company, Karvy Computershare Private Limited at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel No: +91 (040) 6716 1606, (040) 6716 1602 Fax No: +91 (040) 2342 0814. E-Mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com). Website Add.: <http://karisma.karvy.com>.
10. Members are requested to notify changes if any in their addresses with PIN code number immediately to the Company's Registrar and Share Transfer Agent, viz. Karvy Computershare Private Limited (for Shares held in

# NOTICE

physical form) and to Depository Participants (for Shares held in dematerialized form).

11. 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 desirous 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.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, required to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
13. 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 2015 – 2016.
14. 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.
15. 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).
16. 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)).

17. 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.
18. The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing circulars (vide circular nos. 17/2011 and 18/2011 dated 21<sup>st</sup> April, 2011 and 29<sup>th</sup> April, 2011 respectively), and allowing paperless compliances by Companies through electronic mode. Further, in line with recent circular (vide circular ref. no. CIR/CFD/DIL/7/2011 dated 5<sup>th</sup> October, 2011) issued by the Securities and Exchange Board of India (SEBI) and consequent changes in the Listing Agreement, Companies can send Annual Report in electronic mode to Members who have registered their e-mail addresses for the purpose. Members who have not registered their e-mail addresses with the Company can now register the same by submitting duly filled-in "E-Communication Registration Form" attached at the end of this Report (also available on our website [www.tbztheoriginal.com](http://www.tbztheoriginal.com)), to M/s. Karvy Computershare Private Limited/ Secretarial Department of the Company. The Members holding shares in electronic form are requested to register their e-mail address with their Depository Participants only. The Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form, upon request. The Members who desire to receive physical copy of the Annual Report may write to the Company Secretary of your Company at the Corporate Office of your Company or send email to [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com) or may write to the Registrar and Share Transfer Agent of your Company.
19. 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.
20. 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.
21. Members are requested to note that as per Section 205A of the Companies Act, 1956, 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 IEPF of the Company.



## NOTICE

22. 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).

23. 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.

24. Electronic copy of the Notice of the 8<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 8<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.

25. Members may also note that the Notice of the 8<sup>th</sup> Annual General Meeting and the Annual Report 2014 – 2015 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).

**26. 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 8<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 8<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 Clause 35B of the Listing Agreement, Members can exercise right to vote at the 8<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 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.

## NOTICE

- (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 26(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. Wednesday, 2<sup>nd</sup> September, 2015, 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. Wednesday, 2<sup>nd</sup> September, 2015, 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 1606 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 Saturday, 5<sup>th</sup> September, 2015 (9.00 a.m. IST) and ends on Tuesday, 8<sup>th</sup> September, 2015 (5.00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, 2<sup>nd</sup> September, 2015, 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 Wednesday, 2<sup>nd</sup> September, 2015.
- (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.

## NOTICE

- (viii) The scrutinizer shall, immediately after the conclusion of remote e-voting at the 8<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).

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 4<sup>th</sup> August, 2015

**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. 5

#### 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

The present 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. The remuneration 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.

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 eighth Annual General Meeting of the Company has fixed the same monthly remuneration which was fixed for the financial year 2014 – 2015 (i.e. from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015), without proposing any increment in the remuneration for the balance period of nine months of the terms of appointment (i.e. from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> December, 2015), of Mr. Shrikant Zaveri, Chairman & Managing Director of the Company.

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

**1. Period of Remuneration:** From 1<sup>st</sup> April, 2015 to 31<sup>st</sup> December, 2015 (Nine Months)

#### 2. Remuneration:

- a) **Basic Salary:**  
₹ 50,41,667 (Rupees Fifty Lakhs Forty One Thousand Six Hundred Sixty Seven only) per month starting from 1<sup>st</sup> April, 2015.
- b) **Commission:**  
Such remuneration by way of Commission, in addition to the salary, calculated with reference to the net profit of the Company in any particular financial year, as may be determined by the Board of Directors of the Company at the end of the financial year, subject to the provisions of Sections 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013. The exact amount payable will be decided by the Board of Directors based on certain performance criteria and

shall be payable only after the Annual Accounts of the Company have been approved by the Board of Directors and adopted by the Members.

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

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

#### 3. **Minimum Remuneration:**

Notwithstanding anything to the contrary contained herein, where in any financial year, during the currency of the tenure of Mr. Shrikant Zaveri, Chairman & Managing Director of the Company, the Company has no profits or its profits are inadequate, the Company will pay salary as specified above to Mr. Shrikant Zaveri as minimum remuneration.

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.

All other terms and conditions of his appointment which have been approved by the Members at the Extra Ordinary General Meeting of the Company held on 12<sup>th</sup> January, 2011 as well as amendment have been approved at the fifth Annual general Meeting of the Company held on 24<sup>th</sup> September, 2012 and also have been mentioned in the original Agreement dated 11<sup>th</sup> January, 2011 and amendment Agreement dated 24<sup>th</sup> September, 2012 respectively, entered into by and between the Company and Mr. Shrikant Zaveri will remain the same.

The draft second amendment Agreement to be entered into by and between the Company and Mr. Shrikant Zaveri incorporating the said amendments, the amendment Agreement dated 24<sup>th</sup> September, 2012 and the original Agreement dated 11<sup>th</sup> January, 2011 and all applicable Special Resolution(s) passed in this regards are available for inspection by the Members of the Company at its Registered Office of the Company situated at 241/43, Zaveri Bazar, Mumbai – 400 002 as well as the Corporate Office 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



## NOTICE

and their relatives, are concerned or interested, financially or otherwise, in this resolution. The Board commends the Special Resolution set out at Item No. 5 of the Notice for the approval of the Members.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 4<sup>th</sup> August, 2015

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

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

### DISCLOSURE PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

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
Date of Birth	07.12.1959	28.12.1982
Date of Appointment	24.07.2007	24.07.2007
Qualification	Matriculation	Bachelor's degree in Marketing and Finance from Stern School of Business, New York.
Expertise in specific functional area	Rich experience of more than 33 years in Retail Jewellery Business	Company's Enterprise Resource Planning Systems and activity engaged in accounting, merchandising & general corporate management.
Directorships held in other Public Companies as on 31 <sup>st</sup> March, 2015 (excluding foreign Companies and Section 8 companies)	Tribhovandas Bhimji Zaveri (Bombay) Limited  Konfiaance Jewellery Private Limited  (both are wholly owned subsidiaries of the Company)	Tribhovandas Bhimji Zaveri (Bombay) Limited  Konfiaance Jewellery Private Limited  (both are wholly owned subsidiaries of the Company)
Chairmanships/ Memberships of the Committees of the Board of Directors of the Company as on 31 <sup>st</sup> March, 2015	Audit 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, 2015		
a) Audit Committee	NIL	NIL
b) Stakeholders Relationship Committee	NIL	NIL
Nos. of Shares held in the Company	33,402,275	5,285,000

Note: pursuant to Clause 49 of the Listing Agreement, only two Committees, viz. Audit Committee and Stakeholders Relationship Committee have been considered.

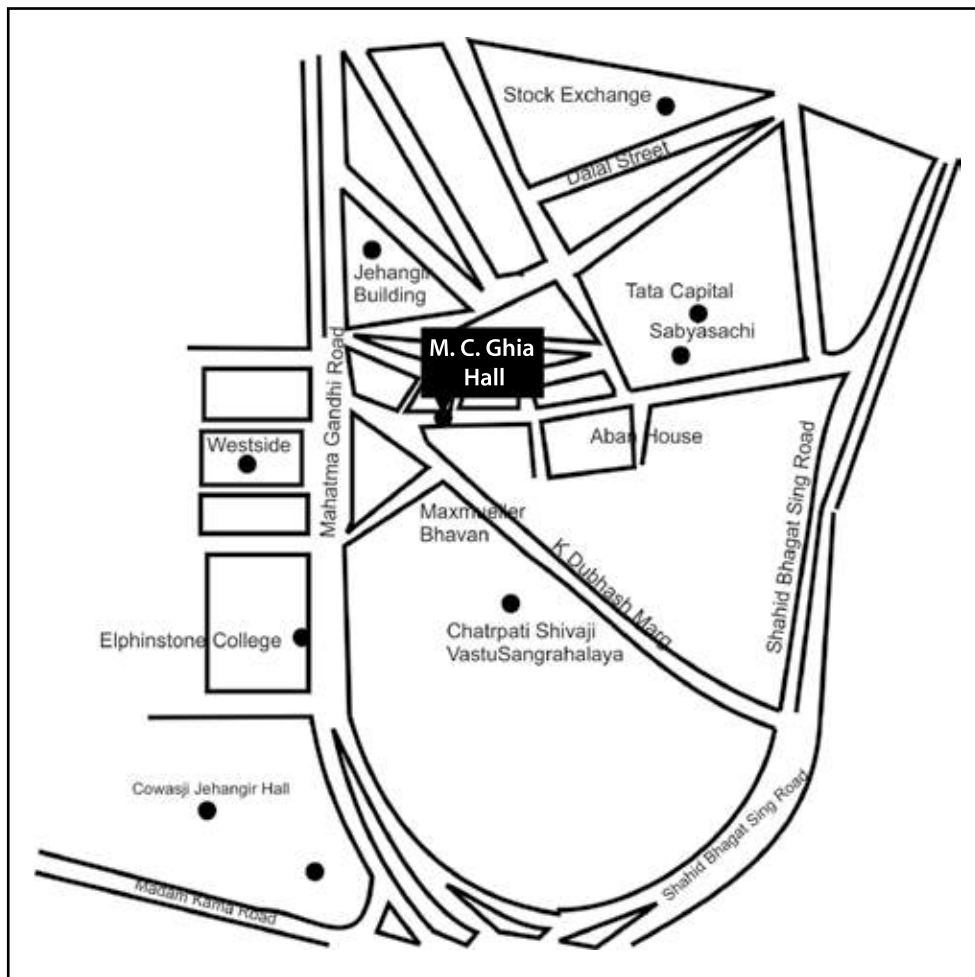
**8<sup>th</sup> Annual General Meeting**

Day & Date: Wednesday, 9th September, 2015

Time: 3.30 p.m.

Venue:

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

**ROUTE MAP TO THE VENUE OF THE AGM**

## DIRECTORS' REPORT

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

Your Directors are pleased to present the Eighth 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, 2015:

### FINANCIAL RESULTS:

The financial performance of your Company for the financial year ended 31<sup>st</sup> March, 2015 is summarised below:

(₹ in Lakhs)

Particulars	Standalone Financials	
	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
Revenue from operations	193,419.57	181,812.82
Other Income	1,451.11	661.62
<b>Total Income</b>	<b>194,870.68</b>	<b>182,474.44</b>
Earnings before Finance Cost, Depreciation and Amortization	8,934.79	13,933.72
Less:		
Finance Cost	5,021.68	4,634.97
Depreciation and Amortization	837.95	999.33
<b>Net Profit before Exceptional items &amp; Taxes</b>	<b>3,075.16</b>	<b>8,299.42</b>
Add: Exceptional items	873.79	-
<b>Net Profit for the year before Taxes</b>	<b>3,948.95</b>	<b>8,299.42</b>
<b>Less: Provision for Taxes</b>		
Current Tax	712.12	2,942.00
Deferred Tax Assets	632.74	(148.48)
(Excess)/ Short Provision for tax of earlier years	-	-
<b>Profit after tax</b>	<b>2,604.09</b>	<b>5,505.90</b>
Add: Balance Brought Forward from Previous Year	19,918.85	16,720.43
Add: Employee Stock Options outstanding at the commencement of the year	24.85	71.83
<b>Surplus Available for Appropriation</b>	<b>22,547.79</b>	<b>22,298.16</b>
<b>Appropriations:</b>		
Transfer to General Reserve	-	550.59
Proposed Dividend	667.20	1,500.84
Dividend Tax	164.93	255.06
Equity Dividend including dividend distribution tax paid for earlier years	0.42	0.98
<b>Total Appropriations</b>	<b>832.55</b>	<b>2,307.47</b>
<b>Surplus Available after Appropriation</b>	<b>21,715.24</b>	<b>19,990.69</b>
Add: Addition/(reduction) on option granted	(8.23)	(46.98)
Add : Balance in Security Premium Account	16,775.59	16,752.19
Add : Balance General Reserve	1,400.60	1,400.60
Add : Balance Capital Reserve	-	-
<b>Balance carried forward to Balance Sheet</b>	<b>39,883.20</b>	<b>38,096.50</b>

## DIRECTORS' REPORT

### FINANCIAL PERFORMANCE:

Your Company has reported revenue growth during the financial year 2014 - 2015. Total income increased to ₹ 194,870.68 Lakhs from ₹ 182,474.44 Lakhs in the previous financial year, at a growth rate of 6.79%. The profit before tax decreased to ₹ 3,948.95 Lakhs, down by 52.42% while net profit after tax decreased to ₹ 2,604.09 Lakhs, down by 52.70%.

Sale of Gold Jewellery increased by 3.74% to ₹ 145,669.74 Lakhs as compared to ₹ 140,423.02 Lakhs during the previous financial year. Sale of Diamond-studded Jewellery increased by 14.99% to ₹ 43,351.40 Lakhs as compared to ₹ 37,701.21 Lakhs during the previous financial year.

The Gross Profit Margin for the financial year 2014 - 2015 has declined to 13.84% from 16.97% in the previous financial year. In the absolute term the Gross Profit has decreased to ₹ 26,778.45 Lakhs as compared to ₹ 30,848.61 Lakhs during the previous financial year.

The EBITDA for the financial year 2014 - 2015 has declined to 4.58% from 7.64% in the previous financial year.

During the current financial year, your Company has opened one new showroom in Jamshedpur (Jharkhand) totaling the number of showrooms to twenty eight in twenty two cities and ten states.

### DIVIDEND:

Your Directors are pleased to recommend the dividend of 10%, i.e. dividend of ₹ 1 (one rupee only) per equity share of face value of ₹ 10 each for the financial year ended 31<sup>st</sup> March, 2015, subject to the approval of the Members at the ensuing Annual General Meeting, against the normal dividend of ₹ 1.50 (one rupee fifty paise only) per equity share of face value of ₹ 10 each, i.e. 15% and special dividend of ₹ 0.75 (seventy five paise only) per equity share of face value of ₹ 10 each, i.e. 7.50% on the special occasion of completion of the 150<sup>th</sup> year of the organization amounting to the total dividend of ₹ 2.25 (two rupees twenty five paise only) per equity share of face value of ₹ 10 each i.e. 22.50% for the previous financial year ended 31<sup>st</sup> March, 2014.

The total outgo for the current financial year amounts to ₹ 80,302,502 (\*) (Rupees Eight Crores Three Lakhs Two Thousand Five Hundred Two only) including dividend distribution tax of ₹ 13,582,602 (\*) (Rupees One Crore Thirty Five Lakhs Eighty Two Thousand Six Hundred Two only) for the current financial year ended 31<sup>st</sup> March, 2015, as compared to the normal dividend of ₹ 117,088,421 (Rupees Eleven Crores Seventy Lakhs Eighty Eight Thousand Four Hundred Twenty One only) including dividend distribution tax of ₹ 17,008,571 (Rupees One Crore Seventy Lakhs Eight Thousand Five Hundred Seventy One only) and the special dividend of ₹ 58,544,210 (Rupees Five Crores Eighty Five Lakhs Forty

Four Thousand Two Hundred Ten only) including dividend distribution tax of ₹ 8,504,285 (Rupees Eighty Five Lakhs Four Thousand Two Hundred Eighty Five only) on the special occasion of completion of the 150<sup>th</sup> year of the organization amounting to the total outgo for the previous financial year was of ₹ 175,632,631 (Rupees Seventeen Crores Fifty Six Lakhs Thirty Two Thousand Six Hundred Thirty One only) including dividend distribution tax of ₹ 25,512,856 (Rupees Two Crores Fifty Five Lakhs Twelve Thousand Eight Hundred Fifty Six only) for the previous financial year ended 31<sup>st</sup> March, 2014.

(\*) However, under the Employees Stock Option Scheme, viz. 'TBZ ESOP, 2011' the third tranche of 23,007 granted options are vested to the employee(s) and the vesting period opened from 9<sup>th</sup> May, 2015 to 8<sup>th</sup> June, 2015, where eligible employee(s) could exercise their options. As on the date of signing of this Director's Report, the employees have yet to exercise their options. The period of exercise and allotment of the Equity Shares under the ESOP Scheme will fall before the date of book closure and the said allotment will also have the right to dividend as the new Equity Shares shall rank pari passu with the existing Equity Shares in all respects. The above stated dividend amount including dividend tax amount will be subject to change to the extent of number of Equity Shares that get allotted under 'TBZ ESOP, 2011'.

### CHANGES IN THE NATURE OF BUSINESS, IF ANY:

During the financial year 2014 - 2015 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, 2015 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 2014 - 2015 there was no change in the Authorised Share Capital of your Company.

### CHANGES IN PAID-UP SHARE CAPITAL:

During the financial year 2014 - 2015, the Paid-up Share Capital of your Company increased from ₹ 667,039,950 to ₹ 667,199,000 (i.e. from 66,703,995 Equity Shares to 66,719,900 Equity Shares), due to the fresh allotment of 15,905 Equity Shares made by your Company on 10<sup>th</sup> June, 2014 to the eligible employees who have exercised their Options under the 2<sup>nd</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



## DIRECTORS' REPORT

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). Shareholders 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 Clause 49(V) (D) of the Listing Agreement. 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 Listing Agreement 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 required under the Listing Agreement with the Stock Exchanges, the audited consolidated financial statements of your Company incorporating both its wholly owned subsidiary companies are prepared in accordance with applicable Accounting Standards are attached.

During the year under review, your Board of Directors has cancelled the proposal for Merger of two wholly owned subsidiaries, viz. Tribhovandas Bhimji Zaveri (Bombay) Limited and Konfiaance Jewellery Private Limited with the Holding Company, i.e. Tribhovandas Bhimji Zaveri Limited under the Scheme of Amalgamation. The proposal of Merger was approved by the Board of Directors in the Board Meeting held on 28<sup>th</sup> May, 2013. The Board of Directors of your Company was of the opinion that your Company will benefit by not merging these two wholly owned subsidiary companies with your Company. The required intimation has already been given to both the Stock Exchanges.

### 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 2014 - 2015, has reported a total revenue of ₹ 1,514.45 Lakhs, loss before tax of ₹ 296.95 Lakhs and net loss of ₹ 296.95 Lakhs.

### ii) Konfiaance Jewellery Private Limited

Konfiaance Jewellery Private Limited is a non-operational company. During the financial year 2014 - 2015, 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, 2015, your Company was operating from twenty eight showrooms in twenty two cities and ten states and your Company has one Corporate Office at Tulsiani Chambers, Nariman Point.

During the year under review your Company has opened one new showroom at Jamshedpur (Jharkhand).

## AWARDS & RECOGNITION:

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

Year	Awards
2014	10 <sup>th</sup> Annual Gemfields & Nazraana Retail Jeweller India Awards 2014 in two categories - (i) Colored Gemstone Jewellery of the year, and (ii) 360 Degree Marketing Campaign of the year.
2014	"Indian Jeweller (IJ) Jewellers' Choice Design Awards 2014 in two categories - (i) Diamond Jewellery over ₹ 5,00,000, and (ii) Best Bracelets Design over ₹ 5,00,000
2015	"Best Jewellery Company" award at the second Gem & Jewellery Trade Council of India (GJTCI) Excellence Awards.
2015	"Best Gold Jewellery of the year – In Vogue Award" at 5 <sup>th</sup> National Jewellery Award organized by All India Gems and Jewellery Trade Federation (GJF).
2015	"Asia's most promising Brands – 2014" Award from the World Consulting & Research Corporation (WCRC).

## DIRECTORS' REPORT

### NEW PRODUCT LAUNCH:

Your Company has launched new solitaire collection which gives the customers wide variety of gifting solutions. The new solitaire collection offers an exquisite range of earrings, pendants, rings with perfect illusion of a solitaire which surely will provide most personal form of gifting to celebrate the special moments of life.

Your Company has also launched a new diamond wedding jewellery collection with an objective to increase share of diamond jewellery sales and reinforce the brand position as a wedding jewellers. The whole campaign was promoted through various mediums including television advertisement.

### 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-/Stable', and has assigned its 'CRISIL A2+' rating to your Company's Commercial Paper programme, vide letter Ref. No. CN/CR/TBZ/2014/CH1034 dated 31<sup>st</sup> December, 2014 which is stated as follows:

Total Bank Loan Facilities Rated	₹ 7,350 Million
Long-Term Rating	CRISIL A- / Stable (Reaffirmed)
₹ 500 Million Commercial Paper Programme	CRISIL A2+ (CRISIL A two plus Assigned)

CRISIL has again reviewed the Credit Rating to the long-term bank facilities of your Company, vide letter Ref. No. TBZPL/122222/BLR/021500693 dated 16<sup>th</sup> February, 2015 which is stated as follows:

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

### INCREASE IN INVENTORIES:

The inventory of your Company as on 31<sup>st</sup> March, 2015 has increased by ₹ 179.09 Lakhs as compared to the inventory on 31<sup>st</sup> March, 2014. 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.

### RECENT DEVELOPMENT(S):

During the year under review your Company has opened one (1) new showroom at Jamshedpur (Jharkhand).

During the year under review, your Company has announced TBZ franchising opportunity and invited franchisees to be part of jewellery retailing business. Through franchising opportunity, entrepreneurs can open TBZ – The Original stores across India and retail the brand's product including over 20,000 in-house designs.

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

### FOLLOW PRINCIPLES OF CASH FLOW HEDGE ACCOUNTING (AS – 30):

With effect from 1<sup>st</sup> April, 2014, your Company has decided to 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 to hedge the gold price fluctuation risk on its highly probable cash flows from future sales transactions. Upon the expiry of contracts, gain amounting to ₹ 780.74 Lakhs for the year has been shown under the head 'Other Income'. There were no commodity forward contracts outstanding as on 31<sup>st</sup> March, 2015.

### CHANGE IN METHOD OF DEPRECIATION:

Effective 1<sup>st</sup> April, 2014, your Company and its wholly owned subsidiary have 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. Accordingly, excess depreciation charged for earlier years upto 31<sup>st</sup> March, 2014 aggregating ₹ 873.79 Lakhs (net of deferred tax adjustments ₹ 576.79 Lakhs) and in consolidated results ₹ 934.34 Lakhs (net of deferred tax adjustments ₹ 637.34 Lakhs) has been written back and recognized as an exceptional item in the Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2015. Following would have be the situation, if your Company continued to use the earlier method of depreciation:

(₹ in Lakhs)

Particulars	Standalone Year ended 31 <sup>st</sup> March, 2015	Consolidated Year ended 31 <sup>st</sup> March, 2015
1. Depreciation charge for the year would have been higher by	513.94	523.79
2. Deferred tax expense for the year would have been lower by	174.69	174.69
3. Net profit for the year would have been lower by	916.04	986.44

## DIRECTORS' REPORT

### 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 to the Board for their approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis 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%20Transactions%20&%20Dealing%20with%20RPT.pdf>.

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

A statement of related party transactions pursuant to Accounting Standard - 18 forms a part of notes to accounts.

### TRANSFER TO RESERVES:

During the year under review, your Company has transferred ₹ 23.39 Lakhs (on account of allotment of 15,905 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-%2004.08.2014.pdf>.

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

As part of initiatives under "Corporate Social Responsibility (CSR)", for the financial year 2014 – 2015, your Company has shortlisted the specific activities/ projects in the area of 'Promoting Healthcare including Preventive Healthcare' which is falling under item (i) of Schedule VII of the Act and 'Promoting Education' which is falling under item (ii) of Schedule VII of the Act. Your Company will also undertake other need based initiatives in compliance with Schedule VII to the Act.

For the financial year 2014 – 2015, your Company has incurred expenditure of ₹ 5,000,000 (Rupees Fifty Lakhs only) through Dr. Ernest Borges Memorial Fund (Body Affiliated to Tata Memorial Centre) and Dr. Ernest Borges Memorial Home (which is registered under Mumbai Public Trust Act, 1950). The said expenditure amount will be used for "Specialist Palliative Medicine Unit and Palliative Medicine & Psycho-oncology Education Centre" at Dr. Earnest Borges Memorial Home by Tata Memorial Centre. The purpose of this project

## DIRECTORS' REPORT

is to establish a freestanding inpatient specialist palliative medicine unit, catering to the specialist palliative care needs of patient with advanced life limiting cancer, to educate healthcare providers on specialist palliative care, promote research in palliative medicine and undertaken advocacy.

The objective of this activity is (1) to establish 20 bedded palliative medicine unit. Part beds will be used as a unit for empowerment of patients and their families, from out of town. Part beds will be utilized for respite care for Mumbai patients; (2) education centre for training in both adult and pediatric palliative medicine; and (3) training Centre for psycho-oncology. This project is largely in accordance with Schedule VII of the Companies Act, 2013.

Your Company is fully committed to incur expenditure towards CSR activities as per the requirement of Section 135 of the Companies Act, 2013. As this being the first year of the CSR activity of your Company, it has initially incurred expenditure of ₹ 50 Lakhs for the financial year 2014 – 2015 instead of the required CSR amount of ₹ 19,565,600 (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 amount of ₹ 14,565,600 as on 31<sup>st</sup> March, 2015. As the financial year 2014 – 2015 being the first 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 expenditure as stated above in haste. Your Company is fully committed to participate whole heartedly under the CSR Activities.

Your Company has further contributed ₹ 21 Lakhs to Prime Minister National Relief Fund in the first week of May, 2015. The CSR Committee has recommended and the Board has approved and decided to consider this expenditure out of the balance pending expenditure for the financial year 2014 – 2015. In consideration of this amount the total expenditure for the financial year 2014 – 2015 will turn to be ₹ 71 Lakhs and the balance unspent CSR expenditure amount is of ₹ 12,465,600 for the financial year 2014 – 2015 as on the date of signing of this Director's Report.

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. As per SEBI Circular Reference No. CIR/CFD/POLICY CELL/2/2014 dated 17<sup>th</sup> April, 2014 issued by Securities and Exchange Board of India (SEBI) towards the requirement of Clause 49(VI)(C) of the Listing Agreement 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' REPORT

### 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 for the period of five years from 1<sup>st</sup> January, 2011 to 31<sup>st</sup> December, 2015.

Your Company proposes to fix the remuneration payable to Mr. Shrikant Zaveri, Chairman & Managing Director of your Company, for the balance period of nine months of his term, i.e. from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> December, 2015, subject to the approval of Members by way of a Special Resolution at the ensuing eighth Annual General Meeting of your Company and details of the same will be available in the notice forming part of the Annual Report.

The Board of Directors on recommendation of Nomination and Remuneration Committee has fixed the remuneration payable to Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors of your Company, for the period from 1<sup>st</sup> January, 2015 to 31<sup>st</sup> December, 2015. Your Board has recommended the same salary, as fixed by the Members for period of 1<sup>st</sup> January, 2014 to 31<sup>st</sup> December, 2014, without proposing any increment to both these Directors for the period from 1<sup>st</sup> January, 2015 to 31<sup>st</sup> December, 2015, which is within the limits approved by the Members by way of Special Resolution in the sixth Annual General Meeting of your Company held on 30<sup>th</sup> August, 2013.

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.

During the year under review, the Members by way of Ordinary Resolution passed at the seventh Annual General Meeting of your Company held on 24<sup>th</sup> September, 2014, has changed the term of appointment of Ms. Binaisha Zaveri (DIN: 00263657), Whole-time Director of your Company from Director not liable to retire by rotation to Director liable to retire by rotation.

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

Pursuant to Sections 149, 152 and all other applicable provisions of the Companies Act, 2013, read with the

Companies (Appointment and Qualification of Directors) Rules, 2014 along with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the Independent Directors can hold office for a 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 this programme 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 for Independent Directors is available on the website of your Company at link: <http://www.tbztheoriginal.com/pdf/TBZ-Familiarization-Program-of-ID.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 separate position of Chief Executive Officer (CEO). Your Company has designated Mr. Prem Hinduja, Chief Executive Officer (CEO), Mr. Saurav Banerjee, Chief Financial Officer (CFO) and Mr. Niraj Oza, Company Secretary & Compliance Officer of your Company as the Key Managerial Personnel as per the requirement of Section 203 of the Companies Act, 2013.

### BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges, 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.

## DIRECTORS' 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 2014 - 2015, six Board Meetings were convened and held on 19<sup>th</sup> May, 2014, 10<sup>th</sup> June, 2014, 4<sup>th</sup> August, 2014, 24<sup>th</sup> September, 2014, 4<sup>th</sup> November, 2014 and 3<sup>rd</sup> February, 2015. Total four Audit Committee Meetings were convened and held on 19<sup>th</sup> May, 2014, 4<sup>th</sup> August, 2014, 4<sup>th</sup> November, 2014 and 3<sup>rd</sup> February, 2015. 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 the financial year;
- (c) that they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013. They confirm that there are adequate systems and controls for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (d) that they have prepared the Annual Accounts on a going concern basis;
- (e) that they have laid down the proper internal financial controls to be followed by your Company and that such internal financial controls were adequate and were operating effectively;

- (f) that they have selected proper systems to ensure the compliance with all applicable laws and such systems are 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, 2015 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	-	NIL
Outflow	-	₹ 603.08 Lakhs

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

During the financial year 2014 – 2015, 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

## DIRECTORS' REPORT

Company's website at the link: <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 1,476 as on 31<sup>st</sup> March, 2015. Employee Relations continued to be cordial at all levels.

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

### EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return 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 Clause 49 of the Listing Agreement. A detailed report on Corporate Governance forms part of this Report. The Statutory Auditor's Certificate as per the requirements of Clause 49 (XI) of the Listing Agreement, on compliance with Corporate Governance requirements by your Company is attached to the Report on Corporate Governance.

### 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 2015 - 2016. 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.

### 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, 2015. 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:

The details of the shares issued under ESOP, as also the disclosures in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are set out in the "Annexure – A" 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.

In third tranche total 23,007 Options consisting of 12,287 Stock Options of ₹ 149.93 each and 10,720 Restricted Stock Units (RSUs) of face value of ₹ 10 each are due for exercise and for which vesting period has started on 9<sup>th</sup> May, 2015 and will expire on 8<sup>th</sup> June, 2015. As on date of signing of this Directors' Report the eligible employees have yet not exercised their Options.

### CONSOLIDATED FINANCIAL STATEMENTS:

Your Directors are pleased to attach the Consolidated Financial Statements pursuant to Section 129 and all other applicable provisions of the Companies Act, 2013 and as per the requirement of Clause 32 of the Listing Agreement entered into with the Stock Exchanges 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.



## DIRECTORS' REPORT

### 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 have approved by way of Ordinary Resolution passed in the 7<sup>th</sup> Annual General Meeting of your Company held on 24<sup>th</sup> September, 2014, the appointment of M/s. B S R & Co. LLP (Firm Registration No. 101248W/W-100022), Chartered Accountants, Mumbai as a Statutory Auditors of your Company for the period of four financial years from 2014 - 2015 to 2017 - 2018 in place of M/s. B S R and Co (Firm Registration No. 128510W) being the retiring Auditor who has showed unwillingness to continue as the Statutory Auditors of your Company as per the requirement of Section 139(1) and all other applicable provisions of the Companies Act, 2013.

A resolution proposing 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 2015-2016, pursuant to Sections 139(1), 142 and all other applicable provisions of the Companies Act, 2013 forms part of the Notice.

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. As required under Clause 49 of the Listing Agreement, 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.

### 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 2015 - 2016.

### 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.

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.

### 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

Date: 12<sup>th</sup> May, 2015  
Place: Mumbai

**Shrikant Zaveri**  
Chairman & Managing Director

**Raashi Zaveri**  
Whole-time Director

## “ANNEXURE – A” TO DIRECTORS’ REPORT

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

Statement as on 31<sup>st</sup> March, 2015 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	
	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 (as on 12.01.2011)	97,124 (as on 12.01.2011)	111,309 (as on 12.01.2011)	97,124 (as on 12.01.2011)	111,309 (as on 12.01.2011)	97,124 (as on 12.01.2011)
(outstanding at the beginning of every year)	111,309 (as on 01.04.2012)	97,124 (as on 01.04.2012)	53,074 (as on 01.04.2013)	46,311 (as on 01.04.2013)	24,572 (as on 01.04.2014)	15,723 (as on 01.04.2014)
(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
(c) Options vested	NIL	NIL	17,690	21,153	12,285	5,003
(d) Options exercised	NIL	NIL	16,175	21,153	10,902	5,003
(e) The Total number of shares arising as a result of exercise of options	NIL	NIL	16,175	21,153	10,902	5,003
(f) Options lapsed (*)	58,235	50,813	12,327	9,435	1,383	NIL
(g) Variation of terms of options	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
(i) Total number of options in force	53,074	46,311	24,572	15,723	12,287	10,720
(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

## “ANNEXURE – A” TO DIRECTORS’ REPORT

[illegible]

## “ANNEXURE – A” TO DIRECTORS’ REPORT

Particulars	2012 – 2013		2013 – 2014		2014-2015	
	Stock Options	Restricted Stock Units (RSUs)	Stock Options	Restricted Stock Units (RSUs)	Stock Options	Restricted Stock Units (RSUs)
(i) risk-free interest rate	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
(iii) expected volatility	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.
(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

(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.

### 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



## “ANNEXURE – A” TO DIRECTORS’ REPORT

- (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**.

### 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**.

For and on behalf of the Board of Directors

Date: 12<sup>th</sup> May, 2015  
Place: Mumbai

Shrikant Zaveri  
Chairman & Managing Director

Raashi Zaveri  
Whole-time Director

## ANNEXURE 'B' TO BOARD'S REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2014 - 2015

**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 area of Promoting healthcare including preventive healthcare as well as Promoting Education through Dr. Ernest Borges Memorial Fund (Body affiliated to Tata Memorial Centre) which is operating/ based in Mumbai, Maharashtra and various other non-profit making organisations. Your Company also proposes to make contribution to the Prime Minister National Relief Fund.

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://www.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: ₹ 978,279,930

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

Your Company is required to spend ₹ 19,565,600 towards CSR activities.

## ANNEXURE 'B' TO BOARD'S REPORT

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

- Total amount spent for the financial year: ₹ 5,000,000 (#)
- Amount unspent, if any: balance Amount ₹ 14,565,600 (#)
- Manner in which the amount spent during the financial year 2014 - 2015 is detailed below:

Sl. No.	CSR Projects or Activities identified	Sector in which the Project is covered	Locations	Amount outlay (Budget) Project or Programs wise	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency*
			District (State)	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
1.	Specialist Palliative Medicine Unit and Palliative Medicine & Pschyco-oncology Education Center at the Dr. Ernest Borges Memorial Home by Tata Memorial Centre.	Promoting Healthcare including Preventive Healthcare as well as Promoting Education	Maharashtra (Mumbai)	50	50	50	50
	<p>{Project/ Activities: To establish a freestanding inpatient specialist palliative medicine unit, catering to specialist palliative care needs of patients with advanced life limiting cancer, to educate healthcare providers on specialist palliative care, promote research in palliative medicine and undertake advocacy.}</p> <p>{Objectives: (1) To establish 20 bedded palliative medicine unit. Part beds will be used as a unit for empowerment of patients and their families, from out of town. Part beds will be utilized for respite care beds will be utilized for respite care for Mumbai patients. (2) Education Centre for training in both adult and pediatric palliative medicine, (3) Training Centre for psycho-oncology.}</p>						
	<b>Total Amount</b>			<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>

#### \*Details of implementing Agency –

Dr. Ernest Borges Memorial Fund (Body affiliated to Tata Memorial Centre)

{Dr. Ernest Borges Memorial Home (Registered under Mumbai Public Trust Act, 1950)}

## ANNEXURE 'B' TO BOARD'S REPORT

### 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 2014 - 2015:

Your Company is fully committed to incur expenditure towards CSR activities of your Company as per the requirement of Section 135 of the Companies Act, 2013. As this being the first year of the CSR activity of your Company, it has initially incurred expenditure of ₹ 50 Lakhs for the financial year 2014 – 2015 instead of the required expenditure of ₹ 19,565,600 (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 amount of ₹ 14,565,600. As the financial year 2014 – 2015 being the first 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 expenditure as stated above in haste in the financial year 2014 – 2015 but decided to make the required expenditure as and when your Company finds proper projects or area in the coming financial years. Your Company is fully committed to participate whole heartedly under the CSR Activities.

(#) Your Company has further contributed ₹ 21 Lakhs to Prime Minister National Relief Fund in first week of May, 2015, but the Board has decided to consider the same out of the balance pending expenditure for the financial year 2014 – 2015. In consideration of this amount the total expenditure for the financial year 2014 – 2015 will be ₹ 71 Lakhs and the balance unspent CSR expenditure amount is of ₹ 12,465,600 for the financial year 2014 – 2015 as on the date of signing of this Director's Report.

### 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: 12<sup>th</sup> May, 2015  
Place: Mumbai

**Shrikant Zaveri**  
Chairman & Managing Director  
Chairman - CSR Committee

**Raashi Zaveri**  
Whole-time Director  
Member - CSR Committee

## ANNEXURE 'C' TO BOARD'S REPORT

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration 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 Tribhovandas Bhimji Zaveri Limited'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 2015, 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, 2015 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;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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.

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.



## ANNEXURE 'C' TO BOARD'S REPORT

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 I.

**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: 30/04/2015

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

### ANNEXURE I

1. Employees' Provident Fund Act, 1952 and misc provisions Act, 1952
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. Contract Labour Act, 1970
13. Labour Welfare Fund Act, 1953
14. Maternity Benefit Act, 1961
15. Factories Act, 1948
16. Industrial Dispute Act, 1947
17. The Workmen's Compensation Act, 1923
18. The Payment of Wages Act, 1936
19. The Contract Labour (regulation & abolition ) Act, 1970
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
27. Indian Performance Act
28. Bureau of Indian Standard (BIS) (Hallmarking)
29. Design Act, 2000
30. Equal Remuneration Act, 1976
31. Income Tax Act, 1961
32. Finance Act, 1994

## ANNEXURE 'D' TO BOARD'S REPORT

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2015

**[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. Tel. No.: (022) 3956 5001 Fax No.: (022) 3956 5056 Email Add.: <a href="mailto:investors@tbzoriginal.com">investors@tbzoriginal.com</a> Website Add.: <a href="http://www.tbztheoriginal.com">www.tbztheoriginal.com</a>
<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 Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel. No. (040) 6716 1606, (040) 6716 1602 Fax. No. 040-23420814 Email Add.: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> Website Add.: <a href="https://karvycomputershare.com">https://karvycomputershare.com</a>

#### 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> 241/ 43, Zaveri Bazar, Mumbai - 400 002. Tel. No.: (022) 3956 5001 Fax No.: (022) 3956 5056	U36911MH1986PLC039643	Subsidiary	100	2(87)
<b>Konfaance Jewellery Private Limited</b> 241/ 43, Zaveri Bazar, Mumbai - 400 002. Tel. No.: (022) 3956 5001 Fax No.: (022) 3956 5056	U36912MH2009PTC195716	Subsidiary	100	2(87)

## ANNEXURE 'D' TO BOARD'S 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	
A. Promoters									
(1) Indian									
a) Individual / HUF	46,759,775	-	46,759,775	70.10	46,759,775	-	46,759,775	70.08	-0.02
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.....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	49,459,775	-	49,459,775	74.15	49,459,775	-	49,459,775	74.13	-0.02
(2) Foreign									
a)NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	49,459,775	-	49,459,775	74.15	49,459,775	-	49,459,775	74.13	-0.02
B. Public Shareholding									
(1) Institutions									
a)Mutual Funds/ UTI	336	-	336	0.00	29,711	-	29,711	0.04	0.04
b)Banks / FI	12,977	-	12,977	0.02	6,711	-	6,711	0.01	-0.01
c)Central Govt.	-	-	-	-	-	-	-	-	-
d)State Govt.(s)	-	-	-	-	-	-	-	-	-
e)Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	10,151,733	-	1,01,51,733	15.22	1,07,23,068	-	1,07,23,068	16.07	0.85
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	10,165,046	-	10,165,046	15.24	10,759,490	-	10,759,490	16.13	0.89

## ANNEXURE 'D' TO BOARD'S 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>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>	3,039,746	-	3,039,746	4.56	2,751,033	-	2,751,033	4.12	-0.44
i) Indian									
ii) Overseas									
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	2,049,290	270	2,049,560	3.07	1,888,893	450	1,889,343	2.83	-0.24
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	1,825,352	-	1,825,352	2.74	1,715,759	-	1,715,759	2.57	-0.17
<b>c) 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	68,736	-	68,736	0.10	117,801	-	117,801	0.18	0.08
v) Clearing Members / Clearing House	95,280	-	95,280	0.14	26,449	-	26,449	0.04	-0.10
vi) Trusts	500	-	500	0.00	250	-	250	0.00	0.00
vii) Limited Liability Partnership	-	-	-	-	-	-	-	-	-
viii) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
ix) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2):</b>	<b>7,078,904</b>	<b>270</b>	<b>7,079,174</b>	<b>10.61</b>	<b>6,500,185</b>	<b>450</b>	<b>6,500,635</b>	<b>9.74</b>	<b>-0.87</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>17,243,950</b>	<b>270</b>	<b>17,244,220</b>	<b>25.85</b>	<b>17,259,675</b>	<b>450</b>	<b>17,260,125</b>	<b>25.87</b>	<b>0.02</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>66,703,725</b>	<b>270</b>	<b>66,703,995</b>	<b>100.00</b>	<b>66,719,450</b>	<b>450</b>	<b>66,719,900</b>	<b>100.00</b>	<b>0.00</b>

## ANNEXURE 'D' TO BOARD'S REPORT

### ii) Shareholding of Promoters:

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in share holding during the year
Shrikant Gopaldas Zaveri	33,402,275	50.08	-	33,402,275	50.06	-	-0.02
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	5.25	-	-
Tribhovandas Bhimji Zaveri (TBZ) Private Limited	1,350,000	2.02	-	1,350,000	2.02	-	-
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>74.15</b>	<b>-</b>	<b>49,459,775</b>	<b>74.13</b>	<b>-</b>	<b>-0.02</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	49,459,775	74.15	49,459,775	74.15
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 15,905 Equity Share on 10<sup>th</sup> June, 2014 under 2<sup>nd</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	49,459,775	74.13	49,459,775	74.13



## ANNEXURE 'D' TO BOARD'S REPORT

- 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	
		Shareholders	% 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	4,335,732	6.50
2	HSBC Global Investment Funds A/C HSBC GIF Mauritius Limited	2,785,024	4.18	2,508,700	3.76
3	Acacia Partners, LP	878,509	1.32	449,549	0.67
4	Morgan Stanley Asia (Singapore) PTE.	548,081	0.82	310,500	0.47
5	Acacia Institutional Partners, LP	541,855	0.81	317,330	0.48
6	Keki Jimmy Unwalla	500,000	0.75	500,000	0.75
7	Jai-Vijay Resources Pvt. Ltd.	458,397	0.69	458,397	0.69
8	Acacia Conversation Fund LP	373,366	0.56	317,330	0.48
9	Acacia Banyan Partners	336,655	0.50	211,555	0.32
10	ISSSL Settlement and Transaction Services Limited	312,000	0.47	142,000	0.21
11	Goldman Sachs India Fund Limited	NIL	NIL	9,89,168	1.48
12	Swedbank Robur Global Emerging Markets	NIL	NIL	5,00,000	0.75
13	Steinberg India Emerging Opportunities Fund Limited	NIL	NIL	4,75,000	0.71

"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 (01.04.14)/ end of the year (31.03.15)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.14 to 31.03.15)	
		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	01.04.14	0	Nil movement during the year		
		4,335,732	6.50	31.03.15			4,335,732	6.50
2	HSBC Global Investment Funds A/C HSBC GIF Mauritius Limited	2,785,024	4.18	01.04.14				
				23.05.14	-82,437	Transfer	2,702,587	4.05
				06.02.15	-2,724	Transfer	2,699,863	4.05
				13.02.15	-23,889	Transfer	2,675,974	4.01
				20.02.15	-17,299	Transfer	2,658,675	3.98
				27.02.15	-1,49,975	Transfer	2,508,700	3.76
		2,508,700	3.76	31.03.15			2,508,700	3.76

## ANNEXURE 'D' TO BOARD'S 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 (01.04.14)/ end of the year (31.03.15)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.14 to 31.03.15)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
3	Acacia Partners, LP	878,509	1.32	01.04.14				
				30.05.14	-368,509	Transfer	510,000	0.76
				11.07.14	-53,343	Transfer	456,657	0.68
				30.09.14	-7,108	Transfer	449,549	0.67
		449,549	0.67	31.03.15			449,549	0.67
4	Morgan Stanley Asia (Singapore) PTE.	548,081	0.82	01.04.14				
				13.06.14	-12,221	Transfer	535,860	0.80
				20.06.14	-14,283	Transfer	521,577	0.78
				01.08.14	-65,696	Transfer	455,881	0.68
				08.08.14	-88,381	Transfer	367,500	0.55
				30.09.14	1,39,000	Transfer	506,500	0.76
				31.12.14	-1,22,000	Transfer	384,500	0.58
				09.01.15	-74,000	Transfer	310,500	0.47
		310,500	0.47	31.03.15			310,500	0.47
5	Acacia Institutional Partners, LP	541,855	0.81	01.04.14				
				30.05.14	-1,81,855	Transfer	360,000	0.54
				11.07.14	-37,654	Transfer	322,346	0.48
				30.09.14	-5,016	Transfer	317,330	0.48
		317,330	0.48	31.03.15			317,330	0.48
6	Keki Jimmy Unwalla	500,000	0.75	01.04.14	0	Nil movement during the year		
		500,000	0.75	31.03.15			500,000	0.75
7	Jai-Vijay Resources Pvt. Ltd.	458,397	0.69	01.04.14	0	Nil movement during the year		
		458,397	0.69	31.03.15			458,397	0.69
8	Acacia Conversation Fund LP	373,366	0.56	01.04.14				
				30.05.14	-13,366	Transfer	360,000	0.54
				11.07.14	-37,654	Transfer	322,346	0.48
				30.09.14	-5,016	Transfer	317,330	0.48
		317,330	0.48	31.03.15			317,330	0.48
9	Acacia Banyan Partners	336,655	0.50	01.04.14				
				30.05.14	-96,655	Transfer	240,000	0.36
				11.07.14	-25,100	Transfer	214,900	0.32
				30.09.14	-3,345	Transfer	211,555	0.32
		211,555	0.32	31.03.15			211,555	0.32

## ANNEXURE 'D' TO BOARD'S 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 (01.04.14)/ end of the year (31.03.15)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.14 to 31.03.15)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
10	ISSL Settlement and Transaction Services Limited	3,12,000	0.47	01.04.14				
				09.05.14	-126,000	Transfer	186,000	0.28
				30.06.14	-184,000	Transfer	2,000	0.00
				08.08.14	26,000	Transfer	28,000	0.04
				30.09.14	-28,000	Transfer	0	0.00
				13.02.15	142,000	Transfer	142,000	0.21
		1,42,000	0.21	31.03.15	142,000		142,000	0.21
11	Goldman Sachs India Fund Limited	NIL	NIL	01.04.14				
				30.05.14	449,760	Transfer	449,760	0.67
				20.06.14	190,176	Transfer	639,936	0.96
				14.11.14	25,102	Transfer	665,038	1.00
				21.11.14	39,678	Transfer	704,716	1.06
				12.12.14	35,208	Transfer	739,924	1.11
				30.01.15	77,778	Transfer	817,702	1.23
				06.02.15	31,095	Transfer	848,797	1.27
				27.02.15	83,683	Transfer	932,480	1.40
				06.03.15	56,688	Transfer	989,168	1.48
		9,89,168	1.48	31.03.15			989,168	1.48
12	Swedbank Robur Global Emerging Markets	NIL	NIL	01.04.14				
				28.11.14	96,948	Transfer	96,948	0.15
				05.12.14	101,216	Transfer	198,164	0.30
				12.12.14	87,726	Transfer	285,890	0.43
				19.12.14	64,110	Transfer	350,000	0.52
				23.01.15	149,997	Transfer	499,997	0.75
				30.01.15	3	Transfer	500,000	0.75
		5,00,000	0.75	31.03.15			500,000	0.75
13	Steinberg India Emerging Opportunities Fund Limited	NIL	NIL	01.04.14				
				30.05.14	290,500	Transfer	290,500	0.44
				06.06.14	136,402	Transfer	426,902	0.64
				13.06.14	112,044	Transfer	5,38,946	0.81
				20.06.14	81,054	Transfer	620,000	0.93
				11.07.14	18,000	Transfer	638,000	0.96
				18.07.14	27,889	Transfer	665,889	1.00
				08.08.14	68,000	Transfer	733,889	1.10
				12.09.14	-37,000	Transfer	696,889	1.04
				19.09.14	-46,889	Transfer	650,000	0.97
				30.09.14	-150,000	Transfer	500,000	0.75
				23.01.15	-25,000	Transfer	475,000	0.71
		4,75,000	0.71	31.03.15			475,000	0.71

## ANNEXURE 'D' TO BOARD'S REPORT

### 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	50.08	33,402,275	50.08
	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, but there is change in percentage only, due to fresh allotment of 15,905 Equity Share on 10 <sup>th</sup> June, 2014 under 2 <sup>nd</sup> tranche of 'TBZ ESOP, 2011' Scheme to the employees of the Company. (Only Change in % of total shares of the Company due to increase in Paid-up Share Capital of the Company)			
	At the end of the year	33,402,275	50.06	33,402,275	50.06
2	<b>Ms. Binaisha Zaveri, Whole-time Director</b>				
	At the beginning of the year	5,285,000	7.92	5,285,000	7.92
	Date wise Increase/ Decrease in Share Holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	There is no increase or decrease in shareholding during the year.			
	At the end of the year	5,285,000	7.92	5,285,000	7.92
3	<b>Ms. Raashi Zaveri, Whole-time Director</b>				
	At the beginning of the year	4,572,500	6.85	4,572,500	6.85
	Date wise Increase/ Decrease in Share Holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	There is no increase or decrease in shareholding during the year			
	At the end of the year	4,572,500	6.85	4,572,500	6.85
4	<b>Mr. Kamlesh Vikamsey, Independent Director</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Share Holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	There is no increase or decrease in shareholding during the year.			
	At the end of the year	NIL	NIL	NIL	NIL

## ANNEXURE 'D' TO BOARD'S REPORT

<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>

<b>Sl. No.</b>	<b>For Each of the Directors and KMP</b>	<b>Name of the Key Managerial Personnel (KMP)</b>			
		<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
<b>1</b>	<b>Mr. Prem Hinduja, Chief Executive Officer (Refer Annexure – II for details)</b>				
	At the beginning of the year	<b>17,987</b>	<b>0.03</b>	<b>17,987</b>	<b>0.03</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- 6552 Shares (Dated:-10.06.2014)	0.01	24,539	0.04
		2. Sell-76 Shares (Dated:-13.06.2014)	0.00	24,463	0.04
		3. Sell -12,000 Shares (Dated:-16.06.2014)	0.02	12,463	0.02
		4. Sell-5,911 Shares (Dated:- 17.06.2014)	0.01	6,552	0.01
	At the end of the year	<b>6,552</b>	<b>0.01</b>	<b>6,552</b>	<b>0.01</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>



## ANNEXURE 'D' TO BOARD'S REPORT

<b>3</b>	<b>Mr. Niraj Oza, Company Secretary &amp; Compliance Officer</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Share Holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	There is no increase or decrease in shareholding during the year			
	At the end of the year	NIL	NIL	NIL	NIL

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

For Key Managerial Personnel (Mr. Prem Hinduja, Chief Executive Officer)	Shareholding at the beginning of the year (01.04.14)/ end of the year (31.03.15)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.14 to 31.03.15)	
	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
Mr. Prem Hinduja	17,987	0.03	01.04.14				
			10.06.14	6,552	Allotment - ESOP	24,539	0.04
			13.06.14	-76	Transfer	24,463	0.04
			16.06.14	-12,000	Transfer	12,463	0.02
			17.06.14	-5,911	Transfer	6,552	0.01
	6,552	0.01	31.03.15			6,552	0.01

### V) INDEBTEDNESS

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

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	50,526.50	6,275.60	-	56,802.10
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	114.67	-	-	114.67
<b>Total (i+ii+iii)</b>	<b>50,641.18</b>	<b>6,275.60</b>	<b>-</b>	<b>56,916.78</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	7,304.02	-	-	7,304.02
- Reduction	-	5,783.53	-	5,783.53
<b>Net Change</b>	<b>7,304.02</b>	<b>5,783.53</b>	<b>-</b>	<b>1,520.49</b>

## ANNEXURE 'D' TO BOARD'S REPORT

Indebtedness at the end of the financial year				
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>

### VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount (₹ in Lakhs)
		Mr. Shrikant Zaveri, Chairman & Managing Director	Ms. Binaisha Zaveri, Whole-time Director	Ms. Raashi Zaveri, Whole-time Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	164.27	81.78	81.78	327.83
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - Others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>164.27</b>	<b>81.78</b>	<b>81.78</b>	<b>327.83</b>
	Ceiling as per the Act (*)	213.84	106.92	106.92	427.68

(\*) (₹ 427.68 Lakhs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013))

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

Particulars of Remuneration	Name of Directors			Total Amount (₹ in Lakhs)
	Kamlesh Vikamsey	Ajay Mehta	Sanjay Asher	
- Fee for attending Board / Committee Meetings	1.90	2.70	1.50	6.10
Commission	10.00	10.00	10.00	30.00
Others, please specify				
<b>Total</b>	<b>11.90</b>	<b>12.70</b>	<b>11.50</b>	<b>36.10</b>

## ANNEXURE 'D' TO BOARD'S REPORT

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (₹ in Lakhs)
		Mr. Prem Hinduja Chief Executive Officer	Mr. Saurav Banerjee Chief Financial Officer	Mr. Niraj Oza Company Secretary	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	81.86	64.20	20.57	166.63
	(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	2.24	-	-	2.24
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - Others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (C)</b>	<b>84.10</b>	<b>64.20</b>	<b>20.57</b>	<b>168.87</b>

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

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

For and on behalf of the Board of Directors

Date: 12<sup>th</sup> May, 2015  
Place: Mumbai

**Shrikant Zaveri**  
Chairman & Managing Director

**Raashi Zaveri**  
Whole-time Director

## ANNEXURE 'E' TO BOARD'S 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.

#### 1. Objective

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

The Key Objectives of the Committee would be:

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

#### 2. Definitions

- 2.1. "**Act**" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. "**Board**" means the Board of Directors of the Company.
- 2.3. "**Directors**" mean the Directors of the Company.
- 2.4. "**Key Managerial Personnel**" or "**KMP**" means:

- (i) Managing Director or Chief Executive Officer or the Manager and in their absence Whole-time Director;
- (ii) Company Secretary
- (iii) Chief Financial Officer;
- (iv) Such other officers as may be prescribed.

2.5. "**Senior Management Personnel**" mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including functional heads.

#### 3. Role of Committee

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

The Committee shall:

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

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

###### 3.2.1. Appointment criteria and qualifications:

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

###### 3.2.2. Term / Tenure:

- a) Managing Director / Whole-time Director:  
The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding

## ANNEXURE 'E' TO BOARD'S REPORT

- five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) Independent Director:
- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's Report.
  - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
  - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.
- 3.2.3. Evaluation:
- The Committee shall carry out evaluation of performance of every Director, Key Managerial Personnel (KMP) and Senior Management Personnel at regular interval (yearly).
- 3.2.4. Removal:
- Due to reasons of any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, Key Managerial Personnel (KMP) or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules and Regulations.
- 3.2.5. Retirement:
- The Director, Key Managerial Personnel (KMP) and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, Key Managerial Personnel (KMP) and Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.
- 3.3. Policy relating to the Remuneration for the Whole-time Director, Key Managerial Personnel (KMP) and Senior Management Personnel
- 3.3.1. General:
- (a) The remuneration / compensation / commission etc. to the Whole-time Director, Key Managerial Personnel (KMP) and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. of the Directors shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
  - (b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company, if any, and as per the provisions of the Act and the Rules framed thereunder.
  - (c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
  - (d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary, Senior Management Personnel and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- 3.3.2. Remuneration to Whole-time / Executive / Managing Director, Key Managerial Personnel (KMP) and Senior Management Personnel:
- (a) Fixed pay:  
The Whole-time Director/ Key Managerial Personnel (KMP) and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakups of the pay scale as per the HR Policy of the Company and shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government (in case of Whole-time Directors), wherever required.
  - (b) Minimum Remuneration:  
If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V and all other applicable provisions of the Act and if it is not able to comply with such provisions, with the prior approval of the Central Government.



## ANNEXURE 'E' TO BOARD'S REPORT

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

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

- (a) Remuneration / Commission:  
The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company, if any, and the Act and as approved by the Shareholders.
- (b) Sitting Fees:  
The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Act / Central Government from time to time.
- (c) Commission:  
Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.
- (d) Stock Options:  
An Independent Director shall not be entitled to any Stock Option of the Company.

## 4. Membership

- 4.1 The Committee shall consist of a minimum three (3) Non-Executive Directors, majority of them being Independent Directors.
- 4.2 Minimum three (3) members shall constitute a quorum for the Committee meeting.
- 4.3 Membership of the Committee shall be disclosed in the Annual Report.
- 4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

## 5. Chairperson

- 5.1 Chairperson of the Committee shall be an Independent Director.
- 5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.4 Chairman of the Nomination and Remuneration Com-

mittee 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

## ANNEXURE 'E' TO BOARD'S REPORT

termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

- 10.9 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.10 Recommend any necessary changes to the Board; and
- 10.11 Considering any other matter, as decided by the Board.

### 11. Duties of Committee in Relation To Remuneration (Remuneration Duties)

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

- 11.1 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 11.2 To approve the remuneration of the Senior Management including Key Managerial Personnel (KMP) of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- 11.3 To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 11.4 To consider any other matter as decided by the Board.
- 11.5 Professional indemnity and liability insurance for Directors, Key Managerial Personnel (KMP) and Senior Management.

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

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

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

- 12.1 Leadership & stewardship abilities.
- 12.2 Contributing to clearly define corporate objectives & plans.
- 12.3 Communication of expectations & concerns clearly with subordinates.
- 12.4 Obtain adequate, relevant & timely information from external sources.
- 12.5 Review & approval achievement of strategic and operational plans, objectives, budgets.

- 12.6 Regular monitoring of corporate results against projections.
- 12.7 Identify, monitor & mitigate significant corporate risks.
- 12.8 Assess policies, structures & procedures.
- 12.9 Direct, monitor & evaluate KMPs, Senior Management.
- 12.10 Review management's succession plan.
- 12.11 Effective meetings.
- 12.12 Assuring appropriate board size, composition, independence, structure.
- 12.13 Clearly defining roles & monitoring activities of committees.
- 12.14 Review of corporation's ethical conduct.

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

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

### 13. Minutes of Committee Meeting

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

### 14. 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 BOARD'S 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 2014 – 2015:

- (i) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2014 – 2015, ratio of the remuneration of each Director to the median remuneration of the employees of your Company for the financial year 2014 – 2015 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of your Company are as under:

Sl. No.	Name of Director / KMP and Designation	Remuneration of Directors/ KMP for Financial Year 2014-15 (₹ in Lakhs)	% Increase/ (Decrease) in Remuneration in the Financial Year 2014-15	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 ₹ 194,870.68 Lakhs)	Comparison of the Remuneration of the KMP against the performance of the Company
1	Mr. Shrikant Zaveri Executive Chairman & Managing Director	164.27	(67.01%)	69.84	0.085%	Profit before Tax decreased by 52.42% and Profit after Tax decreased by 52.70% in financial year 2014 – 2015
2	Ms. Binaisha Zaveri Whole-time Director	81.78	(60.14%)	34.77	0.042%	
3	Ms. Raashi Zaveri Whole-time Director	81.78	(60.14%)	34.77	0.042%	
4	Mr. Kamlesh Vikamsey Independent Director	11.90	NIL	5.06	0.006%	
5	Mr. Ajay Mehta Independent Director	12.70	4.96%	5.40	0.007%	
6	Mr. Sanjay Asher Independent Director	11.50	1.77%	4.89	0.006%	
7	Mr. Prem Hinduja Chief Executive Officer	84.10	(23.92%)	Not Applicable	0.043%	Profit before Tax decreased by 52.42% and Profit after Tax decreased by 52.70% in financial year 2014 – 2015
8	Mr. Saurav Banerjee Chief Financial Officer	64.20	NIL (*)	Not Applicable	0.033%	
9	Mr. Niraj Oza Company Secretary	20.57	16.58%	Not Applicable	0.011%	

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

- (\*) For Mr. Saurav Banerjee, Chief Financial Officer of the Company the percentage of increase or decrease is appearing as NIL as he was only for the part of the financial year 2013 – 2014 (joined w.e.f. 17<sup>th</sup> February, 2014).

- (ii) The median remuneration of employees of your Company during the financial year was Rs. 235,199.
- (iii) In the financial year, there was an increase of 10.27% in the median remuneration of employees.
- (iv) There were 1,476 permanent employees on the rolls of your Company as on 31<sup>st</sup> March, 2015.
- (v) Relationship between average increase in remuneration and company performance:- The Profit before Tax for the financial year ended 31<sup>st</sup> March, 2015 decreased by 52.42% whereas the decrease in the remuneration was 1.78%. The Performance of the Company declined looking at the overall market conditions, economic slowdown and low demand.

- (vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of your Company: The total remuneration of Key Managerial Personnel decreased by 12.22% from ₹ 192.39 Lakhs in 2013-2014 to ₹ 168.87 Lakhs in 2014 – 2015 whereas the Profit before Tax decreased by 52.42% to ₹ 3,948.95 Lakhs in 2014 – 2015 (₹ 8,299.42 Lakhs in 2013 – 2014).
- (vii) (a) Variations in the market capitalization of your Company: The market capitalization as on 31<sup>st</sup> March, 2015 was ₹ 97,811.37 Lakhs (₹ 87,448.94 Lakhs as on 31<sup>st</sup> March, 2014).
- (b) Price Earnings Ratio of your Company was 37.59 as at 31<sup>st</sup> March, 2015 and was 15.87 as at 31<sup>st</sup> March, 2014.
- (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 ₹ 1,221.67 as on 31<sup>st</sup> March, 2015 indicating a Compounded Annual Growth Rate of 7.16%. 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. 2014 – 2015 was 8.50% whereas decrease in the managerial remuneration for the same financial year was 54.87%.
- (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 2014 – 2015, 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: 12<sup>th</sup> May, 2015  
Place: Mumbai

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

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

## ANNEXURE 'G' TO BOARD'S 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 2014 - 2015

#### (A) Employed throughout the Financial Year 2014 - 2015:

Sl. No.	Name	Age (Years)	Date of commencement of employment	Gross Remuneration (in ₹)	Designation	Educational Qualification	Experience in Years	Previous Employment
1	Shrikant Zaveri	55	24.07.2007	16,426,897	Executive Chairman & Managing Director	Matriculation	33	Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (joined in 1991)
2	Binaisha Zaveri	32	24.07.2007	8,177,900	Whole-time Director	Bachelor's degree in Marketing and Finance from Stern School of Business, New York	11	Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (Joined w.e.f. 01.01.2004)
3	Raashi Zaveri	28	01.07.2008	8,177,900	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	7	Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri
4	Prem Hinduja	63	24.07.2007	8,409,979	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 (joined the erstwhile partnership firm of M/s. Tribhovandas Bhimji Zaveri w.e.f. 01.10.2004)
5	Saurav Banerjee	49	17.02.2014	6,420,327	Chief Financial Officer	B.Com (Hons), CA	25	Worked as CFO in Rosy Blue India Pvt. Ltd.
6	Rajeev Sagar	37	24.07.2007	7,077,383	Head - Gold Operations	B.Com	15	Worked as employee in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (Joined w.e.f. 01.09.2000)
7	Mayur Choksi	46	01.10.2011	7,124,160	Head – Diamond Operation	Matriculation	26	Worked as employee in Tribhovandas Bhimji Zaveri (Bombay) Limited (Joined w.e.f. 01.04.1997)



## ANNEXURE 'G' TO BOARD'S REPORT

Sl. No.	Name	Age (Years)	Date of commencement of employment	Gross Remuneration (in ₹)	Designation	Educational Qualification	Experience in Years	Previous Employment
8	Divyesh Shah	41	24.07.2007	7,634,140	Group Head – Retail	B.Com	18	Worked as employee in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (Joined w.e.f. 01.12.1997)

**(B) Details of employee who was employed for part of the Financial Year 2014 – 2015 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.**

Sl. 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

**(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:**

Sl. 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 – basic salary & commission, if any.  
For Chief Executive Officer - basic salary, motor car allowance, bonus, variable pay, perquisite value of ESOP.  
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.
- For Executive Directors the nature of Employment and terms and conditions are governed by the Board and Members Resolution.
- Experience includes number of years of service elsewhere, wherever applicable.
- 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, 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: 12<sup>th</sup> May, 2015  
Place: Mumbai

**Shrikant Zaveri**  
Chairman & Managing Director

**Raashi Zaveri**  
Whole-time Director

## REPORT ON CORPORATE GOVERNANCE

The Directors present your Company's Report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2015 as stipulated in Clause 49 of the Listing Agreement entered with the Stock Exchanges, 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 Committee 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.

#### 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, Budget Costing & MIS Department, Accounts and Finance Department, Legal Department, Project Department and Internal Audit Department including Chief Financial Officer reports to the Chief Executive Officer of your Company. These Departments Head carries out their day to day functions.

### 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 Registrar and Share Transfer Agent, details of which are available on your Company's website and also forming part of Corporate Governance Report. Your Company ensures

## REPORT ON CORPORATE GOVERNANCE

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 affairs of your Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors 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 professionalism, knowledge and experiences 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, 2015, the Board consists of six Directors comprising of three Executive Directors and three Independent Directors, i.e. fifty per cent of the Board comprises of Independent Directors.

During the year, the Board of Directors comprises of Mr. Shrikant Zaveri, Chairman & Managing Director, Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time

During the year, six Board Meetings were held on 19<sup>th</sup> May, 2014, 10<sup>th</sup> June, 2014, 4<sup>th</sup> August, 2014, 24<sup>th</sup> September, 2014, 4<sup>th</sup> November, 2014, 3<sup>rd</sup> February, 2015.

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

Name of the Directors	Date of Appointment	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM held on 24.09.2014	No. of outside Directorship in all Companies*	No. of outside Committee Membership/ Chairmanship in all Companies **	
						Member	Chairman
Mr. Shrikant Zaveri	24.07.2007	CMD	6	Yes	2	Nil	Nil
Ms. Binaisha Zaveri	24.07.2007	WTD	6	Yes	2	Nil	Nil
Ms. Raashi Zaveri	01.07.2008	WTD	6	Yes	1	Nil	Nil
Mr. Kamlesh Vikamsey	26.08.2010	ID	6	Yes	5	4	Nil
Mr. Ajay Mehta	14.12.2010	ID	6	Yes	2	1	Nil
Mr. Sanjay Asher	14.12.2010	ID	6	Yes	9	3	4

Directors are also the Promoters of your Company. The other three are Independent Directors, namely Mr. Kamlesh Vikamsey, Mr. Ajay Mehta and Mr. Sanjay Asher. 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 and the Chairman of more than five committees (Committees being Audit Committee and Stakeholders' Relationship Committee, as per Clause 49 II (D) (2) (ii) of the Listing Agreement with Stock Exchanges), across all the companies in which he/she is a Director. The necessary disclosure regarding committee positions have been made by all the Directors.

None of the Executive Directors of your Company holds office as 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 director are not exceeding ten companies (for reckoning the limit of public companies in which person can be appointed as 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 Director of your Company who is serving as a whole-time director in any listed company is as independent director in not more than three listed companies as per the requirement of Clause 49 (II) (B) (2) (a & b) of the Listing Agreement with Stock Exchanges.

## REPORT ON CORPORATE GOVERNANCE

### 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.

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

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

The 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 three years in the Gems and Jewellery industry. He has completed his education upto matriculation. He took over as the managing partner of the business in 2001. He continued his forefather's business with one flagship store at Zaveri Bazar, and given his immense efforts, your Company presently has twenty eight showrooms in twenty two cities and ten states across India. With his considerable wealth of experience, Mr. Shrikant Zaveri brings immense 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.

#### 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 eleven 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 two 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 seven 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 over thirty two years of experience in accounting and finance, corporate advisory services. He is a chairperson of the audit advisory committee of the United Nations Development Programme (UNDP) and a member of Indian Advisory Board at Intuit. He was past president of the Institute of Chartered Accountants of India (ICAI) and a member of the appellate authority of ICAI. Amongst other, he was also 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 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 twenty seven 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 Maharashtra Chamber of Commerce, Industries and Agriculture and various other developmental institutions and social organisations.

## REPORT ON CORPORATE GOVERNANCE

Mr. Mehta joined TBZ Board on 14<sup>th</sup> December, 2010 and has given valued contribution to the Board of Directors. He is Chairman of the Nomination and Remuneration Committee and Stakeholders Relationship Committee and the member of the Audit Committee, Corporate Social Responsibility Committee (CSR Committee) and Risk Management 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. 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 five years of experience in the field of law and corporate matters. He is presently a senior partner at Crawford Bayley and Co., and deals with corporate laws, laws of mergers and acquisitions and capital market transactions.

Mr. Asher joined TBZ Board on 14<sup>th</sup> December, 2010 and has given valued contribution to the Board of Directors. He is 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 inter-alia to 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 and such other items which requires 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 covers the items set out as guidelines (Annexure X) in Clause 49 of the Listing Agreement 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 Board Meetings is agreed upon well in advance of the meeting.

The gap between the two Board Meetings does not exceed one hundred 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:

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, 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. Binaisha 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 covers 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 above, your Company has adopted Code for Independent Directors as per provision of Section 149(8) read with Schedule IV of the Companies Act, 2013 which suitably incorporate duties of Independent Directors.

The Code lays 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 in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure.



## REPORT ON CORPORATE GOVERNANCE

All the Board members and senior management of your Company have affirmed compliance with their Codes of Conduct for the financial year ended 31<sup>st</sup> March, 2015. A declaration to this effect duly signed by the Chief Executive Officer is annexed hereto.

### H. Remuneration Policy and details of Remuneration paid/ payable to Managing Director and Whole-time Directors for the year ended 31<sup>st</sup> March, 2015:

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 and which is restricted to the maximum limits prescribed under Section 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013. The Commission payable to Chairman & Managing Director 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 overall ceilings stipulated in Section 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013.

The Commission amount payable to Chairman & Managing Director and 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 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 2014 - 2015. On the said recommendation of not declaring any commission by the members of Nomination and Remuneration Committee, the Board of Directors has decided not to declare any commission for the financial year 2014 - 2015 to any of the Chairman & Managing Director and Whole-time Directors of your Company.

Details of remuneration paid/ payable to Managing Director and Whole-time Directors is as follows:

Names of Managing Director / Whole-time Directors	Gross Salary (in ₹)	Commission (in ₹)	Perquisites (in ₹)	Retirement Benefits (in ₹)	Stock Option
Mr. Shrikant Zaveri	16,426,897	--	--	--	--
Ms. Binaisha Zaveri	8,177,900	--	--	--	--
Ms. Raashi Zaveri	8,177,900	--	--	--	--

### I. Remuneration Policy and details of Sitting Fees & Commission paid / payable to Independent Directors:

The Independent Directors are paid remuneration by way of Commission and Sitting Fees. In terms of shareholders' approval obtained by way of Special Resolution at the Annual General Meeting of your Company held on 30<sup>th</sup> August, 2013, the Commission is paid at the rate not exceeding 1% per annum of the net profits of your Company (computed in accordance with Section 197 and all other applicable provisions of the Companies Act, 2013). The distribution of Commission amongst the Independent Directors is placed before the Board. The Commission is distributed in accordance with their contribution at Board and certain Committee Meeting as well as time spent on operational matters other than at the meetings.

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, 2015 are as follows:

Names of the Independent Directors	Sitting Fees (In ₹)	Commission (*) (In ₹)
Mr. Kamlesh Vikamsey	190,000	1,000,000
Mr. Ajay Mehta	270,000	1,000,000
Mr. Sanjay Asher	150,000	1,000,000

The above amounts are exclusive of Service Tax @ 12.36%.

(\*) gross amount, subject to tax and payable in financial year 2015 - 2016.

## REPORT ON CORPORATE GOVERNANCE

All the Independent Directors have complied with the limits of directorships and maximum tenure as per Clause 49 of the Listing Agreement with the Stock Exchanges and as per applicable provision of the Companies Act, 2013. The appointment letter of Independent Director and their terms and conditions, same has been disclosed on Company's websites ([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, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of your Company. The Director is also explained in detail, the compliances required from him under the Companies Act, 2013, Clause 49 of the Listing Agreement with the Stock Exchanges and other relevant regulations and his/her affirmation 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 also Standard Operating Process (SOP) of your Company as a whole as well as for various departments is also shared with the incoming Director to acquaint him with the functioning of your Company. Apart from this your Company shares relevant Annual Reports, brochure for various schemes and programmes, various reports on 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 MD and CEO also has 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 to effectively fulfil his role as a Director of your Company.

### K. Familiarization Programme for Independent Directors:

As per the requirement of Clause 49 (II)(B)(7) of the Listing Agreement with the Stock Exchanges, 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 this programme 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 for Independent Directors is available on the website of your Company at link: <http://www.tbztheoriginal.com/pdf/TBZ-Familiarization-Program-of-ID.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 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.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on the parameters such as 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.

### 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, 2015:

Names of the Directors	No. of Shares held
Mr. Shrikant Zaveri	33,402,275
Ms. Binaisha Zaveri	5,285,000
Ms. Raashi Zaveri	4,572,500
Mr. Kamlesh Vikamsey	NIL
Mr. Ajay Mehta	NIL
Mr. Sanjay Asher	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, Corporate Social Responsibility Committee. Your Company has also voluntarily constituted Risk Management Committee which is made compulsory by Listing Agreement for top 100 companies only. Apart from these your Company has also constituted Special Committee of Board of Directors. The terms of reference of

## REPORT ON CORPORATE GOVERNANCE

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 Independent Directors:

- 1) Audit Committee;
- 2) Nomination and Remuneration Committee;
- 3) Stakeholders Relationship Committee;
- 4) Special Committee of the Board of Directors;
- 5) Corporate Social Responsibility Committee (CSR Committee);
- 6) Risk Management Committee;
- 7) Separate Meeting of the Independent Directors.

### 1) Audit Committee:

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out by the Management, Statutory and Internal Auditors on the financial reporting process and the safeguards employed by them.

The Audit Committee was constituted vide Board Resolution dated 14<sup>th</sup> December, 2010 under the Chairmanship of Mr. Kamlesh Vikamsey, who comes with finance and accounting background. In the Board Meeting dated 19<sup>th</sup> May, 2014 the members of the Board of Directors have adopted additional terms of reference/ role of Audit Committee as per the provision of Section 177 of the Companies Act, 2013 and as per Clause 49 (III) of the Listing Agreement.

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 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 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,

## REPORT ON CORPORATE GOVERNANCE

- 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. Qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings of assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, the performance of statutory and internal auditors, adequacy of the internal control system;
13. 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;
14. Discussion with internal auditors on any significant findings and follow up there on;
15. 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;
16. 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;
17. 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;
18. To review the functioning of the Whistle Blower Mechanism;
19. 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.

20. 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;

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; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

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.

As at the year-end, the Audit Committee of the Board comprised of three members, two of them being Independent Directors. All members are financially literate and have relevant finance and audit exposure. Mr. Kamlesh Vikamsey is a Chartered Accountant and is a financial expert.

During the year, four Audit Committee meetings were held on 19<sup>th</sup> May, 2014, 4<sup>th</sup> August, 2014, 4<sup>th</sup> November, 2014 and 3<sup>rd</sup> February, 2015.

The attendance record of the Audit Committee members 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

## REPORT ON CORPORATE GOVERNANCE

### 2) Nomination and Remuneration Committee:

The Remuneration Committee was constituted vide Board Resolution dated 14<sup>th</sup> December, 2010. In the Board Meeting dated 19<sup>th</sup> May, 2014 the members of the Board of Directors have changed the name of 'Remuneration Committee' to '**Nomination and Remuneration Committee**' and have adopted additional terms of reference/ role of Nomination and Remuneration Committee as per the provision of Section 178 of the Companies Act, 2013 and as per Clause 49 (IV) of the Listing Agreement. The Nomination and Remuneration Committee shall comprise of all three Independent Directors and Mr. Ajay Mehta, Independent Director is the Chairman of 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; 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.

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.

Mr. Ajay Mehta, Chairman of the Nomination and Remuneration Committee, was present at the last Annual General meeting of your Company.

During the year, two Nomination and Remuneration Committee meetings were held on 19<sup>th</sup> May, 2014 and on 3<sup>rd</sup> February, 2015.

The attendance record of the Nomination and Remuneration Committee members 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 Shareholders'/ Investors' Grievance Committee was constituted vide Board Resolution dated 14<sup>th</sup> December, 2010 as per the requirements of the Clause 49 of the Listing Agreement to specifically look into the redressal of the Shareholders'/ Investors' complaints relating to transfer of shares, non-receipt of Annual Reports and non-receipt of dividends declared by your Company etc. In the Board Meeting dated 19<sup>th</sup> May, 2014 the members of the Board of Directors have changed the name of 'Shareholders'/ Investors' Grievance Committee' to '**Stakeholders Relationship Committee**' and have adopted additional terms of reference/ role of Stakeholders Relationship Committee as per the provision of Section 178 of the Companies Act, 2013 and as per Clause 49 of the Listing Agreement. The Stakeholders Relationship Committee shall consider and resolve the grievances of the security holders of your Company.



## REPORT ON CORPORATE GOVERNANCE

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, Company Secretary is designated as the Compliance officer of your Company.

The Company Secretary is the Secretary to the Committee.

Mr. Ajay Mehta, Chairman of the Stakeholders Relationship Committee, was present at the last Annual General meeting of your Company.

During the year, five Stakeholders Relationship Committee meetings were held on 19<sup>th</sup> May, 2014, 4<sup>th</sup> August, 2014, 24<sup>th</sup> September, 2014, 4<sup>th</sup> November, 2014 and 3<sup>rd</sup> February, 2015.

The attendance records of the Stakeholders Relationship Committee members are given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr. Ajay Mehta	5	5
Mr. Shrikant Zaveri	5	5
Ms. Binaisha Zaveri	5	5
Ms. Raashi Zaveri	5	5

#### 4) Special Committee of the Board of Directors:

The Board of Directors vide Board Resolution dated 27<sup>th</sup> May, 2011 has constituted Special Committee of the Board of Director and delegated some of the powers to the Special Committee of the Board of Directors, which are not prohibited by Section 179 of the Companies Act, 2013 (previously Section 292 of the Companies Act, 1956), enjoyed by the Board of Directors. The composition of the Special Committee of Board of Directors is as follows:

Name of the Members	Designation in the Committee	Nature of Directorship
Mr. Shrikant Zaveri	Chairman	Chairman & Managing Director
Ms. Binaisha Zaveri	Member	Whole-time Director
Ms. Raashi Zaveri	Member	Whole-time Director

The Company Secretary is the Secretary to the Committee.

During the year, two Special Committee of Board of Directors meeting were held on 7<sup>th</sup> July, 2014 and 20<sup>th</sup> March, 2015.

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

Name of the Members	No. of Meetings	
	Held	Attended
Mr. Shrikant Zaveri	2	2
Ms. Binaisha Zaveri	2	2
Ms. Raashi Zaveri	2	2

## REPORT ON CORPORATE GOVERNANCE

### 5) Corporate Social Responsibility Committee (CSR Committee):

The Corporate Social Responsibility Committee (CSR Committee) of the Board of Director was constituted vide Board Resolution dated 19<sup>th</sup> May, 2014 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, two Corporate Social Responsibility Committee meetings were held on 4<sup>th</sup> August, 2014 and 3<sup>rd</sup> February, 2015.

The attendance record of the Corporate Social Responsibility Committee members is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr. Shrikant Zaveri	2	2
Mr. Ajay Mehta	2	2
Ms. Binaisha Zaveri	2	2
Ms. Raashi Zaveri	2	2

### 6) Risk Management Committee

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. As per SEBI Circular Reference No. CIR/CFD/POLICY CELL/2/2014 dated 17<sup>th</sup> April, 2014 issued by Securities and Exchange Board of India (SEBI) towards the requirement of Clause 49(VI)(C) of the Listing Agreement 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, 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 vide Board Resolution dated 24<sup>th</sup> September, 2014. 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.

## REPORT ON CORPORATE GOVERNANCE

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, BUD. & MIS

The Company Secretary is the Secretary to the Committee.

During the year, four Risk Management Committee meeting were held on 25<sup>th</sup> September, 2014, 17<sup>th</sup> November, 2014, 19<sup>th</sup> January, 2015 and 5<sup>th</sup> March, 2015.

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

Name of the Members	No. of Meetings	
	Held	Attended
Mr. Shrikant Zaveri	4	4
Ms. Binaisha Zaveri (**)	4	1
Ms. Raashi Zaveri (**)	4	1
Mr. Ajay Mehta	4	1
Mr. Prem Hinduja	4	4
Mr. Saurav Banerjee	4	4
Mr. Sunil Gujarathi	4	4

**Note (\*\*):**

The Board of Directors in the Board Meeting dated 3<sup>rd</sup> February, 2015 have changed the composition of the Risk Management Committee by including Ms. Binaisha Zaveri and Ms. Raashi Zaveri; Whole-time Directors of your Company as members of the Risk Management Committee.

### 7) Meeting of the Independent Directors (Separate Meeting)

As per the requirements of the Clause 49 (II)(B)(6) of the Listing Agreement, the Independent Directors of your Company have met on 3<sup>rd</sup> February, 2015, inter-alia to:

1. Review and evaluate the performance of non-independent directors and the Board as a whole;
2. Review and evaluate the performance of the Chairperson of your Company, taking into account the views of Executive Directors and Non-Executive Directors (Independent Directors);
3. Access and evaluate the quality, quantity/ content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting consisted of the following members:

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

During the year, one Separate Meeting of Independent Directors meeting was held on 3<sup>rd</sup> February, 2015.

All the Independent Directors were present at the meeting.

## REPORT ON CORPORATE GOVERNANCE

### III. GENERAL BODY MEETINGS:

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

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

Year	Location of the Meeting	Date	Time
2011-2012	Mahajan Hall of Mumbai Textile Merchants' Mahajan, 1 <sup>st</sup> Floor, 250, Sheikh Memon Street, M.J. Market, Mumbai – 400 002.	24 <sup>th</sup> September, 2012	3.30 p.m.
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.

Two Special Resolutions were passed in the AGM held on 24<sup>th</sup> September, 2012 which are as follows:

- (i) Revision of Remuneration Structure and fixing of remuneration payable to Mr. Shrikant Zaveri, Chairman & Managing Director of the Company.
- (ii) Keeping of Registers at a place other than the Registered Office of the Company.

In financial year 2012 – 2013, postal ballot activity was carried out:

One Special Resolution was passed on 31<sup>st</sup> December, 2012, through the Postal Ballot Activity 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.

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

- (i) Commission to Non-Executive Directors.
- (ii) Fixing of remuneration payable to Ms. Binaisha Zaveri, Whole-time Director of the Company.
- (iii) 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:

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

No postal ballot activity was carried out during the previous financial year 2013 – 2014.

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

During last three financial years, i.e. from year 2011 – 2012 to 2013 – 2014, your Company has not held any Extra Ordinary General Meeting (EGM).

#### C. Details of Special Resolution passed through Postal Ballot, the persons who conducted the Postal Ballot exercise and details of the voting pattern:

No special resolution was passed through postal ballot during the last financial year 2013 – 2014 and current financial year 2014 - 2015. 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, 2015 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 unlisted Indian subsidiary as defined under Clause 49 of the Listing Agreement, viz. an unlisted subsidiary incorporated in India, whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediate preceding accounting year. It is, therefore, not required to have an Independent Director of your Company on the Board of such subsidiary.

Your Company's Audit Committee reviews the consolidated financial statements of your Company as well as the financial statements of the 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 Subsidiaries, pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder and the requirements of the Clause 49 (V)(D) of the Listing Agreement with the Stock Exchanges. 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>

## REPORT ON CORPORATE GOVERNANCE

### 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, 2015 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 Clause 49 (VII) & (VIII - A) and all other applicable provisions of the Listing Agreement 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 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 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 have been 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 Clause 49 of the Listing Agreement. Your Company has established / adopted a Whistle Blower Policy (Vigil Mechanism) for directors and employees of your Company to report concerns about unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct or ethics policy. The Whistle Blower Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. The policy provide 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 was 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, 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 form of letter signed by the concern director(s) or employee(s) of your Company.



## REPORT ON CORPORATE GOVERNANCE

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 (Prevention of Insider Trading) Regulations, 1992, your Company has adopted the Insider Trading Code 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.

### VI. MEANS OF COMMUNICATION:

- (i) The Quarterly/ Annual Financial Results of your Company are published in English newspaper viz. 'The Free Press Journal'; and in vernacular newspaper (in Marathi) viz. 'Navshakti';
- (ii) The following are also promptly displayed on your Company's website, viz. [www.tbztheoriginal.com](http://www.tbztheoriginal.com) under the 'Investor Section':
  - Quarterly Results, Financial Results, Shareholding Pattern, Annual Report;
  - Official Press release in the 'Media Room' Section;
  - The Presentations made to institutional investors or to the analysts

### VII. GENERAL SHAREHOLDERS INFORMATION:

i)	Annual General Meeting Date and Time	Wednesday, 9 <sup>th</sup> September, 2015 at 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 - 400001.
ii)	Financial Calendar 2015 - 2016 (Tentative) Results	Meeting to be held on or before following dates:
-	Unaudited Results for the quarter ending 30 <sup>th</sup> June, 2015	On or before 14 <sup>th</sup> August, 2015
-	Unaudited Results for the quarter ending 30 <sup>th</sup> September, 2015	On or before 14 <sup>th</sup> November, 2015
-	Unaudited Results for the quarter ending 31 <sup>st</sup> December, 2015	On or before 14 <sup>th</sup> February, 2016
-	Audited Results for the year ending 31 <sup>st</sup> March, 2016	On or before 30 <sup>th</sup> May, 2016
-	AGM for the approval of the Audited accounts for the year ended 31 <sup>st</sup> March, 2016	On or before 30 <sup>th</sup> September, 2016
-	Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
iii)	Book Closure Date	3 <sup>rd</sup> September, 2015 to 9 <sup>th</sup> September, 2015 (both days inclusive)
iv)	Dividend payment date and dividend per Equity Share	Dividend shall be paid to all the eligible shareholders from 14 <sup>th</sup> September, 2015 onwards. The total dividend this year amounts to 10%, the Board of Directors having recommended a dividend of ₹ 1 (one rupee) per equity share of face value of ₹ 10 each. The payment is subject to approval of shareholders at the ensuing Annual General Meeting of your Company.
v)	Listing on Stock Exchanges	The equity shares of your Company got listed on 9 <sup>th</sup> May, 2012 on: BSE Limited (BSE), and National Stock Exchange of India Limited (NSE).

## REPORT ON CORPORATE GOVERNANCE

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 2014 – 2015 and 2015 - 2016.
vii)	Payment of Custodial Fees	Your Company on receipt of the bill/ invoice will immediately pay the applicable custodial fees to Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). Your Company has yet not received the invoice from both the custodials.
viii)	Stock Code/ Symbol: Bombay Stock Exchange code: National Stock Exchange Symbol:	534369 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:

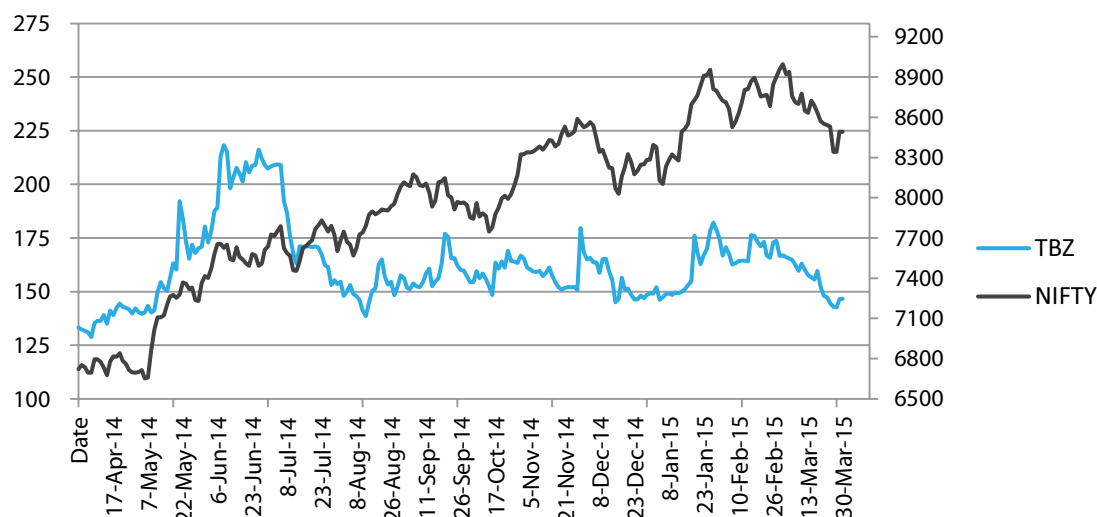
#### Market Price Data (High / Low) during each month of the financial year 2014 – 2015 at NSE & BSE:

High, Low (based on closing prices) and number of shares traded during each month in the financial year 2014 - 2015 on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE):

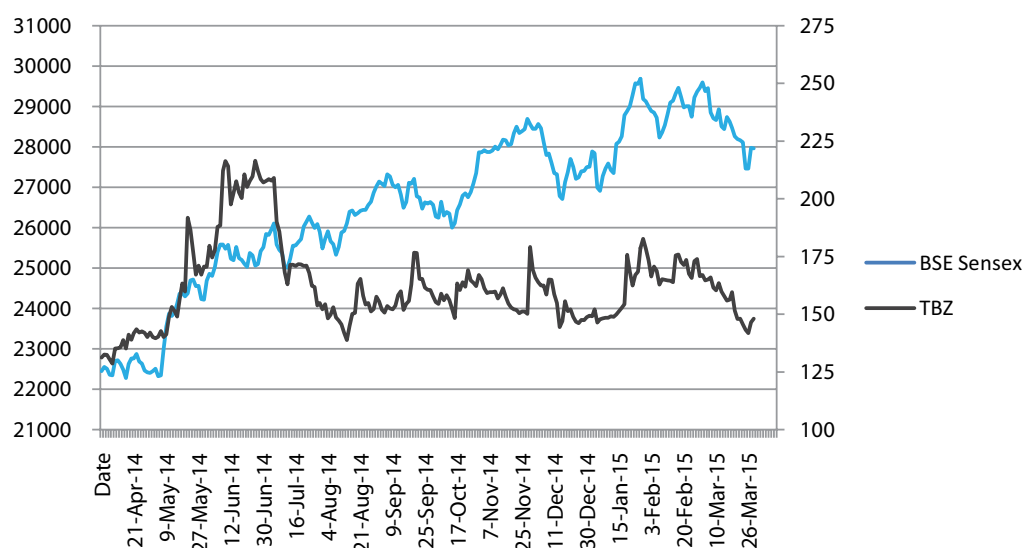
Month	National Stock Exchange of India Limited (NSE)			Bombay Stock Exchange Limited (BSE)		
	High (₹)	Low (₹)	Total Number of Shares Traded	High (₹)	Low (₹)	Total Number of Shares Traded
April 2014	148.00	127.55	3,137,780	147.50	127.30	929,969
May 2014	197.40	138.30	6,308,356	198.80	138.50	1,638,835
June 2014	224.90	167.10	5,532,417	222.80	167.20	1,528,194
July 2014	217.00	150.05	2,920,053	216.90	150.00	1,062,189
August 2014	173.70	137.00	3,082,772	176.00	138.00	896,180
September 2014	190.00	148.30	5,793,932	190.00	149.00	1,627,101
October 2014	173.75	147.75	3,585,213	174.30	147.40	968,348
November 2014	168.25	148.00	1,256,307	168.00	147.85	339,410
December 2014	180.90	141.50	4,148,064	180.15	141.35	924,355
January 2015	188.00	145.45	4,584,179	187.80	145.05	1,119,446
February 2015	185.30	158.45	3,349,156	185.85	160.55	786,383
March 2015	175.25	140.25	1,439,963	174.80	140.00	397,869

## 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, 2015 are as under:

Sl. No.	Nature of Complaints	Pending as on 1 <sup>st</sup> April, 2014	Received during the year	Disposed during the year	Pending as on 31 <sup>st</sup> March, 2015
1.	Non Receipt of Annual Report	0	29	29	0
2.	Non Receipt of Dividend Warrants	0	6	6	0
3.	Non Receipt of Refund Order	0	1	1	0
4.	NSE- Complaint by shareholders (*)	0	2	2	0
<b>Total</b>		<b>Nil</b>	<b>38</b>	<b>38</b>	<b>Nil</b>

(\*) Two shareholders Complaints filed with NSE is in regard to non-receipt of the Annual Report. There were no complaints which were pending as on 31<sup>st</sup> March, 2015.

## REPORT ON CORPORATE GOVERNANCE

### xiv) List of Top 10 Shareholders and the Distribution of Shareholding as on 31<sup>st</sup> March, 2015:

#### List of Top 10 Shareholders as on 31<sup>st</sup> March, 2015:

Sl. 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	Small Cap World Fund, INC	4,335,732	6.50%
5	Bindu Shrikant Zaveri	3,500,000	5.25%
6	HSBC Global Investment Funds A/C HSBC GIF Mauritius	2,508,700	3.76%
7	Tribhovandas Bhimji Zaveri (TBZ) Private Limited	1,350,000	2.02%
8	Tribhovandas Bhimji Zaveri Jewellers (Mumbai) Private Limited	1,350,000	2.02%
9	Goldman Sachs India Fund Limited	989,168	1.48%
10	Keki Jimmy Unwalla	500,000	0.75%
<b>Total</b>		<b>57,793,375</b>	<b>86.61%</b>

#### Distribution of Shareholding as on 31<sup>st</sup> March, 2015:

Holding	No. of Shareholders		No. of Shares & Amount		
	No. of Holders	% to Total Holders	Total Shares	Amount in (₹)	% to Capital
1-5000	9,391	90.58%	937,619	9,376,190	1.41%
5,001-10,000	517	4.99%	387,833	3,878,330	0.58%
10,001-20,000	267	2.57%	400,995	4,009,950	0.60%
20,001-30,000	52	0.50%	134,512	1,345,120	0.20%
30,001-40,000	30	0.29%	104,185	1,041,850	0.16%
40,001-50,000	16	0.15%	74,467	744,670	0.11%
50,001-100,000	31	0.30%	226,888	2,268,880	0.34%
100,001 and above	64	0.62%	64,453,401	644,534,010	96.60%
<b>Total</b>	<b>10,368</b>	<b>100.00%</b>	<b>66,719,900</b>	<b>667,199,000</b>	<b>100.00%</b>

### xv) Shareholding Pattern by ownership as on 31<sup>st</sup> March, 2015 as compared with that of 31<sup>st</sup> March, 2014:

Particulars	As on 31 <sup>st</sup> March, 2015				As on 31 <sup>st</sup> March, 2014			
	No. of share holders	% of share holder	No. of shares held	% of shareholding	No. of share holder	% of share holder	No. of shares held	% of shareholding
Promoter Director	4	0.04%	46,759,775	70.08%	4	0.04%	46,759,775	70.10%
Foreign Institutional Investors	9	0.09%	9,407,304	14.10%	12	0.11%	10,151,733	15.22%
Resident Individuals	9638	92.96%	3,467,966	5.20%	10,278	92.35%	3,776,075	5.66%
Bodies Corporates	348	3.36%	2,751,033	4.12%	374	3.36%	3,039,746	4.56%
Promoter Companies	2	0.02%	2,700,000	4.05%	2	0.02%	2,700,000	4.05%

## REPORT ON CORPORATE GOVERNANCE

Non Resident Indians	120	1.16%	117,801	0.18%	117	1.05%	68,736	0.10%
Foreign Portfolio Investors	5	0.05%	1,315,764	1.97%	-	-	-	-
HUF	175	1.69%	137,136	0.21%	207	1.86%	98,837	0.15%
Clearing Members	61	0.59%	26,449	0.04%	132	1.19%	95,280	0.14%
Indian Financial Institutions	1	0.00%	3,391	0.01%	1	0.01%	10,277	0.02%
Banks	1	0.00%	3,320	0.00%	1	0.01%	2,700	0.00%
Trusts	1	0.00%	250	0.00%	1	0.01%	500	0.00%
Mutual Funds	3	0.03%	29,711	0.04%	1	0.01%	336	0.00%
<b>Total</b>	<b>10,368</b>	<b>100%</b>	<b>66,719,900</b>	<b>100%</b>	<b>11,130</b>	<b>100%</b>	<b>66,703,995</b>	<b>100%</b>

### xvi) Dematerialisation of Shares:

Your Company's Shares are compulsorily traded in dematerialized form and are available for trading through both the Depositories in India, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31<sup>st</sup> March, 2015, 100% of the total paid up capital, representing 66,719,450 Equity Shares were held in dematerialized form and the balance Nil% representing 450 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, 2015 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	6,555	63.22%	65,034,864	97.47
CDSL	3,809	36.74%	1,684,586	2.53
<b>Sub-total</b>	<b>10,364</b>	<b>99.96%</b>	<b>66,719,450</b>	<b>100%</b>
Physical Form	4	0.04%	450	0.00%
<b>Total</b>	<b>10,368</b>	<b>100.00%</b>	<b>66,719,900</b>	<b>100.00%</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, 2015.

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 Clause 47 (c) of the Listing Agreement with the Stock Exchanges, 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).



## REPORT ON CORPORATE GOVERNANCE

### xix) Consolidation of Folios and avoidance of multiple mailing:

In order to enable your Company to reduce the duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names are requested to consolidate their holdings under one folio. Members may write to the Registrar indicating the folio numbers to be consolidated along with the original shares certificates to be consolidated.

### xx) Unclaimed/ Outstanding Refundable portion of IPO Application Amount:

To facilitate investors who have not claimed the Refundable portion of IPO Application amount (share application money) at the time of Initial Public Offer (IPO) of your Company, details of the unclaimed IPO application amount (share application money) are being displayed on your Company's website [www.tbztheoriginal.com](http://www.tbztheoriginal.com). Investors are requested to browse the said site to find out the outstanding amount, if any, and claim the same from your Company.

### xxi) Unclaimed Shares:

As per the provisions of Clause 5A.I(a) of Listing Agreement, 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:

Sl. 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, 2014	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, 2015	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:

The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing circulars (vide circular nos. 17/2011 and 18/2011 dated 21<sup>st</sup> April, 2011 and 29<sup>th</sup> April, 2011 respectively), and allowing paperless compliances by Companies through electronic mode. Further, in line with recent circular (vide circular ref. no. CIR/CFD/DIL/7/2011 dated 5<sup>th</sup> October, 2011) issued by the Securities and Exchange Board of India (SEBI) and consequent changes in the Listing Agreement, Companies can send Annual Report in electronic mode to Members who have registered their e-mail addresses for the purpose. Members who have not registered their e-mail addresses with your Company can now register the same by submitting duly filled-in 'E-Communication Registration Form' attached at the end of this Report (also available on our website [www.tbztheoriginal.com](http://www.tbztheoriginal.com)), to M/s. Karvy Computershare Private Limited/ Secretarial Department of your Company. The Members holding shares in electronic form are requested to register their e-mail address with their Depository Participants only. The Members of your Company, who have registered their e-mail address, are entitled to receive such communication in physical form, upon request.

Your Company encourages the shareholders to register their e-mail addresses with their respective depository participant if shares are held in demat form and if shares are held in physical form to your Company or Karvy Computershare Private Limited, Registrar & Share Transfer Agent of your Company, by sending a letter signed by the shareholders on addresses given below and also intimate changes in the e-mail ids from time to time. The Members who desires to receive physical copy of the Annual Report may write to the Company Secretary of your Company at the Corporate Office of your Company or send email to [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com) or may write to the Registrar & Share Transfer Agent of your Company.

### xxiii) Mandatory requirement of PAN:

SEBI vide its circular dated 7<sup>th</sup> January, 2010 has made it mandatory to furnish PAN copy 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.

## REPORT ON CORPORATE GOVERNANCE

### xxiv) Address for correspondence:

Shareholders correspondence like, share transfer/ dematerialisation of shares, payment of dividend and other query related to shares may be directed to your Company's Registrar and Share Transfer Agent, whose address is given below:

#### a) For Share Transfer / Dematerialisation of shares, payment of Dividend and any other query relating to shares:

##### **Karvy Computershare Private Limited**

Karvy Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad – 500 032  
Tel No: +91 (040) 6716 1602 / (040) 6716 1606  
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)  
Contact Person: R. Chandra Sekhar  
SEBI Registration No: INR000000221

#### b) For Investors assistance:

##### **Corporate Office Address:**

##### **Mr. Niraj Oza**

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, 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, 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 twenty eight (28) showrooms operating as on 31<sup>st</sup> March, 2015. The addresses of the showroom forms part of Annexure to this report.

## REPORT ON CORPORATE GOVERNANCE

### xxvii) CEO / CFO Certification:

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49 (IX) of the Listing Agreement pertaining to CEO/ CFO certification for the financial year ended 31<sup>st</sup> March, 2015 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) Adoption / compliance with Mandatory Requirements and status on Non-Mandatory Requirements:

Your Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement.

The status on non-mandatory requirements of Clause 49 of the Listing Agreement is as follows:

1. Your Company has an Executive Chairman on its Board.
2. Your Company is not following practice of sending half-yearly declaration of financial performance including summary of significant events in last six months.
3. There are no qualifications in the Audit Report for the financial year 2014 - 2015.
4. Your Company has appointed separate persons to the post of Chairman & Managing Director and Chief Executive Officer (CEO).
5. The Internal Auditor directly report to the Audit Committee and also to the Chairman & Managing Director of your Company.

For and on behalf of the Board of Directors

Date: 12<sup>th</sup> May, 2015  
Place: Mumbai

**Shrikant Zaveri**  
Chairman & Managing Director

**Raashi Zaveri**  
Whole-time Director

## REPORT ON CORPORATE GOVERNANCE

### Showroom Addresses:

Showrooms of your Company in operation as on 31 <sup>st</sup> March, 2015:	
<b>Maharashtra</b>	
1	241/43, Zaveri Bazar, Mumbai - 400 002.
2*	L.T. Road, 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.
<b>Gujarat</b>	
12	Iscon Center, Shivranjani Cross Road, Satelite, Ahmedabad 380 015.
13	Lal Bunglow, SNS House, Athwa Lines, Surat - 395 007.
14	Janakpuri Complex, Dr. Yagnik Road, Opp. Hotel Imperial Palace, Rajkot - 360 001.
15	K.P. Infinity, Opposite Yes Bank Ltd., Near INOX Multiplex, Natubhai Circle, Race Course Road, Vadodara - 390 007.
16	7-11, Ground Floor, Fortune Square- II, Near Primary School, Next to Royal Dream Society, Vapi Daman Road, Vapi - 396 191.
17	Shop No. G1, Krishna Complex, Waga Wadi Road, Next to 'Ghar Shala', Bhavnagar - 364 001.
18	Shop 4, 5 & 6, Ground Floor, Sunshine Arcade, Plot No. 59, Sector 8, Tagore Road, Near Lord's Hotel, Gandhidham, Kutch, Gujarat - 370201
<b>Andhra Pradesh (Hyderabad &amp; Vijaywada)</b>	
19	70 Greensland Road, Punjagutta, Hyderabad - 500 082.
20	Shop no I, Mogul's Court, Basheerbagh, Hyderabad - 500 001.
21	Opp Gateway Hotel, M.G. Road, Labbipet, Vijayawada - 520 010.
<b>Kerala (Kochi)</b>	
22	Jos Annexe Building, Jos Junction, Ernakullam, Kochi - 682 016.
<b>Madhya Pradesh (Indore)</b>	
23	576 Laxmi Tower, M.G. Road, opp Treasure Island, Indore - 452 001.
<b>West Bengal (Kolkata)</b>	
24	Saraswati Niketan, 5 Camac Street, Kolkata - 700 016.
25	CIT Road, Scheme, VIM, Kankurgachi, Kolkata - 700 054.

## REPORT ON CORPORATE GOVERNANCE

### Chhattisgarh (Raipur)

26 Shop No. 1, Ground Floor, Prem Store Premises, Malviya Road, Next to G.P.O., Raipur, Chhattisgarh - 492 001.

### Rajasthan (Udaipur)

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

### Jharkhand (Jamshedpur)

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

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

For and on behalf of the Board of Directors

Date: 12<sup>th</sup> May, 2015  
Place: Mumbai

**Shrikant Zaveri**  
Chairman & Managing Director

**Raashi Zaveri**  
Whole-time Director

# 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 clause 49 of the Listing Agreement)**

We, Prem Hinduja, 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, 2015 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,

Date: 12<sup>th</sup> May, 2015  
Place: Mumbai

**Prem Hinduja**  
**Chief Executive Officer**

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



# REPORT ON CORPORATE GOVERNANCE

## Declaration by the CEO under Clause 49 II (E) of the Listing Agreement regarding adherence to the Code of Conduct

In ACCORDANCE WITH Clause 49 sub-clause II (E) of the Listing Agreement with the Stock Exchanges, 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, 2015.

For Tribhovandas Bhimji Zaveri Limited

Date: 12<sup>th</sup> May, 2015  
Place: Mumbai

Prem Hinduja  
Chief Executive Officer

## Auditors' Certificate regarding Compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement

To the Members of  
Tribhovandas Bhimji Zaveri Limited

We have examined the compliance of conditions of corporate governance by Tribhovandas Bhimji Zaveri Limited ("the Company") for the year ended on 31 March 2015, as stipulated in Clause 49 of the Listing Agreements entered into by the Company with Stock Exchanges in India.

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 Agreements.

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

Mumbai  
12 May 2015

Vijay Mathur  
Partner  
Membership No: 046476

# 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 2015, 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 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 2015, and its profit 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, 2015 ('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 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.
  - (e) On the basis of the written representations received from the Directors as on 31 March 2015 taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2015 from being appointed as a Director in terms of sub-section 2 of Section 164 of the Act.

## INDEPENDENT AUDITORS' REPORT

- (f) 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 financial statements – Refer Note 30.1 to the 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 financial statements; and
  3. There were no amounts outstanding as on balance sheet date 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

Mumbai  
12 May 2015

**Vijay Mathur**  
Partner  
Membership No: 046476

# INDEPENDENT AUDITORS' REPORT

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT - 31 MARCH 2015

(Referred to in our report of even date)

- (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.
- (ii) (a) 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 substantially been confirmed by them. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weakness in internal control system.
- (v) The Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the rules framed there under.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act, for any of the products manufactured/services rendered by 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, Wealth tax, Service tax, Customs duty, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Excise duty.  
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, Wealth tax, Service tax, Customs duty, Cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income tax, Wealth tax, Sales tax, Value added tax, Service tax, Customs duty and Cess which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned below:-

# INDEPENDENT AUDITORS' REPORT

(₹ in lakhs)

Name of the Statute	Nature of dues	Amount	Period	Forum where dispute is pending
Kerala Value Added Tax 2010	Value added tax	36.99	2009-10	Deputy Commissioner of Sales Tax
Maharashtra Value Added Tax, 2002	Value added tax	17.47	2008-09	Joint Commissioner of Sales Tax (Appeal)
Central Sales Tax Act, 1956	Central Sales Tax	181.99	2008-09	Maharashtra Sales Tax Tribunal
Income Tax Act, 1961	Income tax	73.75	2009-10	Dy. Commissioner of Income tax
Income Tax Act, 1961	Income tax	68.01	2010-11	Dy. Commissioner of Income tax
Income Tax Act, 1961	Income tax	113.92	2011-12	Commissioner of Income Tax Appeals

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts which are required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company does not have any accumulated losses at the end of the year and has not incurred cash losses during the year and in the immediately preceding financial year.
- (ix) 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. The Company did not have any outstanding dues to any financial institution or debentures holders during the year.
- (x) According to the information and explanations given to us, the terms and conditions on which the Company has given guarantee for loan taken by others from bank are not prejudicial to the interest of the Company. The Company has not given any guarantees for loan taken by others from financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which these loans were obtained.
- (xii) According to the information and explanations given to us, no instances of material fraud on or by the Company has been noticed or reported during the course of our audit.

Mumbai  
12 May 2015

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

**Vijay Mathur**  
Partner  
Membership No: 046476

**BALANCE SHEET**

AS AT 31 MARCH 2015

(₹ in Lakhs)

	Notes	31 March 2015	31 March 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
(a) Share Capital	3	6,671.99	6,670.40
(b) Reserves & Surplus	4	39,883.20	38,096.50
		46,555.19	44,766.90
<b>Non - Current Liabilities</b>			
Long-term borrowings	5	1,199.81	1,653.50
Other long-term liabilities	6	54.00	54.00
Long-term provisions	7	211.47	574.12
		1,465.28	2,281.62
<b>Current Liabilities</b>			
Short-term borrowings	8	56,671.04	54,691.23
Trade payables	9	11,086.11	7,991.55
Other current liabilities	10	11,562.22	19,747.61
Short-term provisions	11	1,223.53	2,088.29
		80,542.90	84,518.68
<b>TOTAL</b>		128,563.37	131,567.20
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	12		
- Tangible assets		10,167.16	9,212.18
- Intangible assets		271.59	193.35
- Capital work-in-progress		494.67	158.80
		10,933.42	9,564.33
Non-current investments	13	307.63	302.62
Deferred tax assets (net)	14	34.84	667.58
Long-term loans and advances	15	1,244.85	1,222.89
		1,587.32	2,193.09
<b>Current Assets</b>			
Inventories	16	111,367.47	111,188.38
Trade receivables	17	79.54	286.28
Cash and bank balances	18	3,254.71	7,285.45
Short-term loans and advances	19	1,289.18	813.73
Other current assets	20	51.73	235.94
		116,042.63	119,809.78
<b>TOTAL</b>		128,563.37	131,567.20
Significant accounting policies	2		
Notes to the financial statements	30		
<b>The notes referred to above form an integral part of the financial statements</b>			

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**

**Vijay Mathur**  
Partner  
Membership No: 046476

**Shrikant Zaveri**  
Chairman and Managing Director

**Raashi Zaveri**  
Whole-time Director

**Saurav Banerjee**  
Chief Financial Officer

**Niraj Oza**  
Company Secretary

Mumbai  
12 May 2015

Mumbai  
12 May 2015



**STATEMENT OF PROFIT & LOSS**

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	Notes	31 March 2015	31 March 2014
<b>INCOME</b>			
<b>Revenue from operations</b>			
Sale of product	21	193,372.52	181,773.98
Other operating revenue	22	47.05	38.84
		193,419.57	181,812.82
Other income	23	1,451.11	661.62
<b>TOTAL REVENUE</b>		194,870.68	182,474.44
<b>EXPENSES</b>			
Cost of Raw Material and Components Consumed	24	142,471.09	127,170.70
Purchase of traded goods	25	23,375.62	32,874.85
Changes in inventories of finished goods and traded goods	26	794.41	(9,081.34)
Employee benefits	27	5,672.29	6,141.21
Finance costs	28	5,021.68	4,634.97
Depreciation and amortisation	12	837.95	999.33
Other expenses	29	13,622.48	11,435.30
<b>TOTAL EXPENSES</b>		191,795.52	174,175.02
<b>Profit before exceptional items and tax</b>		3,075.16	8,299.42
<b>Exceptional items</b>			
Reversal of excess depreciation in respect of earlier years (refer note 12)		873.79	-
<b>Profit before tax</b>		3,948.95	8,299.42
<b>Tax expense</b>			
- Current tax		712.12	2,942.00
- Deferred tax charge/(credit)	14	632.74	(148.48)
<b>TOTAL TAX EXPENSE</b>		1,344.86	2,793.52
<b>Profit for the year</b>		2,604.09	5,505.90
Earnings per equity share (Nominal value of share ₹ 10 (31 March 2014: ₹ 10))	30.15		
Basic		3.90	8.26
Diluted		3.90	8.25
Significant accounting policies	2		
Notes to the financial statements	30		
<b>The notes referred to above form an integral part of the financial statements</b>			

As per our report of even date attached  
**For B S R & Co. LLP**  
Chartered Accountants  
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For and on behalf of the Board of Directors of  
**Tribhovandas Bhimji Zaveri Limited**

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Whole-time Director

**Saurav Banerjee**  
Chief Financial Officer

**Niraj Oza**  
Company Secretary

Mumbai  
12 May 2015

Mumbai  
12 May 2015

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	Notes	31 March 2015	31 March 2014
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net profit before tax		3,948.95	8,299.42
Adjustments for:			
Depreciation and amortisation		837.95	999.33
Reversal of excess depreciation in respect of earlier years		(873.79)	-
Finance costs		5,021.68	4,634.97
Employee stock options scheme (net)		(0.10)	(14.74)
Foreign exchange gain (net)		-	(41.33)
Interest income on bank deposits		(356.18)	(464.92)
(Profit)/Loss on sales of fixed assets		(0.63)	2.90
Dividend income		(0.01)	(0.01)
Bad debts written off		12.56	12.43
Provisions written back			
- Doubtful debts		(17.77)	(28.30)
- Other liabilities		(75.27)	-
Assets written off		103.63	44.32
<b>Operating cash flow before working capital changes</b>		8,601.02	13,444.07
<b>Movements in working capital</b>			
Decrease/(Increase) in trade receivables		211.95	(94.07)
(Increase) in inventories		(179.09)	(8,450.32)
(Increase)/Decrease in current assets and loans and advances		(397.95)	350.83
Increase/(Decrease) in trade payables		3,094.56	(9,129.58)
(Decrease)/Increase in current liabilities and provisions		(8,623.90)	8,501.33
<b>Cash generated from operations</b>		2,706.59	4,622.26
Income taxes paid		(811.56)	(3,721.00)
<b>Net cash generated from/ (used) in operating activities</b>	(A)	1,895.03	901.26
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>Purchase of fixed assets</b>		(1,242.36)	(1,835.56)
Proceeds from sale of fixed assets		21.50	1.33
Bank deposits (having original maturity of more than three months)		3,321.90	(4,209.51)
Investments in mutual funds		(5.01)	(0.01)
Dividend received		0.01	0.01
Interest received on deposits		540.39	464.92
<b>Net cash generated from/ (used) in investing activities</b>	(B)	2,636.43	(5,578.82)

# NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	Notes	31 March 2015	31 March 2014
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		1,523.66	11,169.05
Exercise of stock options		16.85	26.37
Dividend paid		(1,500.91)	(1,500.98)
Dividend distribution tax paid		(255.06)	(254.92)
Finance cost paid		(5,024.84)	(4,634.97)
<b>Net cash (used) in / generated from financing activities</b>	(C)	(5,240.30)	4,804.55
<b>Net (decrease) / increase in cash and cash equivalents</b>	(A+B+C)	(708.84)	126.99
<b>Cash and cash equivalent at beginning of year (refer note below)</b>		1,161.63	1,034.64
<b>Cash and cash equivalent at end of year (refer note below)</b>		452.79	1,161.63
<b>Notes to cash flow statement</b>			
1. Components of cash and cash equivalents:			
Cash on hand		214.74	805.12
Balances with banks			
- on current accounts#		238.05	356.51
		452.79	1,161.63
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".			
<b>The notes referred to above form an integral part of the financial statements</b>			

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**

**Vijay Mathur**  
Partner  
Membership No: 046476

**Shrikant Zaveri**  
Chairman and Managing Director

**Raashi Zaveri**  
Whole-time Director

**Saurav Banerjee**  
Chief Financial Officer

**Niraj Oza**  
Company Secretary

Mumbai  
12 May 2015

Mumbai  
12 May 2015

# NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

## 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 28 show rooms located across India. The Company successfully completed its Initial Public Offer during the ended 31 March, 2013 of ₹ 20,000 lakhs by fresh issue of 16,666,667 equity shares.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation of financial statements

These financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant 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 satisfy 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 is satisfy any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle

b) it is held primarily for the purpose of being traded

c) it is due to be settled within 12 months after the reporting date; or

d) the Company does not have as unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current

#### 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 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.

## NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

Depreciation on fixed assets has been provided using straight line method over its useful lives in compliance with Schedule II of 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 have 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 of 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. Accordingly, excess depreciation charged for earlier years upto 31 March 2014 aggregating ₹ 873.79 lakhs (net of deferred tax adjustments ₹ 576.79 lakhs) has been written back and recognized as an exceptional item in the Statement of Profit and Loss for the year ended 31 March 2015. Had the Company continued to use the earlier method of depreciation:

Particulars	Year ended 31 March 2015
1 Depreciation charge for the year would have been higher by	513.94
2 Deferred tax expense would have been lower by	174.69
3 Net profit for the year would have been lower by	916.04

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 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. Accordingly, at present, these are being amortised on straight line basis over a period 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. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an 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.

Costs comprise all cost of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

## NOTES TO THE FINANCIAL STATEMENT

### FOR THE YEAR ENDED 31 MARCH 2015

Cost of finished goods include costs of raw material, direct labour and other directly attributable expenses incurred in bringing such goods 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.

#### 2.8 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 the amount outstanding and the interest rate applicable.

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

#### 2.10 Foreign Exchange Transactions

Foreign 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 year are recognized in the statement of profit and loss.

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 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 and Employees State Insurance*

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contribution to a government administered schemes and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards Provident Fund and Employees State Insurance at the prescribed rates. Provident fund and Employee State Insurance dues are recognized when the liability to contribute to the provident fund and employees state insurance arises under the respective Acts.

##### *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. 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



# NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

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.

## 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 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 and foreign currency fluctuations relating to certain firm commitments. 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.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

## 2.17 Provision and contingent liabilities

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.

(₹ in Lakhs)

	31 March 2015	31 March 2014
<b>3 SHARE CAPITAL</b>		
<b>Authorised</b>		
75,000,000 (31 March 2014: 75,000,000) equity shares of ₹ 10 each"	7,500.00	7,500.00
	7,500.00	7,500.00
<b>Issued, subscribed and paid-up</b>		
66,719,900 (31 March 2014: 66,703,995) equity shares of ₹ 10 each fully paid-up	6,671.99	6,670.40
	6,671.99	6,670.40

Note :

### a Employee stock options

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

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

(₹ in Lakhs)

	31 March 2015		31 March 2014	
Equity shares	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
At the beginning of the year	66,703,995	6,670.40	66,666,667	6,666.67
Shares issued on exercise of employee stock option (refer note 30.2)	15,905	1.59	37,328	3.73
At the end of the year	66,719,900	6,671.99	66,703,995	6,670.40

### 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 2015		31 March 2014	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Equity shares allotted as fully paid bonus shares by capitalization of security premium	40,000,000	4,000.00	48,800,000	4,880.00
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash (under Employee Stock Option Plan)	53,233	5.32	37,328	3.73
Equity shares bought back by the Company	-	-	-	-

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

	31 March 2015		31 March 2014	
	% holding in class	No. of Shares	% holding in class	No. of Shares
Equity shares of ₹ 10 each fully paid-up				
Shrikant Zaveri	50.06%	33,402,275	50.08%	33,402,275
Binaisha Zaveri	7.92%	5,285,000	7.92%	5,285,000

# NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

Raashi Zaveri	6.85%	4,572,500	6.85%	4,572,500
Smallcap World Fund, INC	6.50%	4,335,732	6.50%	4,335,732
Bindu Zaveri	5.25%	3,500,000	5.25%	3,500,000

## 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 its 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 2015	31 March 2014
<b>4 RESERVES AND SURPLUS</b>		
<b>(i) Securities premium account</b>		
At the commencement of the year	16,752.20	16,697.33
Add: premium received on exercise of employee stock options	23.39	54.87
	16,775.59	16,752.20
<b>(ii) Employee stock options outstanding account*</b>		
At the commencement of the year	24.85	71.83
Less: transferred on exercise of stock options	(8.13)	(32.24)
Less: transferred on cancellation of stock options	(0.10)	(14.74)
	16.62	24.85
<b>(iii) Surplus in statement of profit and loss</b>		
At the commencement of the year	19,918.85	16,720.43
Profit for the year	2,604.09	5,505.90
Less: Appropriations		
- Transfer to general reserves	-	(550.59)
- Equity dividend including dividend distribution tax paid for earlier years	(0.42)	(0.98)
- Proposed final equity dividend [₹ 1 per share (31 March 2014: ₹ 2.25 - per share)]	(667.20)	(1,500.84)
- Tax on proposed final equity dividend	(164.93)	(255.06)
	21,690.39	19,918.85
<b>(iv) General reserves</b>		
At the commencement of the year	1,400.60	850.01
Add: Transfer from statement of profit and loss	-	550.59
	1,400.60	1,400.60
<b>(v) Cash flow hedge reserves</b>		
At the commencement of the year	-	-
Less: Transfer to hedge reserve	(554.79)	-
Add: Reversed from hedge reserve	554.79	-
	-	-
<b>Total reserves and surplus</b>	<b>39,687.62</b>	<b>38,073.04</b>

\*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.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	31 March 2015	31 March 2014
<b>5 LONG TERM BORROWINGS</b>		
Secured		
Term loans		
from banks	1,184.47	1,622.62
from non-banking financial companies	15.34	30.88
	1,199.81	1,653.50
Amount disclosed as current maturities of long term borrowings under the head other current liabilities (refer note 10)		
from banks	438.15	438.16
from non-banking financial companies	16.76	19.21
	454.91	457.37

The term loans from banks carries interest in the range of 11.75% - 12.40% p.a. The loans are repayable in equated monthly installments ranging from 60 to 72 months with installments of ₹ 4.01 lakhs to ₹ 32.50 lakhs. The loans are secured by first mortgage charge of assets purchased (i.e. premise at Nariman Point, Mumbai and IT equipments), first mortgage charge (to the extent of ₹ 700 lakhs) on immovable properties situated at Punjagutta, Hyderabad and second mortgage charge on the property located at Kandivali Industrial Estate, Mumbai.

The vehicle loans from non-banking financial companies carries interest in the range of 10.75%-10.78% p.a. The loans are repayable in 36 monthly installments ranging from ₹ 0.29 lakhs to ₹ 1.62 lakhs alongwith interest, commencing from the date of loan. The loans are secured by hypothecation of vehicle.

	31 March 2015	31 March 2014
<b>6 OTHER LONG-TERM LIABILITIES</b>		
Others		
From related parties		
- Security deposits (refer note 30.12)	54.00	54.00
	54.00	54.00

	31 March 2015	31 March 2014
<b>7 LONG TERM PROVISIONS</b>		
(i) Provision for employee benefits		
- Provision for gratuity (refer note 30.3)	93.28	406.19
- Provision for compensated absences (refer note 30.3)	118.19	167.93
	211.47	574.12

# NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	31 March 2015	31 March 2014
<b>8 SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
<b>Loans repayable on demand</b>		
- Working capital demand loan from banks	35,678.61	21,925.06
- Cash credit from banks	20,500.36	26,490.57
	56,178.97	48,415.63
<b>Unsecured</b>		
<b>Loans repayable on demand</b>		
- Working capital demand loan from banks	-	2,400.00
- From directors (refer note 30.12)	100.19	100.19
<b>Others</b>	391.88	3,775.42
	492.07	6,275.61
	56,671.04	54,691.23

Working capital demand loan and the Cash credit facilities are part of the Consortium arrangement. The above facilities carry interest ranging between 4.25% to 12.35% 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 premise at Zaveri Bazar, Mumbai, premise at Surat, premise at Kandivali Industrial Estate, Mumbai, and commercial premises at Santacruz (West), Mumbai belonging to Shri Shrikant Zaveri (Managing director), for which he has given personal guarantee to the consortium.
- By way of hypothecation charge over fixed assets installed/erected or built in premise at Surat, premise at Kandivali Industrial Estate, Mumbai, premise at Pune, and all movable and immovable assets present in all the Company's showrooms.

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 to the extent of ₹ 700 lakhs for the term loan) and premise at Nariman Point, Mumbai (first charge for the term loan).

Further, bank deposits of ₹ 2,790.98 lakhs have been lien marked with the banks as a security for the above facilities. Also, the facilities are secured by Stand by Letter of credit of ₹ 15,490 lakhs and Letter of Comfort of ₹ 13,996 lakhs.

The Company had taken unsecured working capital demand loan from bank bearing interest @ 13.00% p.a. The loan is repayable within 45 days in 3 tranches of ₹ 800 lakhs each and additional interest. The loan has been repaid during the year.

Loan from directors is interest free and repayable on demand.

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

## NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	31 March 2015	31 March 2014
<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 30.12)	270.41	119.15
- due to others	10,815.70	7,872.40
	11,086.11	7,991.55

(₹ in Lakhs)

	31 March 15	31 March 14
<b>10 OTHER CURRENT LIABILITIES</b>		
Current maturities of long term borrowings (refer note 5)	454.91	457.37
Interest accrued but not due on borrowings	111.51	114.67
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	0.26
<b>Other payables</b>		
- Advance from customers	1,549.12	1,815.65
- Customers dues under schemes / arrangements	6,339.76	14,806.83
- Statutory liabilities	315.02	236.09
- Creditors for capital expenditure	312.94	97.52
- Provision for expenses (refer note 30.14)	2,478.01	2,218.88
	11,562.22	19,747.61

\*During May 2012, the company had received application money for allotment of equity shares via Initial Public Offer (IPO). However, due to over subscription the application money became due for refund. There is no interest payable on share application money.

	31 March 2015	31 March 2014
<b>11 SHORT TERM PROVISIONS</b>		
<b>Provision for employee benefits</b>		
- Provision for gratuity (refer note 30.3)	105.62	83.00
- Provision for compensated absences (refer note 30.3)	285.78	249.39
<b>Others</b>		
- Proposed final equity dividend	667.20	1,500.84
- Tax on proposed final equity dividend	164.93	255.06
	1,223.53	2,088.29



FOR THE YEAR ENDED 31 MARCH 2015

[illegible]

<sup>2</sup>Buildings includes net block amounting to ₹ 493.16 Lakhs (31 March 2014: ₹ 410.17 Lakhs) being the carrying value of Factory building situated at Kandivall (west), Mumbai given on operating lease rental of ₹ 108 lakhs (31 March 2014: ₹ 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 the brackets are the corresponding figures of the previous years.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	31 March 2015	31 March 2014
<b>13 NON CURRENT INVESTMENTS</b>		
<b>Trade Investments (Cost):</b>		
- Investments in equity instruments (Unquoted)		
100,000 (31 March 2014: 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 2014: 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 6,984 (31 March 2014: 6,618) units of ₹ 1,675.03 each	0.12	0.11
SBI Equity Opportunities Fund - 50,000 (31 March 2014: Nil) units of ₹ 10 each	5.00	-
	307.63	302.62
Aggregate book value of unquoted non-current investment	307.63	302.62

	31 March 2015	31 March 2014
<b>14 DEFERRED TAX ASSETS (NET)</b>		
Arising on account of timing difference in		
<b>Deferred tax liability</b>		
- Excess of depreciation/amortisation on fixed assets under income-tax law - over depreciation/amortisation provided in accounts	(570.26)	(146.48)
<b>Total deferred tax liability</b>	(570.26)	(146.48)
<b>Deferred tax assets</b>		
- Provision for employee benefits	257.91	359.15
- Provision for expenses	153.59	298.66
- Provision for doubtful debts	2.43	8.46
- Provision for lease rent equalisation	191.17	147.79
<b>Total deferred tax assets</b>	605.10	814.06
<b>Net deferred tax assets</b>	34.84	667.58
<b>Net changes in deferred tax assets</b>	(632.74)	148.48

	31 March 2015	31 March 2014
<b>15 LONG TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
<b>To related parties</b>		
- Security deposits (refer note 30.12)	72.00	72.00
<b>To parties other than related parties</b>		
- Security deposits	885.24	913.40
- Advances for capital expenditure	14.32	63.64
- Advance tax (net of provision for tax of ₹ 11,980.27 lakhs (31 March 2014: ₹ 8,325.41 lakhs))	273.29	173.85
	1,244.85	1,222.89

# NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	31 March 2015	31 March 2014
<b>16 INVENTORIES</b>		
(valued at lower of cost and net realisable value)		
Raw material	9,976.20	8,990.21
Finished goods*	78,857.42	80,772.86
Stock-in-trade*	22,457.64	21,336.61
Packing material	76.21	88.70
	111,367.47	111,188.38

\*Cost of diamonds forming part of the jewellery is determined by management based on technical estimate of the purity and clarity of diamonds used, on which the auditors have placed reliance, as this being a technical matter.

	31 March 2015	31 March 2014
<b>17 TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured, considered good	-	-
- Doubtful	7.67	25.44
	7.67	25.44
Less: Provision for doubtful receivables	(7.67)	(25.44)
	0.00	0.00
Other receivables		
- Unsecured, considered good *	79.54	286.28
<b>Total</b>	79.54	286.28

\* Includes receivable from credit card companies amounting to ₹ 54.84 Lakhs (31 March 2014: ₹ 229.92 Lakhs)

	31 March 2015	31 March 2014
<b>18 CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	214.74	805.12
Balances with banks		
- on current accounts#	238.05	356.51
<b>Other bank balances</b>		
- deposits with original maturity for more than 3 months but less than 12 - months*	2,801.92	6,123.82
	3,254.71	7,285.45

#Includes towards Unclaimed Dividend of ₹ 0.61 Lakhs (31 March 2014: ₹ 0.26 Lakhs).

\*Deposits with a carrying amount of ₹ Nil (31 March 2014: ₹ 2,473.34 Lakhs) are towards Bank Guarantee.

\*Deposits with a carrying amount of ₹ 3.44 Lakhs (31 March 2014: ₹ 0.67 Lakhs) are lien with VAT authorities as deposits.

\*Deposits with a carrying amount of ₹ 2,790.98 Lakhs (31 March 2014: ₹ 3,642.31 Lakhs) are lien to secure working capital facilities availed from banks.

\*Deposits with a carrying amount of ₹ 7.50 Lakhs (31 March 2014: ₹ 7.50 Lakhs) are towards Base capital given to Multi Commodity Exchange India Ltd.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	31 March 2015	31 March 2014
<b>18 CASH AND BANK BALANCES</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'	238.05	356.51
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	2,801.92	6,123.82
Bank deposits due to mature after 12 months of the reporting date included under 'Other noncurrent assets'	-	-

	31 March 2015	31 March 2014
<b>19 SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
<b>To parties other than related parties</b>		
- Security deposits	230.06	-
- Other loans and advances		
Advance to suppliers	548.24	160.04
Advances to employees and others	19.59	20.62
Prepaid expenses	274.54	432.00
Balance with sales tax/VAT authorities	217.09	201.07
	1,289.18	813.73

	31 March 2015	31 March 2014
<b>20 OTHER CURRENT ASSETS</b>		
(Unsecured, considered good)		
Interest accrued on bank deposits	51.73	235.94
	51.73	235.94

	31 March 2015	31 March 2014
<b>21 REVENUE FROM OPERATIONS</b>		
<b>Sale of products</b>		
- Finished goods	169,202.77	149,618.83
- Traded goods	24,169.75	32,155.14
<b>Total</b>	193,372.52	181,773.98
<b>Details of sale</b>		
- Jewellery	193,372.52	181,773.98

	31 March 2015	31 March 2014
<b>22 OTHER OPERATING REVENUE</b>		
- Repairing revenue	47.05	38.84
<b>Total</b>	47.05	38.84

# NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	31 March 2015	31 March 2014
<b>23 OTHER INCOME</b>		
Interest income on bank deposits	356.18	464.92
Rental income from property leases (refer note 12)	108.00	108.00
Foreign exchange gain (net)	102.77	41.33
Reversal on employee stock options scheme (ESOP) (refer note 30.2)	0.10	14.74
Gains on commodities hedging (refer note 30.5)	780.74	-
Provisions written back		
- Doubtful debts	17.77	28.30
- Other liabilities	75.27	-
Miscellaneous income	10.28	4.33
	1,451.11	661.62

	31 March 2015	31 March 2014
<b>24 COST OF RAW MATERIALS AND COMPONENTS CONSUMED</b>		
Inventory at the beginning of the year	8,990.21	9,666.24
Add: Purchases	143,457.08	126,494.67
	152,447.29	136,160.91
Less: Inventory at the end of the year	(9,976.20)	(8,990.21)
Cost of raw material and components consumed	142,471.09	127,170.70
<b>Details of raw materials and components consumed</b>		
- Precious metals	123,848.13	106,129.50
- Precious stones	18,595.92	20,854.00
- Others	27.04	187.20
	142,471.09	127,170.70
<b>Details of inventory</b>		
<b>Raw material and components</b>		
- Precious metals	2,828.41	5,131.23
- Precious stones	7,147.79	3,858.98
	9,976.20	8,990.21

	31 March 2015	31 March 2014
<b>25 PURCHASE OF TRADED GOODS</b>		
- Precious metals	11,170.12	19,856.96
- Precious stones	12,205.50	9,965.45
- Others	-	3,052.44
	23,375.62	32,874.85

# NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	31 March 2015	31 March 2014
<b>26 CHANGES IN INVENTORIES OF FINISHED GOODS AND TRADED GOODS</b>		
Opening inventory		
- Finished goods	80,772.86	78,172.85
- Traded goods	21,336.61	14,855.28
	102,109.47	93,028.13
Closing inventory		
- Finished goods	78,857.42	80,772.86
- Traded goods	22,457.64	21,336.61
	101,315.06	102,109.47
Decrease/ (Increase) in stock	794.41	(9,081.34)
<b>Details of inventory</b>		
<b>Finished goods and Traded goods</b>		
- Precious metals	56,601.96	57,121.60
- Precious stones	41,201.10	41,324.33
- Others	3,512.00	3,663.54
	101,315.06	102,109.47

	31 March 2015	31 March 2014
<b>27 EMPLOYEE BENEFITS</b>		
Salaries, wages and bonus	5,373.63	5,640.83
Contribution to provident and other funds (refer note 30.3)		
- Provident fund	151.07	70.02
- Other fund	43.04	37.09
Staff welfare expenses	294.24	213.34
Gratuity expenses (refer note 30.3)	(195.13)	140.46
Compensated absences (refer note 30.3)	5.44	39.47
	5,672.29	6,141.21

	31 March 2015	31 March 2014
<b>28 FINANCE COSTS</b>		
Interest expenses	4,610.59	4,316.53
Other borrowing costs	411.09	318.44
	5,021.68	4,634.97



# NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	31 March 2015	31 March 2014
<b>29 OTHER EXPENSES</b>		
Power and fuel	486.95	483.06
Water charges	21.78	20.32
Boxes and packing materials	215.38	187.72
Repairs and maintenance		
- Plant and machinery	137.24	120.68
- Others	231.43	328.64
Jobwork charges	77.85	68.76
Rent (refer note 30.8)	2,429.82	2,218.50
Advertisement and sales promotion	6,331.46	4,418.06
Freight and forwarding charges	136.24	110.57
Commission and service charges	31.12	18.99
Insurance	61.99	65.41
Travelling and conveyance expenses	263.10	352.52
Rates and taxes	641.10	888.58
Legal and professional fees	869.65	746.74
Royalty	13.48	13.48
Postage, telegrams and telephone charges	279.96	259.29
Payment to auditors:		
- Statutory audit	22.47	22.47
- Limited Review of quarterly results	15.73	18.68
- Certification fees	7.30	1.69
- Out of pocket expenses	2.86	1.96
Security charges	205.52	196.14
Bank charges	655.30	523.37
Assets written off	103.63	44.32
Loss on sale of assets	-	2.90
Loss on commodities hedging	-	11.55
Commodities hedging cost	31.78	15.75
Bad debts written off	12.56	12.43
Contribution towards Corporate Social Responsibility (refer note 30.7)	50.00	-
Directors sitting fees	6.85	5.81
Commission to directors	33.71	36.49
Miscellaneous expenses	246.22	240.42
	13,622.48	11,435.30

## 30 NOTES TO ACCOUNTS

### 30.1 Contingent liabilities and commitments

#### Contingent Liabilities

##### Guarantee

Corporate guarantee given to bank on behalf of the Tribhovandas Bhimji Zaveri (Bombay) Limited, a wholly owned subsidiary, in respect of loans taken by them amounting to ₹ 500 lakhs. (2014: NIL)

# NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

Claims against the Company not acknowledged as debts

Particulars	31 March 2015	31 March 2014
Income tax matters	398.73	284.81
Sales tax matters	254.88	49.79

- (a) 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.
- (b) The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (c) The Company's pending litigations comprise of claims against the Company by employees and pertaining to proceedings pending with Income Tax and Sales/VAT tax 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.

## Commitments

Contracts remaining to be executed on capital account and not provided for as at 31 March 2015 is ₹ Nil (31 March 2014: ₹ 742.55 Lakhs) (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%

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

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

# NOTES TO THE FINANCIAL STATEMENT

## FOR THE YEAR ENDED 31 MARCH 2015

Employee stock option activity under Scheme 2011 is as follows:

### 1) Options

Particulars	31 March 2015	31 March 2014
Outstanding at beginning of the year	24,572	53,074
Granted during the year	Nil	Nil
Forfeited during the year	Nil	Nil
Cancelled during the year	1,383	12,327
Exercised during the year	10,902	16,175
Outstanding at the end of the year	12,287	24,572
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 ₹ (0.10 Lakhs) (31 March 2014 ₹ (0.87 Lakhs))

The total carrying amount as at 31 March 2015 on account of Options is ₹ 0.87 Lakhs (31 March 2014: ₹ 1.74 Lakhs)

### 2) Restricted Stock Units (RSUs)

Particulars	31 March 2015	31 March 2014
Outstanding at beginning of the year	15,723	46,311
Granted during the year	Nil	Nil
Forfeited during the year	Nil	Nil
Cancelled during the year	Nil	9,435
Exercised during the year	5,003	21,153
Outstanding at the end of the year	10,720	15,723
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 2014 ₹ (13.87 Lakhs))

The total carrying amount as at 31 March 2015 on account of RSU is ₹ 15.76 Lakhs (31 March 2014: ₹ 23.11 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 2015	31 March 2014
Net Income as reported	2,604.09	5,505.90
Add: Intrinsic Value Compensation Cost	(0.10)	(14.74)
Less: Fair Value Compensation Cost	2.15	3.64
Adjusted Proforma Income	2,601.84	5,487.52
Earning Per Share: Basic (₹)		
As Reported	3.90	8.26
Adjusted Pro Forma	3.90	8.23

# NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

Earning Per Share: Diluted (₹)		
As Reported	3.90	8.25
Adjusted Pro Forma	3.90	8.23

Particulars	31 March 2015		31 March 2014	
	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.

# NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

## 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 plan. 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 ₹ 194.11 Lakhs (31 March 2014: ₹ 107.11 Lakhs) which is shown under notes to financial statements 27 – 'Employee benefits'.

### b) Defined benefit plans

Particulars	Gratuity (funded)	
	31 March 2015	31 March 2014
<b>I Change in Benefit Obligation</b>		
Liability at the beginning of the year	590.38	480.00
Interest cost	51.56	42.92
Current service cost	76.41	246.13
Benefit paid	(35.08)	(73.01)
Actuarial (gain) / loss on obligations	(321.85)	(105.65)
Liability at the end of the year	361.42	590.38
<b>II Amount Recognised in the Balance Sheet</b>		
Liability at the end of the year	361.42	590.38
Fair value of plan assets at the end of the year	(162.53)	(101.19)
Amount recognised in the balance sheet	198.90	489.19
<b>III Expenses recognised in the Statement of profit and loss</b>		
Current service cost	76.41	246.13
Interest cost	51.56	42.92
Expected return on plan assets	(11.93)	(4.67)
Net actuarial (gain) / loss to be recognised	(311.17)	(98.66)
Expense recognised in statement of profit and loss	(195.13)	185.71
<b>IV Balance Sheet Reconciliation</b>		
Opening net liability	489.19	425.81
Expense recognized in the statement of profit and loss	(195.13)	185.71
Contribution Paid	(95.16)	(122.33)
Amount recognised in balance sheet	198.90	489.19
<b>V Composition of plan assets</b>		
Qualifying insurance policies*	162.53	101.19
<b>VI Movement in fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	101.19	54.19
Contributions paid into the plan	95.00	106.50
Benefits paid by the plan	(35.08)	(57.45)
Expected return on plan assets	13.35	4.67

## NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

	31 March 2015	31 March 2014
Actuarial (losses) / gains	(11.93)	(6.72)
Fair value of plan assets at the end of the year	162.53	101.19
<b>VII Principal Actuarial Assumptions</b>		
Discount Rate per annum	8.00%	9.00%
Expected rate of return on plan Assets	9.00%	9.00%
Salary Escalation rate per annum	5.00%	11%
Mortality	Indian Assured lives Mortality (2006-08) Ultimate	Indian Assured lives Mortality (2006-08) Ultimate
Employee Turnover rate (Corporate office)	20.00%	21%
Employee Turnover rate (Showroom)	25.00%	29%

\*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.

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 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Present Value of Defined Benefit Obligation	361.42	590.38	480.00	424.30	333.36
Fair Value of Plan Assets	162.53	101.19	80.00	-	-
Funded Status [Surplus/ (Deficit)]	(198.90)	(489.19)	(400.00)	(424.30)	(333.36)
Net Asset / (Liability)	(198.90)	(489.19)	(400.00)	(424.30)	(333.36)
Experience Adjustment Arising on:					
a. Plan Liabilities [Loss/ (Gain)]	46.81	70.53	113.11	67.72	51.00
b. Plan Assets [Loss/ (Gain)]	11.93	(0.29)	-	-	-

### Classification into current / non-current

	Non - Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Gratuity	93.28	406.19	105.62	83.00
Total	93.28	406.19	105.62	83.00



# NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

## c) Other long-term employee benefits

### Compensated absences

The liability towards compensated absences (annual and sick leave) for the year ended 31 March 2015 based on actuarial valuation carried out by using Projected unit credit method resulted in increase in liability by ₹ 5.44 Lakhs (31 March 2014: ₹ 39.47 Lakhs).

### Annual and sick leave assumptions

	31 March 2015	31 March 2014
Discount Rate per annum	8.00%	9.00%
Salary Escalation rate per annum	5.00%	11.00%
Mortality	Indian Assured lives Mortality (2006-08) Ultimate	Indian Assured lives Mortality (2006-08) Ultimate
Employee Turnover rate (Corporate office)	20%	21%
Employee Turnover rate (Showroom)	25%	29%

## 30.4 Dues to Micro, Small and Medium Enterprises

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, the following disclosures are made for the amounts due to Micro, Small and Medium enterprises who have registered with the Competent authorities.

Particulars	31 March 2015	31 March 2014
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	-	-

## 30.5 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 2015 (2014: Nil). The Company also uses cross-currency options to hedge its exposure to movements in foreign exchange rates.

## NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

### Outstanding foreign currency derivative instruments

Category	Currency hedge	Amount in foreign currency		Amount in Indian rupees	
		31 March 2015	31 March 2014	31 March 2015	31 March 2014
Currency options (to hedge trade payables)	Euro	-	24.11	-	2,034.71

### 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 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 towards 'Promoting Healthcare including Preventive Healthcare' and 'Promoting Education', which are specified in Schedule VII of the Companies Act, 2013. The Company has incurred expenditure of ₹ 50 lakhs during the year for the above activities.

### 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 cancelable and non – cancelable) aggregating ₹ 2,429.82 Lakhs (31 March 2014: ₹ 2,218.50 Lakhs) have been included under "other expense" under the notes to financial statement 28 in the statement of Profit and loss.

The future minimum lease payments in respect of non-cancellable operating leases as at 31 March 2015 are as follows -

Particular	31 March 2015	31 March 2014
Amount due within one year from the balance sheet date	2,152.30	1,705.34
Amount due for the period after one year and before five years	6,669.86	5,946.28
Amount due for the period after five years	2,812.40	4,129.14
<b>Total</b>	<b>11,634.56</b>	<b>11,780.76</b>

### 30.9 Expenditure in foreign currency

Particular	31 March 2015	31 March 2014
Travelling	55.37	67.83
Royalty	13.48	13.48
Marketing expenses	-	15.60
Purchase of jewellery	55.03	335.06
Purchase of watches	-	2,911.06
<b>Total</b>	<b>123.88</b>	<b>3,343.03</b>

# NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

## 30.10 Value of Imports calculated on CIF basis

Particular	31 March 2015	31 March 2014
Raw material	438.40	667.12
Accessories	-	40.95
Software	23.05	-
Capital goods	17.75	-
Packing material	-	2.04
<b>Total</b>	<b>479.20</b>	<b>710.11</b>

## 30.11 Detail of imported and indigenous raw materials consumed during the financial year

Where of	Percentage		Value	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Imported	0.31%	0.52%	438.40	667.12
Indigenously	99.69%	99.48%	142,032.69	126,503.58
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>142,471.09</b>	<b>127,170.70</b>

## 30.12 Information on related party transactions as required by the Accounting Standard (AS) - 18 for the year ended 31 March 2015

### 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
3. Super Traditional Metal Crafts (Bombay) Private Limited
4. Cupid Annibis Jewellery Private Limited

#### Subsidiary

1. Konfiaance Jewellery Private Limited.
2. Tribhovandas Bhimji Zaveri (Bombay) Limited

# NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

## II 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	-	-	-	1,510.15
				(1,518.48)
Remuneration paid**	496.70	-	-	-
	(947.05)	-	-	-
Purchases of Assets	-	-	-	-
	(3.88)	-	-	-
Interest paid	-	-	-	-
	-	-	-	(0.50)
Dividend paid	973.49	78.75	60.75	-
	(973.52)	(78.75)	(60.75)	-
Reimbursements on behalf of	-	-	-	-
Konfiaance Jewellery Private Limited	-	-	-	(0.21)
Repaid of reimbursement expenses by	-	-	-	-
Konfiaance Jewellery Private Limited	-	-	-	(2.78)
Rent received	-	-	-	108.00
				(108.00)
Rent paid	169.82	-	-	-
	(161.74)	-	-	-
Deposit received	3.00	-	-	-
	-	-	-	-
Deposit paid	3.00	-	-	-
	-	-	-	-
Loan repaid (Interest bearing)	-	-	-	-
	-	-	-	(82.19)
Loans taken (Interest bearing)	-	-	-	-
	-	-	-	(82.19)
Loans taken (non interest bearing)	-	-	-	-
	(1,042.50)	-	(0.97)	-
Loans taken (interest bearing)	-	-	-	-
	-	-	-	-
Loan repaid (non interest bearing)	-	-	-	-
	(1,054.47)	-	(280.99)	-
Loan repaid (interest bearing)	-	-	-	-
	-	-	-	-

# NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

Balance as at 31 March 2015*				
Loans payable	100.19	-	-	-
	(100.19)	-	-	-
Remuneration payable	21.00	-	-	-
	-	-	-	-
Deposit receivable	72.00	-	-	-
	(72.00)	-	-	-
Deposit payable	-	-	-	54.00
	-	-	-	(54.00)
Trade payable	-	-	-	270.42
	-	-	-	(119.15)
Investment	-	-	-	302.51
	-	-	-	(302.51)
Guarantees***	-	-	-	500.00
	-	-	-	-

\*Amounts pertaining to year ended 31 March 2014 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 bank on behalf of the Tribhovandas Bhimji Zaveri (Bombay) Limited, a wholly owned subsidiary in respect of loans taken by them amounting to ₹ 500 lakhs. (2014: NIL)

Note: Guarantee given by the managing director ₹ 3,014 lakhs (31 March 2014: ₹ 3,014 lakhs)

**30.13** 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 statement, particularly on the tax expenses and that on provision for tax.

**30.14** Pursuant to the Accounting Standard (AS 29) –Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31 March, 2015 is as follows:

Provision for Sales promotion expenses (included in Provision for expenses (refer note 10))

Particular	31 March 2015	31 March 2014
Opening Balance	818.00	470.00
Additions (net of utilisation)	(481.08)	348.00
Closing Balance	336.92	818.00

## 30.15 Earning Per Share (EPS)

Particular	31 March 2015	31 March 2014
Profit after Taxation (₹ in Lakhs)	2,604.09	5,505.90
Weighted Average Number of Equity Shares	66,716,850	66,697,245
Add: effect of potential issues of options	11,595	25,489
Number of shares considered as weighted average shares and potential shares outstanding	66,728,445	66,722,734
Basic earnings Per Share (Face value ₹ 10 per share)	3.90	8.26
Diluted earnings Per Share (Face value ₹ 10 per share)	3.90	8.25

**30.16 Segment reporting**

The Group is engaged in manufacturing/ trading and selling of jewellery 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.

**30.17 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 investments in subsidiary Companies are given in "Note 13".

The Company has given Corporate guarantee in respect of loan taken by its wholly owned subsidiary Tribhovandas Bhimji Zaveri (Bombay) Limited, amounting to ₹ 500 lakhs (2014 : Nil) 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.

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**

**Vijay Mathur**  
 Partner  
 Membership No: 046476

**Shrikant Zaveri**  
 Chairman and Managing Director

**Raashi Zaveri**  
 Whole-time Director

**Saurav Banerjee**  
 Chief Financial Officer

**Niraj Oza**  
 Company Secretary

Mumbai  
 12 May 2015

Mumbai  
 12 May 2015



# 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	31.03.2015 (same as of holding Company)	31.03.2015 (same as of holding Company)
3.	Reporting currency	INR	INR
4.	Share capital	502,000	1,000,000
5.	Reserves & Surplus	372,597	8,815,630
6.	Total Assets	84,518,985	9,900,183
7.	Total Liabilities	84,161,963	84,553
8.	Investments	517,575	-
9.	Turnover	151,016,886	-
10.	Profit / (Loss) before taxation	(29,695,225)	(89,051)
11.	Provision for taxation	-	-
12.	Profit / (Loss) after taxation	(29,695,225)	(89,051)
13.	Proposed Dividend	NIL	NIL
14.	% of shareholding	100% Shareholding	100% Shareholding

#### Notes:

1. Reporting period for the subsidiaries is same as that of the holding company i.e. 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015.
2. Names of subsidiaries which are yet to commence operations – NIL.
3. 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

Place: Mumbai  
Date: 12<sup>th</sup> May 2015

**Shrikant Zaveri**  
Chairman & Managing Director

**Raashi Zaveri**  
Whole-time Director

**Saurav Banerjee**  
Chief Financial Officer

**Niraj Oza**  
Company Secretary



# 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 2015, 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 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2015, and their consolidated profit and their consolidated 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, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, 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 and the reports of the other auditors.

## INDEPENDENT AUDITORS' REPORT

- 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.
- 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 2015, taken on record by the Board of Directors of the Holding Company and its subsidiary companies, none of the directors of the Holding and its subsidiary companies are disqualified as on 31 March 2015 from being appointed as a director in terms of sub-section 2 of Section 164 of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The consolidated financial statements disclose the impact of the pending litigations on the consolidated financial position of the Group – Refer Note 29.1 to the financial statements;
  - (ii) The Group did not have any long-term contracts including derivative contracts, requiring provisions under any act or accounting standard for any material foreseeable losses - Refer Note 29.7 to the financial statements; and
  - (iii) There were no amounts outstanding as on balance sheet date 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

Mumbai  
12 May 2015

**Vijay Mathur**  
Partner  
Membership No: 046476

# INDEPENDENT AUDITORS' REPORT

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT - 31 MARCH 2015

(Referred to in our report of even date)

- (i) (a) The Holding Company and its subsidiary companies have maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Holding Company and its subsidiary companies have 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 Group and the nature of its assets.
- (ii) (a) The inventory, except stocks lying with third parties, has been physically verified by the management of the Holding Company and its subsidiary companies during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for the physical verification of inventories followed by the management of the Holding Company and its subsidiary companies are reasonable and adequate in relation to the size of the Group and the nature of its business.
- (c) The Holding Company and its subsidiary companies are maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Holding Company & its subsidiaries companies has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Holding Company and its subsidiary companies, and the nature of its business with regard to purchase of inventories and fixed assets and sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weakness in internal control system.
- (v) The Holding Company and its subsidiary companies have not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the rules framed there under.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act, for any of the products manufactured/services rendered by the Holding Company and its subsidiary companies.
- (vii) (a) [According to the information and explanations given to us and on the basis of our examination of the records of the Holding Company and its subsidiary companies, 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, Wealth tax, Service tax, Customs duty, Cess, and other material statutory dues have been generally regularly deposited during the year by the Holding Company and its subsidiary companies with the appropriate authorities. As explained to us, the Company did not have any dues on account of Excise duty.]  
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, Wealth tax, Service tax, Customs duty, Cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income tax, Wealth tax, Sales tax, Value added tax, Service tax, Customs duty and Cess which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned below:-

## INDEPENDENT AUDITORS' REPORT

(₹ in lakhs)

Name of the Company	Relationship	Name of the Statute	Nature of dues	Amount	Period	Forum where dispute is pending
Tribhovandas Bhimji Zaveri Limited	Holding Company	Kerala Value Added Tax 2010	Value added tax	36.99	2009-10	Deputy Commissioner of Sales Tax
Tribhovandas Bhimji Zaveri Limited	Holding Company	Maharashtra Value Added Tax, 2002	Value added tax	17.47	2008-09	Joint Commissioner of Sales Tax (Appeal)
Tribhovandas Bhimji Zaveri Limited	Holding Company	Central Sales Tax Act, 1956	Central Sales Tax	181.99	2008-09	Maharashtra Sales Tax Tribunal
Tribhovandas Bhimji Zaveri Limited	Holding Company	Income Tax Act, 1961	Income tax	73.75	2009-10	Dy. Commissioner of Income tax
Tribhovandas Bhimji Zaveri Limited	Holding Company	Income Tax Act, 1961	Income tax	68.01	2010-11	Dy. Commissioner of Income tax
Tribhovandas Bhimji Zaveri Limited	Holding Company	Income Tax Act, 1961	Income tax	113.92	2011-12	Commissioner of Income Tax Appeals
Tribhovandas Bhimji Zaveri (Bombay) Limited	Subsidiary Company	Income Tax Act, 1961	Income tax	1.19	2010-11	Commissioner of Income Tax (Appeals)
Tribhovandas Bhimji Zaveri (Bombay) Limited	Subsidiary Company	Income Tax Act, 1961	Income tax	7.80	2011-12	Commissioner of Income Tax

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Holding Company and its subsidiary companies, there are no amount which are required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

- (viii) One of the subsidiary company has accumulated losses at the end of the year which are more than fifty percent of the networth on a standalone basis. Both the subsidiary companies have incurred cash losses on a standalone basis in the current and immediately preceding financial year. The Holding Company does not have any accumulated losses at the end of the year on standalone basis and has not incurred cash losses on a standalone basis, during the year and in the immediately preceding financial year. On a consolidated basis, the Group does not have any accumulated losses at the end of the year, and has not incurred cash losses during the year and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Holding Company and its subsidiary companies have not defaulted in repayment of dues to its bankers. The Holding Company and its subsidiary companies did not have any outstanding dues to any financial institution or debentures holders during the year.
- (x) According to the information and explanations given to us, the terms and conditions on which the Holding Company has given guarantee for loan taken by one of the subsidiary company from bank are not prejudicial to the interest of the Group. The Holding Company and its subsidiary companies have not given any guarantees for loan taken by others from financial institutions.



## INDEPENDENT AUDITORS' REPORT

- (xi) In our opinion and according to the information and explanations given to us, the term loans taken by the Holding Company have been applied for the purpose for which these loans were obtained.
- (xii) According to the information and explanations given to us, no instances of material fraud on or by the Holding Company and its subsidiary companies has been noticed or reported during the course of our audit.

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

Mumbai  
12 May 2015

**Vijay Mathur**  
Partner  
Membership No: 046476

**CONSOLIDATED BALANCE SHEET**

AS AT 31 MARCH 2015

(₹ in Lakhs)

	Notes	31 March 2015	31 March 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
(a) Share Capital	3	6,671.99	6,670.40
(b) Reserves & Surplus	4	39,687.62	38,073.04
		46,359.61	44,743.44
<b>Non - Current Liabilities</b>			
Long-term borrowings	5	1,199.81	1,653.50
Long-term provisions	6	276.48	621.39
		1,476.29	2274.89
<b>Current Liabilities</b>			
Short-term borrowings	7	57,170.61	54,691.24
Trade payables	8	10,901.95	7,905.87
Other current liabilities	9	11,708.18	19,870.94
Short-term provisions	10	1,269.17	2,127.58
		81,049.91	84,595.63
<b>TOTAL</b>		128,885.81	131,613.96
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	11		
Tangible assets		10,469.26	9,448.83
Intangible assets		288.30	202.15
Capital work-in-progress		494.67	158.80
		11,252.23	9,809.78
Non-current investments	12	10.29	5.29
Deferred tax assets (net)	13	89.32	722.06
Long-term loans and advances	14	1,338.40	1,205.18
		1,438.01	1,932.53
<b>Current Assets</b>			
Inventories	15	111,370.47	111,064.48
Trade receivables	16	79.97	286.74
Cash and bank balances	17	3,400.72	7,385.66
Short-term loans and advances	18	1,292.68	898.83
Other current assets	19	51.73	235.94
		116,195.57	119,871.65
<b>TOTAL</b>		128,885.81	131,613.96
Significant accounting policies	2		
Notes to the financial statements	29		
<b>The notes referred to above form an integral part of the financial statements</b>			

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**

**Vijay Mathur**  
Partner  
Membership No: 046476

**Shrikant Zaveri**  
Chairman and Managing Director

**Raashi Zaveri**  
Whole-time Director

**Saurav Banerjee**  
Chief Financial Officer

**Niraj Oza**  
Company Secretary

Mumbai  
12 May 2015

Mumbai  
12 May 2015

**CONSOLIDATED STATEMENT OF PROFIT & LOSS**

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	Notes	31 March 2015	31 March 2014
<b>INCOME</b>			
<b>Revenue from operations</b>			
Sale of product	20	193,372.52	181,773.96
Other operating revenue	21	47.05	660.12
		193,419.57	182,434.08
Other income	22	1,347.39	554.68
<b>TOTAL REVENUE</b>		194,766.96	182,988.76
<b>EXPENSES</b>			
Cost of Raw Material and Components Consumed	23	140,960.92	139,370.30
Purchase of traded goods	24	23,375.62	19,777.83
Changes in inventories of finished goods and traded goods	25	668.72	(9,145.85)
Employee benefits	26	6,230.18	6,602.87
Finance costs	27	5,021.94	4,636.17
Depreciation and amortisation	11	866.36	1,034.64
Other expenses	28	14,800.74	12,429.44
<b>TOTAL EXPENSES</b>		191,924.48	174,705.40
<b>Profit before exceptional items and tax</b>		2,842.48	8,283.36
<b>Exceptional items</b>			
"Reversal of excess depreciation in respect of earlier years (refer note 11)"		934.34	-
<b>Profit before tax</b>		3,776.82	8,283.36
<b>Tax expense</b>			
Current tax		712.12	2,942.00
Provision for tax of earlier years		-	1.85
Deferred tax charge/(credit)	13	632.74	(160.22)
<b>TOTAL TAX EXPENSE</b>		1,344.86	2,783.63
<b>Profit for the year</b>		2,431.96	5,499.73
Earnings per equity share (Nominal value of share ₹ 10 (31 March 2014: ₹ 10))	29.11		
Basic		3.65	8.25
Diluted		3.64	8.24
Significant accounting policies	2		
Notes to the financial statements	29		
<b>The notes referred to above form an integral part of the financial statements</b>			

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**

**Vijay Mathur**  
Partner  
Membership No: 046476

**Shrikant Zaveri**  
Chairman and Managing Director

**Raashi Zaveri**  
Whole-time Director

**Saurav Banerjee**  
Chief Financial Officer

**Niraj Oza**  
Company Secretary

Mumbai  
12 May 2015

Mumbai  
12 May 2015

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	Notes	31 March 2015	31 March 2014
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net profit before tax		3,776.82	8,283.36
Adjustments for:			
Depreciation and amortisation		866.36	1,034.64
Reversal of excess depreciation in respect of earlier years		(934.34)	-
Finance costs		5,021.94	4,636.17
Employee stock options scheme (net)		(0.10)	(14.74)
Foreign exchange gain (net)		-	(41.33)
Interest income on bank deposits		(356.46)	(464.95)
(Profit)/Loss on sales of fixed assets		(1.61)	3.20
Dividend income		(0.21)	(1.03)
Bad debts written off		12.56	12.43
Provisions written back			
- Doubtful debts		(17.77)	(28.30)
- Other liabilities		(78.09)	-
Assets written off		103.63	44.32
<b>Operating cash flow before working capital changes</b>		8,392.73	13,463.77
<b>Movements in working capital</b>			
Decrease/(Increase) in trade receivables		211.99	(94.07)
(Increase) in inventories		(306.00)	(8,515.18)
(Increase)/Decrease in current assets and loans and advances		(397.72)	183.21
Increase/(Decrease) in trade payables		2,996.08	(8,993.13)
(Decrease)/Increase in current liabilities and provisions		(8,574.36)	4,698.91
<b>Cash generated from operations</b>		2,322.72	743.51
Income taxes paid		(841.48)	(3,761.70)
<b>Net cash generated from/ (used in) operating activities</b>	(A)	1,481.24	(3,018.19)
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>Purchase of fixed assets</b>		(1,284.56)	(1,882.64)
Proceeds from sale of fixed assets		23.50	1.46
Bank deposits (having original maturity of more than three months)		3,321.91	(3,996.03)
Investments in mutual funds		(5.00)	(0.01)
Dividend received		0.21	1.02
Interest received on deposits		540.67	464.95
<b>Net cash generated from/ (used in) investing activities</b>	(B)	2,596.73	(5,411.25)

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT**

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	Notes	31 March 2015	31 March 2014
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		2,023.22	14,944.47
Exercise of stock options		16.85	26.37
Dividend paid		(1,500.91)	(1,500.98)
Dividend distribution tax paid		(255.06)	(254.93)
Finance cost paid		(5,025.10)	(4,636.17)
<b>Net cash (used in) / generated from financing activities</b>	(C)	(4,741.00)	8,578.76 )
<b>Net (decrease) / increase in cash and cash equivalents</b>	( A+B+C)	(663.03)	149.32
<b>Cash and cash equivalent at beginning of year (refer note below)</b>		1,261.83	1,112.51
<b>Cash and cash equivalent at end of year (refer note below)</b>		598.80	1,261.83
<b>Notes to cash flow statement</b>			
1. Components of cash and cash equivalents:			
Cash on hand		214.91	805.21
Balances with banks			
- on current accounts		345.09	456.62
- on margin accounts		38.80	-
		598.80	1,261.83
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".			
<b>The notes referred to above form an integral part of the financial statements</b>			

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**

**Vijay Mathur**  
Partner  
Membership No: 046476

**Shrikant Zaveri**  
Chairman and Managing Director

**Raashi Zaveri**  
Whole-time Director

**Saurav Banerjee**  
Chief Financial Officer

**Niraj Oza**  
Company Secretary

Mumbai  
12 May 2015

Mumbai  
12 May 2015

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

## 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 28 show rooms 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

### 2.1 Basis of Preparation of financial statements

The consolidated financial statement relate to Tribhovandas Bhimji Zaveri Limited ('TBZ' or the 'the Company') and its two wholly owned subsidiaries namely "Konfiaance Jewellery Private Limited" ("KJPL") and "Tribhovandas Bhimji Zaveri (Bombay) Limited" (TBZBL).

These consolidated financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant 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 and 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 satisfy 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 is satisfy 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



# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

d) the Company does not have as unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current

## 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 of 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 have 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 of 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. Accordingly, excess depreciation charged for earlier years upto 31 March 2014 aggregating ₹ 934.34 lakhs (net of deferred tax adjustments ₹ 637.34 lakhs) has been written back and recognized as an exceptional item in the Statement of Profit and Loss for the year ended 31 March 2015. Had the Company continued to use the earlier method of depreciation:

Particulars	Year ended 31 March 2015
1 Depreciation charge for the year would have been higher by	523.79
2 Deferred tax expense would have been lower by	174.69
3 Net profit for the year would have been lower by	986.44

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 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. Accordingly, at present, these are being amortised on straight line basis over a period 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.

## 2.6 Impairment of assets

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

### FOR THE YEAR ENDED 31 MARCH 2015

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. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an 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.

Costs comprise all cost of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods include costs of raw material, direct labour and other directly attributable expenses incurred in bringing such goods 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 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 the amount 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 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.

#### 2.13 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

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

Defined contribution plans

## ***Provident fund and Employees State Insurance***

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contribution to a Government administered schemes and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards Provident Fund and Employees State Insurance at the prescribed rates. Provident fund and Employee State Insurance dues are recognized when the liability to contribute to the provident fund and employees state insurance arises under the respective Acts.

## ***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. 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 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.

## **2.17 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.

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

## 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 and foreign currency fluctuations relating to certain firm commitments. 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 and contingent liabilities

"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."

(₹ in Lakhs)

	31 March 2015	31 March 2014
<b>3 SHARE CAPITAL</b>		
<b>Authorised</b>		
75,000,000 (31 March 2014: 75,000,000) equity shares of ₹ 10 each	7,500.00	7,500.00
	7,500.00	7,500.00
<b>Issued, subscribed and fully paid-up</b>		
66,719,900 (31 March 2014: 66,703,995) equity shares of ₹ 10 each fully paid-up	6,671.99	6,670.40
	6,671.99	6,670.40

Note :

### a Employee stock options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer note 29.4.

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

(₹ in Lakhs)

	31 March 2015		31 March 2014	
Equity shares	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
At the beginning of the year	66,703,995	6,670.40	66,666,667	6,666.67
Shares issued on exercise of employee stock option (refer note 29.4)	15,905	1.59	37,328	3.73
At the end of the year	66,719,900	6,671.99	66,703,995	6,670.40

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

- 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 2015		31 March 2014	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Equity shares allotted as fully paid bonus shares by capitalization of security premium	40,000,000	4,000.00	48,800,000	4,880.00
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash (under Employee Stock Option Plan)	53,233	5.32	37,328	3.73
Equity shares bought back by the company	-	-	-	-

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

	31 March 2015		31 March 2014	
	% holding in class	No. of Shares	% holding in class	No. of Shares
Equity shares of ₹ 10 each fully paid-up				
Shrikant Zaveri	50.06%	33,402,275	50.08%	33,402,275
Binaisha Zaveri	7.92%	5,285,000	7.92%	5,285,000
Raashi Zaveri	6.85%	4,572,500	6.85%	4,572,500
Smallcap World Fund, INC	6.50%	4,335,732	6.50%	4,335,732
Bindu Zaveri	5.25%	3,500,000	5.25%	3,500,000

- 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 its 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

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	31 March 2015	31 March 2014
<b>4 RESERVES AND SURPLUS</b>		
<b>(i) Securities premium account</b>		
At the commencement of the year	16,752.20	16,697.33
Add: premium received on exercise of employee stock options	23.39	54.87
	16,775.59	16,752.20
<b>(ii) Employee stock options outstanding account*</b>		
At the commencement of the year	24.86	71.83
Less: transferred on exercise of stock options	(8.13)	(32.23)
Less: transferred on cancellation of stock options	(0.09)	(14.74)
	16.64	24.86
<b>(iii) Capital reserves</b>		
At the commencement of the year	36.96	36.96
	36.96	36.96
<b>(iv) Surplus in statement of profit and loss</b>		
At the commencement of the year	19,858.42	16,666.16
Profit for the year	2,431.96	5,499.73
Less: Appropriations		
- Transfer to general reserves	-	(550.59)
- Equity dividend including dividend distribution tax paid for earlier years	(0.42)	(0.98)
- Proposed final equity dividend [₹ 1 per share (31 March 2014: ₹ 2.25 - per share)]	(667.20)	(1,500.84)
- Tax on proposed final equity dividend	(164.93)	(255.06)
	21,457.83	19,858.42
<b>(v) General reserves</b>		
At the commencement of the year	1,400.60	850.01
Add: Transfer from statement of profit and loss	-	550.59
	1,400.60	1,400.60
<b>(vi) Cash flow hedge reserves</b>		
At the commencement of the year	-	-
Less: Transfer to hedge reserve	(554.79)	-
Add: Reversed from hedge reserve	554.79	-
	-	-
<b>Total reserves and surplus</b>	<b>39,687.62</b>	<b>38,073.04</b>

\*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.

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	31 March 2015	31 March 2014
<b>5 LONG TERM BORROWINGS</b>		
Secured		
Term loans		
from banks	1,184.47	1,622.62
from non-banking financial companies	15.34	30.88
	1,199.81	1,653.50
Amount disclosed as current maturities of long term borrowings under the head other current liabilities (refer note 9)		
from banks	438.15	438.16
from non-banking financial companies	16.76	19.21
	454.91	457.37

The term loans from banks carries interest in the range of 11.75% - 12.40% p.a. The loans are repayable in equated monthly installments ranging from 60 to 72 months with installments of ₹ 4.01 lakhs to ₹ 32.50 lakhs. The loans are secured by first mortgage charge of assets purchased (i.e. premise at Nariman Point, Mumbai and IT equipments), first mortgage charge (to the extent of ₹ 700 lakhs) on immovable properties situated at Punjagutta, Hyderabad and second mortgage charge on the property located at Kandivali Industrial Estate, Mumbai.

The vehicle loans from non-banking financial companies carries interest in the range of 10.75%-10.78% p.a. The loans are repayable in 36 monthly installments ranging from ₹ 0.29 lakhs to ₹ 1.62 lakhs alongwith interest, commencing from the date of loan. The loans are secured by hypothecation of vehicle.

	31 March 2015	31 March 2014
<b>6 LONG TERM PROVISIONS</b>		
(i) Provision for employee benefits		
- Provision for gratuity (refer note 29.9)	145.30	443.51
- Provision for compensated absences (refer note 29.9)	131.18	177.88
	276.48	621.39

	31 March 2015	31 March 2014
<b>7 SHORT TERM BORROWINGS</b>		
Secured		
Loans repayable on demand		
- Working capital demand loan from banks	36,178.18	21,925.06
- Cash credit from banks	20,500.36	26,490.57
	56,678.54	48,415.63
Unsecured		
Loans repayable on demand		
- Working capital demand loan from banks	-	2,400.00
- From directors (refer note 29.12)	100.19	100.19
Others	391.88	3,775.42
	492.07	6,275.61
	57,170.61	54,691.24

Working capital demand loan and the Cash credit facilities are part of the Consortium arrangement. The above facilities carry interest ranging between 4.25% to 12.35% 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.



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

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 Company. Further, the loan is secured by the corporate guarantee of Tribhovandas Bhimji Zaveri Limited, the holding company.

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 premise at Zaveri Bazar, Mumbai, premise at Surat, premise at Kandivali Industrial Estate, Mumbai, and commercial premises at Santacruz (West), Mumbai belonging to Shri Shrikant Zaveri (Managing director), for which he has given personal guarantee to the consortium.
- By way of hypothecation charge over fixed assets installed/erected or built in premise at Surat, premise at Kandivali Industrial Estate, Mumbai, premise at Pune, and all movable and immovable assets present in all the Company's showrooms.

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 to the extent of ₹ 700 lakhs for the term loan) and premise at Nariman Point, Mumbai (first charge for the term loan)."

Further, bank deposits of ₹ 2,790.98 lakhs have been lien marked with the banks as a security for the above facilities. Also, the facilities are secured by Stand by Letter of credit of ₹ 15,490 lakhs and Letter of Comfort of ₹ 13,996 lakhs.

The Company had taken unsecured working capital demand loan from bank bearing interest @ 13.00% p.a. The loan is repayable within 45 days in 3 tranches of ₹ 800 lakhs each and additional interest. The loan has been repaid during the year.

Loan from directors is interest free and repayable on demand.

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

(₹ in Lakhs)

	31 March 2015	31 March 2014
<b>8 TRADE PAYABLES</b>		
Due to		
Micro, Small and Medium Enterprises (refer note 29.5)	-	-
Other than Micro, Small and Medium Enterprises	10,901.95	7,905.87
	10,901.95	7,905.87

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	31 March 15	31 March 14
<b>9 OTHER CURRENT LIABILITIES</b>		
Current maturities of long term borrowings (refer note 5)	454.91	457.37
Interest accrued but not due on borrowings	111.51	114.67
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	0.26
<b>Other payables</b>		
- Advance from customers	1,549.12	1,815.65
- Customers dues under schemes / arrangements	6,339.76	14,806.82
- Statutory liabilities	325.44	243.83
- Book overdraft	-	23.81
- Creditors for capital expenditure	312.94	97.52
- Provision for expenses (refer note 29.14)	2,613.55	2,310.67
	11,708.18	19,870.94

\*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.

Particulars	31 March 2015	31 March 2014
<b>10 SHORT TERM PROVISIONS</b>		
<b>Provision for employee benefits</b>		
- Provision for gratuity (refer note 29.9)	121.01	93.81
- Provision for compensated absences (refer note 29.9)	316.03	277.87
<b>Others</b>		
- Proposed final equity dividend	667.20	1,500.84
- Tax on proposed final equity dividend	164.93	255.06
	1,269.17	2,127.58

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

Description of assets	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at	Additions during the year	Deletion/adjustment during the year	As at	For the year	Deletion during the year	Adjustment during the year#	As at	As at	
	1 <sup>st</sup> April 2014			31 March 2015				31 March 2015	31 March 2015	
Tangible assets										
Land - owned	1,443.72 (1,443.72)	-	-	1,443.72 (1,443.72)	-	-	-	-	1,443.72 (1,443.72)	
Buildings*	5,104.66 (4,836.89)	127.39 (273.83)	- (6.06)	5,232.05 (5,104.66)	93.07 (247.55)	- (0.89)	514.56	374.61 (796.10)	4,857.44 (4,308.56)	
Lease hold improvements	1,452.39	343.76	222.90	1,573.25	172.60	145.80	-	426.17	1,147.08	
	(1,241.80)	(174.24)	36.35	(1,452.39)	(152.97)	-	-	(399.37)	(1,053.02)	
Plant and equipment	1,616.01 (1,394.13)	119.14 (242.12)	6.08 (20.24)	1,729.07 (1,616.01)	104.40 (160.90)	3.32 (6.50)	237.31	420.73 (556.96)	1,308.34 (1,059.05)	
Furniture and fixtures	1,598.30 (1,293.45)	300.01 (432.31)	133.39 (127.46)	1,764.92 (1,598.30)	143.27 (190.71)	106.71 (62.69)	112.21	655.09 (730.74)	1,109.83 (867.56)	
Vehicles	323.09 (270.12)	3.70 (72.65)	54.68 (19.68)	272.11 (323.09)	39.12 (29.92)	34.13 (15.45)	47.75	134.74 (177.50)	137.37 (145.59)	
Computers	930.80 (412.22)	91.72 (523.48)	103.30 (4.90)	919.22 (930.80)	116.83 (80.80)	-	22.56	453.74 (359.47)	465.48 (571.33)	
Sub Total	12,468.97 (10,892.33)	985.72 (1,718.63)	520.35 (141.99)	12,934.34 (12,468.97)	669.29 (862.85)	289.96 (85.53)	934.39	2,465.08 (3,020.14)	10,469.26 (9,448.83)	
Intangible assets										
Computer software	585.13 (558.16)	283.22 (19.46)	- 7.51	868.35 (585.13)	197.07 (171.79)	-	(0.05)	580.05 (382.98)	288.30 (202.15)	
Goodwill	43.59 (43.59)	-	-	43.59 (43.59)	-	-	-	43.59 (43.59)	-	
Sub Total	628.72 (601.75)	283.22 (19.46)	- 7.51	911.94 (628.72)	197.07 (171.79)	-	(0.05)	623.64 (426.57)	288.30 (202.15)	
Total	13,097.69 (11,494.08)	1,268.94 (1,738.09)	520.35 (134.48)	13,846.28 (13,097.69)	866.36 (1,034.64)	289.96 (85.53)	934.34	3,088.72 (3,446.71)	10,757.56 (9,650.98)	
Capital work in progress							-		494.67 158.80	

Buildings includes net block amounting to ₹ 493.16 Lakhs (31 March 2014; ₹ 410.17 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

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	31 March 2015	31 March 2014
<b>12 NON CURRENT INVESTMENTS</b>		
<b>Other Investments (Cost):</b>		
- Investments in equity instruments (quoted)		
17,300 (31 March 2014: 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 6,984 (31 March 2014: 6,618) units of ₹ 1,675.03 each	0.11	0.11
SBI Equity Opportunities Fund - 50,000 (31 March 2014: Nil) units of ₹ 10 each	5.00	-
- Investments in equity instruments (Unquoted)		
1,150 (31 March 2014: 1,150) equity shares of ₹ 10 each, fully paid up of Saraswat Co-operative Bank Limited	0.12	0.12
	10.29	5.29
"Aggregate book value of quoted non-current investment (Market Value ₹ 8.79 Lakhs, 31 March 2014: ₹ 10.47 Lakhs)"	5.06	5.06
Aggregate book value of unquoted non-current investment	5.23	0.23

	31 March 2015	31 March 2014
<b>13 DEFERRED TAX ASSETS (NET)</b>		
Arising on account of timing difference in		
- Excess of depreciation/amortisation on fixed assets under income-tax law - over depreciation/amortisation provided in accounts	(575.09)	(151.32)
<b>Total deferred tax liability</b>	(575.09)	(151.32)
Deferred tax assets		
- Provision for employee benefits	317.22	418.46
- Provision for expenses	153.59	298.66
- Provision for doubtful debts	2.43	8.47
- Provision for lease rent equalisation	191.17	147.79
<b>Total deferred tax assets</b>	664.41	873.38
<b>Net deferred tax assets</b>	89.32	722.06
<b>Net changes in deferred tax assets</b>	(632.74)	160.22

	31 March 2015	31 March 2014
<b>14 LONG TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
<b>To related parties</b>		
- Security deposits (refer note 29.12)	72.00	72.00
<b>To parties other than related parties</b>		
- Security deposits	888.60	876.07
- Advances for capital expenditure	14.32	63.64
- Advance tax (net of provision for tax of ₹ 12,172.76 lakhs (31 March 2014: ₹ 8,517.90 lakhs)	363.48	193.47
	1,338.40	1,205.18

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	31 March 2015	31 March 2014
<b>15 INVENTORIES</b>		
(valued at lower of cost and net realisable value)		
Raw material	9,976.20	8,990.21
Finished goods*	78,857.42	80,647.18
Stock-in-trade*	22,457.64	21,336.60
Packing material	79.21	90.49
	111,370.47	111,064.48

\*Cost of diamonds forming part of the jewellery is determined by management based on technical estimate of the purity and clarity of diamonds used, on which the auditors have placed reliance, as this being a technical matter.

	31 March 2015	31 March 2014
<b>16 TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured, considered good	-	-
- Doubtful	7.67	25.44
	7.67	25.44
Provision for doubtful receivables	(7.67)	(25.44)
	-	-
Other receivables		
- Unsecured, considered good *	79.97	286.74
<b>Total</b>	79.97	286.74

\* Includes receivable from credit card companies amounting to ₹ 54.84 Lakhs (31 March 2014: ₹ 229.92 Lakhs)

	31 March 2015	31 March 2014
<b>17 CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	214.91	805.21
Balances with banks		
- on current accounts#	345.09	456.62
- on margin accounts	38.80	-
<b>Other bank balances</b>		
- deposits with original maturity for more than 3 months but less than 12 months*	2,801.92	6,123.83
	3,400.72	7,385.66

#Includes towards Unclaimed Dividend of ₹ 0.61 Lakhs (31 March 2014: ₹ 0.26 Lakhs).

\*Deposits with a carrying amount of ₹ Nil (31 March 2014: ₹ 2,473.34 Lakhs) are towards Bank Gurantee.

\*Deposits with a carrying amount of ₹ 3.44 Lakhs (31 March 2014: ₹ 0.67 Lakhs) are liened with VAT authorities as deposits.

\*Deposits with a carrying amount of ₹ 2,790.98 Lakhs (31 March 2014: ₹ 3,642.31 Lakhs) are liened to secure working capital facilities availed from banks.

\*Deposits with a carrying amount of ₹ 7.50 Lakhs (31 March 2014: ₹ 7.50 Lakhs) are towards Base capital given to Multi Commodity Exchange India Ltd.

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	31 March 2015	31 March 2014
<b>17 CASH AND BANK BALANCES</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'	383.89	456.62
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	2,801.92	6,123.83
Bank deposits due to mature after 12 months of the reporting date included under 'Other noncurrent assets'	-	-

	31 March 2015	31 March 2014
<b>18 SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
<b>To parties other than related parties</b>		
- Security deposits	230.06	39.67
Other loans and advances		
Advance tax (net of provision for tax)	-	40.65
Advance to suppliers	548.24	160.04
Advances to others	19.59	22.14
Prepaid expenses	277.70	435.26
Balance with sales tax/VAT authorities	217.09	201.07
	1,292.68	898.83

	31 March 2015	31 March 2014
<b>19 OTHER CURRENT ASSETS</b>		
(Unsecured, considered good)		
Interest accrued on bank deposits	51.73	235.94
	51.73	235.94

	31 March 2015	31 March 2014
<b>20 REVENUE FROM OPERATIONS</b>		
<b>Sale of products</b>		
- Finished goods	169,202.77	149,618.83
- Traded goods	24,169.75	32,155.13
<b>Total</b>	193,372.52	181,773.96
<b>Details of sales</b>		
- Jewellery	193,372.52	181,773.96

	31 March 2015	31 March 2014
<b>21 OTHER OPERATING REVENUE</b>		
- Repairing revenue	47.05	660.12
<b>Total</b>	47.05	660.12

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	31 March 2015	31 March 2014
<b>22 OTHER INCOME</b>		
Interest income on bank deposits	356.46	464.95
Foreign exchange gain (net)	102.77	41.33
Reversal on employee stock options scheme (ESOP) (refer note 29.4)	0.10	14.74
Gains on commodities hedging (refer note 29.6)	780.74	-
Provisions written back		
- Doubtful debts	17.77	28.30
- Other liabilities	78.09	-
Miscellaneous income	11.46	5.36
	1,347.39	554.68

	31 March 2015	31 March 2014
<b>23 COST OF RAW MATERIALS AND COMPONENTS CONSUMED</b>		
Inventory at the beginning of the year	8,990.21	9,666.24
Add: Purchases	141,946.91	138,694.27
	150,937.12	148,360.51
Less: Inventory at the end of the year	(9,976.20)	(8,990.21)
Cost of raw material and components consumed	140,960.92	139,370.30
<b>Details of raw materials and components consumed</b>		
- Precious metals	123,848.13	1,15,950.61
- Precious stones	17,085.75	18,789.80
- Others	27.04	4,629.89
	140,960.92	139,370.30
<b>Details of inventory</b>		
<b>Raw material and components</b>		
- Precious metals	2,828.41	5,131.23
- Precious stones	7,147.79	3,858.98
	9,976.20	8,990.21

	31 March 2015	31 March 2014
<b>24 PURCHASE OF TRADED GOODS</b>		
- Precious metals	11,170.12	6,475.89
- Precious stones	12,205.50	10,065.64
- Others	-	3,236.30
	23,375.62	19,777.83



# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	31 March 2015	31 March 2014
<b>25 CHANGES IN INVENTORIES OF FINISHED GOODS AND TRADED GOODS</b>		
Opening inventory		
- Finished goods	80,647.18	77,982.64
- Traded goods	21,336.60	14,855.29
	101,983.78	92,837.93
Closing inventory		
- Finished goods	78,857.42	80,647.18
- Traded goods	22,457.64	21,336.60
	101,315.06	101,983.78
Decrease/ (Increase) in stock	668.72	(9,145.85)
<b>Details of inventory</b>		
<b>Finished goods</b>		
- Precious metals	56,601.96	57,121.60
- Precious stones	41,201.10	41,198.64
- Others	3,512.00	3,663.54
	101,315.06	101,983.78

	31 March 2015	31 March 2014
<b>26 EMPLOYEE BENEFITS</b>		
Salaries, wages and bonus	5,843.64	6,052.48
Contribution to provident and other funds (refer note 29.9)		
- Provident fund	171.69	84.39
- Other fund	49.29	43.76
Staff welfare expenses	310.79	226.27
Gratuity expenses (refer note 29.9)	(168.92)	146.53
Compensated absences (refer note 29.9)	23.69	49.44
	6,230.18	6,602.87

	31 March 2015	31 March 2014
<b>27 FINANCE COSTS</b>		
Interest expenses	4,610.85	4,317.73
Other borrowing costs	411.09	318.44
	5,021.94	4,636.17

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

	31 March 2015	31 March 2014
<b>28 OTHER EXPENSES</b>		
Power and fuel	542.35	522.47
Water charges	21.78	20.31
Boxes and packing materials	215.38	187.72
Repairs and maintenance to others		
- Plant and machinery	137.24	120.68
- Others	262.64	357.10
Jobwork charges	521.89	383.37
Stores and spares consumed	544.47	527.72
Rent (refer note 29.10)	2,443.16	2,218.50
Advertisement and sales promotion	6,331.46	4,418.06
Freight and forwarding charges	136.24	110.57
Commission and service charges	31.12	18.99
Insurance	62.68	66.10
Travelling and conveyance expenses	265.23	354.78
Rates and taxes	661.46	927.88
Legal and professional fees	877.13	754.61
Royalty	13.48	13.48
Postage, telegrams and telephone charges	283.44	262.32
Payment to auditors:		
- Statutory audit	30.90	30.90
- Limited Review of quarterly results	15.73	18.68
- Certification fees	7.30	1.69
- Out of pocket expenses	3.43	2.44
Security charges	223.29	202.44
Bank charges	657.66	523.50
Assets written off	103.63	44.32
Loss on sale of assets	-	3.20
Loss on commodities hedging	-	11.55
Commodities hedging cost	31.78	15.75
Bad debts written off	12.56	12.43
Contribution towards Corporate Social Responsibility (refer note 29.8)	50.00	-
Directors sitting fees	6.85	5.81
Commission to directors	33.71	36.49
Miscellaneous expenses	272.75	255.58
	14,800.74	12,429.44

## 29 NOTES TO ACCOUNTS

### 29.1 Contingent liabilities and commitments

#### Contingent Liabilities

##### Guarantee

Corporate guarantee given to bank on behalf of the Tribhovandas Bhimji Zaveri (Bombay) Limited, a wholly owned subsidiary, in respect of loans taken by them amounting to ₹ 500 lakhs. (2014: NIL)

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

Claims against the Company not acknowledged as debts

Particulars	31 March 2015	31 March 2014
Income tax matters	398.73	284.81
Sales tax matters	254.88	49.79

(a) 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.

(b) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(c) The Company's pending litigations comprise of claims against the Company by employees and pertaining to proceedings pending with Income Tax and 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.

## Commitments

Contracts remaining to be executed on capital account and not provided for as at 31 March 2015 is ₹ Nil (31 March 2014: ₹ 747.77 Lakhs) (net of advances).

## 29.2 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 2015	Accounting period
Konfiaance Jewellery Private Limited	India	100.00%	1 April 2014 to 31 March 2015
Tribhovandas Bhimji Zaveri (Bombay) Limited	India	100.00%	1 April 2014 to 31 March 2015

## 29.3 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	100.42%	46,555.19	107.08%	2,604.09
<b>Subsidiaries</b>				
Tribhovandas Bhimji Zaveri (Bombay) Limited	0.02%	8.75	(12.21%)	(296.95)
Konfiaance Jewellery Private Limited	0.21%	98.16	(0.04%)	(0.89)
Total Eliminations	(0.65%)	(302.49)	5.17%	125.71
<b>Total</b>	100.00%	46,359.61	100.00%	2,431.96

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

### 29.4 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.

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 2015	31 March 2014
Outstanding at beginning of the year	24,572	53,074
Granted during the year	Nil	Nil
Forfeited during the year	Nil	Nil
Cancelled during the year	1,383	12,327
Exercised during the year	10,902	16,175
Outstanding at the end of the year	12,287	24,572
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 ₹ (0.10 Lakhs)  
(31 March 2014 ₹ (0.87 Lakhs))

The total carrying amount as at 31 March 2015 on account of Options is ₹ 0.86 Lakhs (31 March 2014: ₹ 1.74 Lakhs)

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

## 2) Restricted Stock Units (RSUs)

Particulars	31 March 2015	31 March 2014
Outstanding at beginning of the year	15,723	46,311
Granted during the year	Nil	Nil
Forfeited during the year	Nil	Nil
Cancelled during the year	Nil	9,435
Exercised during the year	5,003	21,153
Outstanding at the end of the year	10,720	15,723
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 2014 ₹ (13.87 Lakhs))

The total carrying amount as at 31 March 2015 on account of RSU is ₹ 15.76 Lakhs (31 March 2014: ₹ 23.11 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 2015	31 March 2014
Net Income as reported	2,431.96	5,499.73
Add: Intrinsic Value Compensation Cost	(0.10)	(14.74)
Less: Fair Value Compensation Cost	2.15	3.64
Adjusted Proforma Income	2,429.71	5,481.35
Earning Per Share: Basic (₹)		
As Reported	3.65	8.25
Adjusted Pro Forma	3.64	8.22
Earning Per Share: Diluted (₹)		
As Reported	3.64	8.24
Adjusted Pro Forma	3.64	8.22

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

Particulars	31 March 2015		31 March 2014	
	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	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.

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

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.

Particulars	31 March 2015	31 March 2014
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	-	-

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

## 29.6 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 2015 (2014: Nil). The Company also uses cross-currency options to hedge its exposure to movements in foreign exchange rates.

### *Outstanding foreign currency derivative instruments*

Category	Currency hedge	Amount in foreign currency		Amount in Indian rupees	
		31 March 2015	31 March 2014	31 March 2015	31 March 2014
Currency options (to hedge trade payables)	Euro	-	24.11	-	2,034.71

## 29.7 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.

## 29.8 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 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 towards 'Promoting Healthcare including Preventive Healthcare' and 'Promoting Education', which are specified in Schedule VII of the Companies Act, 2013. The Company has incurred expenditure of ₹ 50 lakhs during the year for the above activities.

## 29.9 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 and Employees State Insurance, which is a defined contribution plan. 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 ₹ 220.98 Lakhs (31 March 2014: ₹ 128.15 Lakhs) which is shown under notes to financial statements 26 – 'Employee benefits'.



# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

## *b) Defined benefit plans*

	Particulars	Gratuity (funded)	
		31 March 2015	31 March 2014
I	<b>Change in Benefit Obligation</b>		
	Liability at the beginning of the year	638.52	523.48
	Liability of subsidiary prior to acquisition of its shares	-	-
	Interest cost	55.94	46.48
	Current service cost	86.45	252.93
	Benefit paid	(42.01)	(74.43)
	Actuarial (gain) / loss on obligations	(310.06)	(109.94)
	Liability at the end of the year	428.84	638.52
II	<b>Amount Recognised in the Balance Sheet</b>		
	Liability at the end of the year	428.84	638.52
	Fair value of plan assets at the end of the year	(162.53)	(101.19)
	Amount recognised in the balance sheet	266.31	537.33
III	<b>Expenses recognised in the Statement of profit and loss</b>		
	Current service cost	86.45	252.93
	Interest cost	55.94	46.48
	Expected return on plan assets	(11.93)	(4.67)
	Net actuarial (gain) / loss to be recognised	(299.38)	(102.95)
	Expenses of the subsidiary prior to acquisition of its shares	-	-
	Expense recognised in statement of profit and loss	(168.92)	191.79
IV	<b>Balance Sheet Reconciliation</b>		
	Opening net liability	537.33	469.29
	Liability of subsidiary prior to acquisition of its shares	-	-
	Expense recognized in the statement of profit and loss account	(168.92)	191.79
	Contribution Paid	(102.10)	(123.75)
	Amount recognised in balance sheet	266.31	537.33
V	<b>Composition of plan assets</b>		
	Qualifying insurance policies*	162.53	(101.19)
VI	<b>Movement in fair value of plan assets</b>		
	Fair value of plan assets at the beginning of the year	101.19	54.19
	Contributions paid into the plan	95.00	106.50
	Benefits paid by the plan	(35.08)	(57.45)
	Expected return on plan assets	13.35	4.67
	Actuarial (losses) / gains	(11.93)	(6.72)
	Fair value of plan assets at the end of the year	162.53	101.19

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

	31 March 2015	31 March 2014
<b>VII Principal Actuarial Assumptions</b>		
Discount Rate per annum	8.00%	9.00%
Expected rate of return on plan Assets	9.00%	9.00%
Salary Escalation rate per annum	5.00%	11%
Mortality	Indian Assured lives Mortality (2006-08) Ultimate	Indian Assured lives Mortality (2006-08) Ultimate
Employee Turnover rate (Factory office)	21.10%	16.13%
Employee Turnover rate (Corporate office)	20.00%	21.00%
Employee Turnover rate (Showroom)	25.00%	29.00%

\*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.

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 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Present Value of Defined Benefit Obligation	428.84	638.52	523.48	454.76	367.34
Fair Value of Plan Assets	162.53	101.19	101.19	-	-
Funded Status [Surplus/ (Deficit)]	(266.31)	(537.33)	(469.29)	(454.76)	(367.34)
Net Asset / (Liability)	(266.31)	(537.33)	(469.29)	(454.76)	(367.34)
Experience Adjustment Arising on:					
a. Plan Liabilities [Loss/ (Gain)]	46.81	(69.27)	111.25	73.02	48.56
b. Plan Assets [Loss/ (Gain)]	11.93	0.29	-	-	-

## Classification into current / non-current

	Non - Current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Gratuity	145.30	443.51	121.01	93.82
Total	145.30	443.51	121.01	93.82

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

## (ii) Other long-term employee benefits

### Compensated absences

The liability towards compensated absences (privilege and sick leave) for the year ended 31 March 2015 based on actuarial valuation carried out by using Projected unit credit method resulted in increase in liability by ₹ 23.69 Lakhs (31 March 2014: ₹ 49.44 Lakhs).

### Annual leave assumptions

	31 March 2015	31 March 2014
Discount Rate per annum	8.00%	9.00%
Expected rate of return on plan Assets	-	-
Salary Escalation rate per annum	5.00%	11.00%
Mortality	Indian Assured lives Mortality (2006-08) Ultimate	Latest compiled Table of LIC (1994-96)
Employee Turnover rate (Factory office)	21.10%	16.13%
Employee Turnover rate (Corporate office)	20.00%	21.00%
Employee Turnover rate (Showroom)	25.00%	29.00%

## 29.10 Leases

### Operating leases as a Lessee

The Group has recognized the rent expenses in the books of accounts on straight line basis. Rental expenses under operating leases (including cancelable and non – cancelable) aggregating ₹ 2,443.16 Lakhs (2014: ₹ 2,218.50 Lakhs) have been included under “other expense” under the notes to financial statement 28 in the statement of Profit and loss.

The future minimum lease payments in respect of non-cancellable operating leases as at 31 March 2015 are as follows -

	31 March 2015	31 March 2014
Amount due within one year from the balance sheet date	2,233.30	1,813.34
Amount due for the period after one year and before five years	6,669.86	6,027.28
Amount due for the period after five years	2,812.40	4,129.14
<b>Total</b>	<b>11,715.56</b>	<b>11,969.76</b>

## 29.11 Earning Per Share (EPS)

Particular	31 March 2015	31 March 2014
Profit after Taxation (₹ in Lakhs)	2,431.96	5,499.73
Weighted Average Number of Equity Shares for calculation of basic EPS	66,716,850	66,697,245
Add: effect of potential issues of options	11,595	25,489
Weighted Average Number of Equity Shares for calculation of diluted EPS	66,728,445	66,722,734
Basic earnings Per Share (Face value ₹ 10 per share)	3.65	8.25
Diluted earnings Per Share (Face value ₹ 10 per share)	3.64	8.24

## 29.12 Information on related party transactions as required by the Accounting Standard (AS) - 18 for the year ended 31 March 2015

### 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

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

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
3. Super Traditional Metal Crafts (Bombay) Private Limited
4. Cupid Annibis Jewellery Private Limited

## II 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>			
Remuneration paid**	496.70	-	-
	(947.05)	-	-
Purchases of Assets	-	-	-
	(3.88)	-	-
Dividend paid	973.49	78.75	60.75
	(973.52)	(78.75)	(60.75)
Rent paid	169.82	-	-
	(161.74)	-	-
Deposit received	3.00	-	-
	-	-	-
Deposit paid	3.00	-	-
	-	-	-
Loans taken (non interest bearing)	-	-	-
	(1,042.50)	-	(0.97)
Loan repaid (non interest bearing)	-	-	-
	(1,054.47)	-	(280.99)
<b>Balance as at 31 March 2015*</b>			
Loans payable	100.19	-	-
	(100.19)	-	-
Remuneration payable	21.00	-	-
	-	-	-
Deposit receivable	72.00	-	-
	(72.00)	-	-

\* Amounts pertaining to year ended 31 March 2014 are in bracket.

\*\* Remuneration does not include charge for gratuity and leave encashment as employee-wise break-up is not available.

Note: Guarantee given by the managing director ₹ 3,014 lakhs (31 March 2014: ₹ 3,014 lakhs)

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

## 29.13 Segment reporting

The Group is engaged in manufacturing/ trading and selling of jewellery 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.

**29.14** Pursuant to the Accounting Standard (AS 29) – Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31 March, 2015 is as follows:

Provision for Sales promotion expenses (included in Provision for expenses (refer note 9))

Particular	31 March 2015	31 March 2014
Opening Balance	818.00	470.00
Additions (net of utilisation)	(481.08)	348.00
Closing Balance	336.92	818.00

**29.15** 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 statement, particularly on the tax expenses and that on provision for tax.

## 29.16 Previous year figures

The figures of the previous year have been regrouped/ recast, where necessary, to conform to the current year classification.

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**

**Vijay Mathur**  
 Partner  
 Membership No: 046476

**Shrikant Zaveri**  
 Chairman and Managing Director

**Raashi Zaveri**  
 Whole-time Director

**Saurav Banerjee**  
 Chief Financial Officer

**Niraj Oza**  
 Company Secretary

Mumbai  
 12 May 2015

Mumbai  
 12 May 2015

**FORM NO. MGT-11**  
**PROXY FORM**

**TRIBHOVANDAS BHIMJI ZAVERI LIMITED**

CIN: L27205MH2007PLC172598

Regd. Off.: 241/43, Zaveri Bazar, Mumbai - 400 002

Tel. No.: (022) 3956 5001. 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).

**[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

<b>CIN</b>	L27205MH2007PLC172598		
<b>Name of the Company</b>	Tribhovandas Bhimji Zaveri Limited		
<b>Registered Office</b>	241/43, Zaveri Bazar, Mumbai – 400 002. Tel. No.: (022) 3956 5001 Fax No.: (022) 3956 5056 E-mail ID: <a href="mailto:investors@tbzoriginal.com">investors@tbzoriginal.com</a> Website: <a href="http://www.tbztheoriginal.com">www.tbztheoriginal.com</a>		
<b>Name of the member (s)</b>			
<b>Registered Address</b>			
<b>E-mail ID</b>			
<b>Folio No. / Client ID</b>			
		<b>D.P. ID:</b>	

I / We being member (s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

<b>1.</b>	<b>Name</b>		
	<b>Address</b>		
	<b>E-mail Id</b>		or failing him/ her
	<b>Signature</b>		
<b>2.</b>	<b>Name</b>		
	<b>Address</b>		
	<b>E-mail Id</b>		or failing him/ her
	<b>Signature</b>		
<b>3.</b>	<b>Name</b>		
	<b>Address</b>		
	<b>E-mail Id</b>		
	<b>Signature</b>		

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 8<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, 9<sup>th</sup> September, 2015 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:

<b>Resolution No.</b>	<b>Resolution</b>
<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, 2015.
2	Declaration of dividend on Equity Shares.
3	Reappointment of Ms. Binaisha Zaveri, Whole-time Director who retires by rotation.
4	To ratify the appointment of BSR & Co. LLP (Firm Registration No. 101248W/ W-100022), Chartered Accountants, Mumbai as Statutory Auditors.
<b>Special Business</b>	
5	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.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

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.





## ATTENDANCE SLIP

### TRIBHOVANDAS BHIMJI ZAVERI LIMITED

CIN: L27205MH2007PLC172598

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Website: [www.tbztheoriginal.com](http://www.tbztheoriginal.com); Email: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com).

### PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL AND HAND IT OVER AT THE ENTERANCE

I/We hereby record my/our presence at the 8<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 Wednesday, 9<sup>th</sup> September, 2015 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.

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

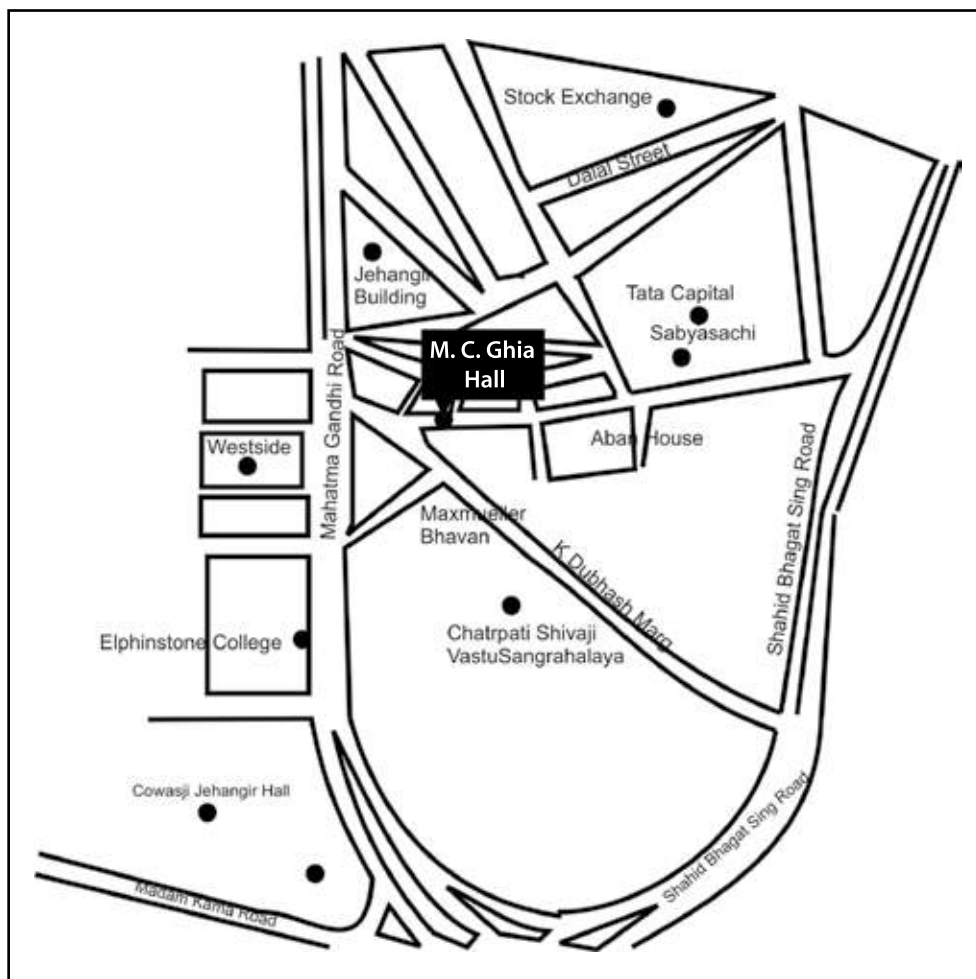
Day & Date: Wednesday, 9<sup>th</sup> September, 2015

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



## E-COMMUNICATION REGISTRATION FORM

### 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.

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Website: [www.tbztheoriginal.com](http://www.tbztheoriginal.com); Email: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com).

Dear Shareholder,

The Ministry of Corporate Affairs vide its Circular Nos.17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 commenced the 'Green Initiative in Corporate Governance' thereby allowing paperless compliances by Companies through electronic mode. Further, in line with recent circular ref. no. CIR/CFD/DIL/7/2011 dated 05.10.2011 issued by the Securities and Exchange Board of India (SEBI) and consequent changes in the listing agreement, Companies can send Annual Report in electronic mode to shareholders who have registered their email addresses for the purpose.

It is welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a Greener Environment. This is a golden opportunity for every shareholder of Tribhovandas Bhimji Zaveri Limited to contribute to the Corporate Social Responsibility initiative of the Company.

We therefore invite all our shareholders to contribute to the cause by filling up the form given below to receive communication from the Company in electronic mode. You can also download the attached registration form from our website [www.tbztheoriginal.com](http://www.tbztheoriginal.com).

Let's be part of this 'Green Initiative'!

Please note that as a member of the Company you will be entitled to receive all such communication in physical form, upon request.

Best Regards,

Niraj Oza  
Company Secretary

### E-COMMUNICATION REGISTRATION FORM

Folio No. / DP ID & Client ID: \_\_\_\_\_

Name of 1<sup>st</sup> Registered Holder: \_\_\_\_\_

Name of Joint Holder(s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

E-mail ID [to be registered]: \_\_\_\_\_

I/we shareholder[s] of Tribhovandas Bhimji Zaveri Limited agree to receive communication from the Company in electronic mode. Please register my above e-mail id in your records for sending communication through e-mail.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

**Note:** Shareholder[s] are requested to keep the Company informed as and when there is any change in the e-mail address.



NOTES

Handwriting practice lines consisting of 28 horizontal dashed lines.

NOTES

Handwriting practice lines consisting of 30 horizontal rows. Each row is defined by three dashed lines, providing a guide for letter height and placement.

NOTES

Lined area for notes, consisting of multiple horizontal dashed lines.



## NOTES

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page, providing a guide for writing. There are no margins, text, or other markings on the paper.





#### **Registered Office**

241/43, Zaveri Bazar, Mumbai - 400 002  
Tel. No.: (022) 3956 5001. Fax No. (022) 3956 5056.  
Email: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com).

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