

Date: 21<sup>st</sup> September, 2017

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

Dear Sir,

Re: **Tribhovandas Bhimji Zaveri Limited. Script Code & ID: 534369 / TBZ**  
Sub: **Submission of Annual Report 2016-17 duly Approved and Adopted by the members of the Company at the 10<sup>th</sup> Annual General Meeting of the Company pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We are enclosing herewith the Annual Report 2016-17 as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the members of the Company, as per the provisions of the Companies Act, 2013, at the 10<sup>th</sup> Annual General Meeting of the Company which was held on Tuesday, 19<sup>th</sup> September, 2017 at M. C. Ghia Hall, 4<sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001.

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

Thanking You.

Yours faithfully,  
For **Tribhovandas Bhimji Zaveri Limited**



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



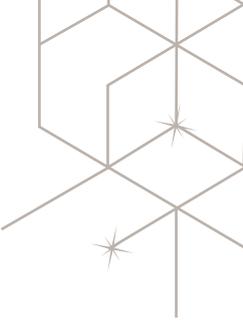
**tbz**<sup>®</sup>  
The original since 1864  
TRIBHOVANDAS BHIMJI ZAVERI LTD.

CIN No : L27205MH2007PLC172598

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

11th Floor, West Wing, Tulsiani Chambers, Free Press Journal Road, Nariman Point, Mumbai – 400 021. Tel.: 022 30735000 Fax.: 022 30735088

www.tbztheoriginal.com



**tbz**®

The original since 1864

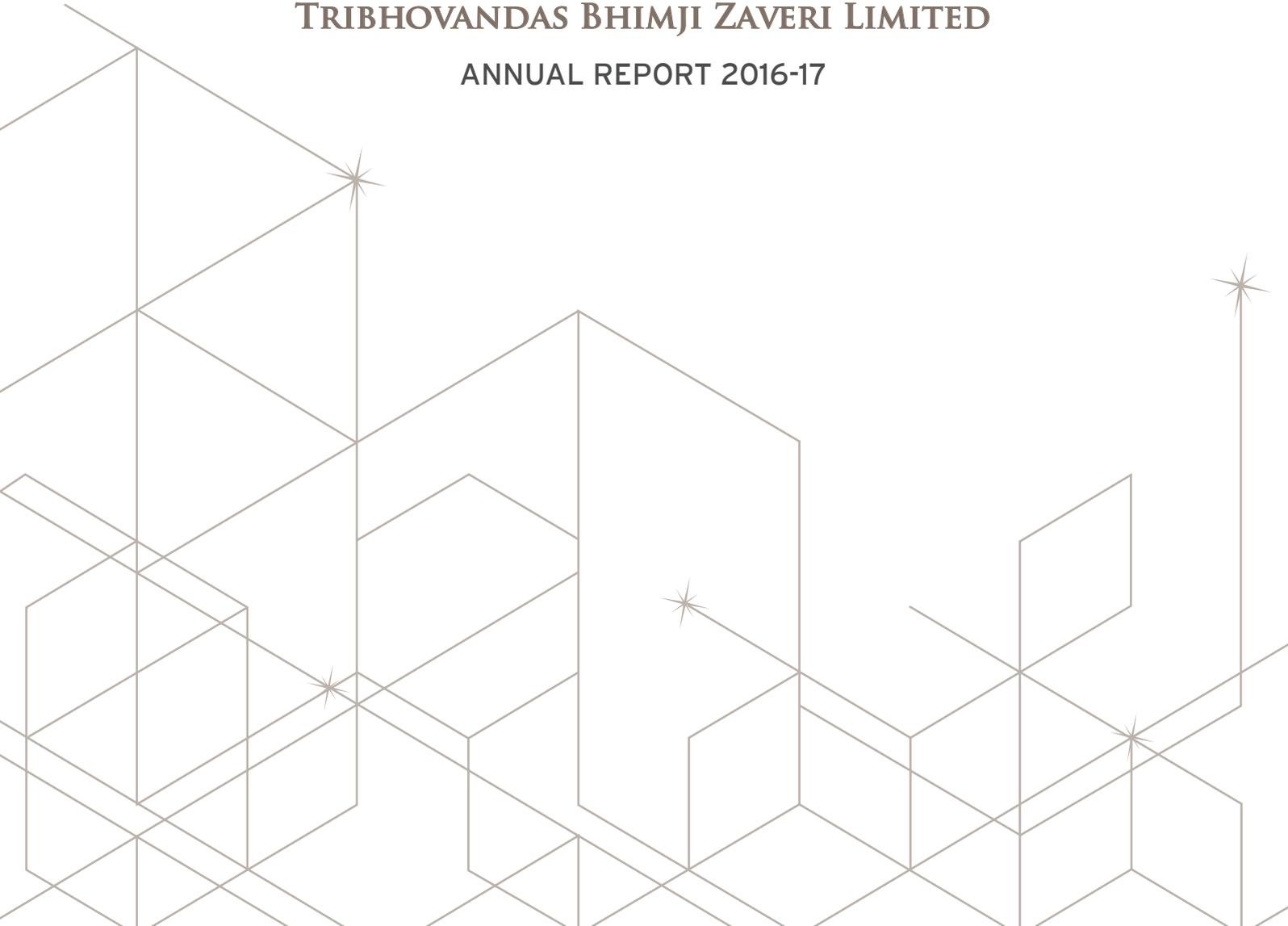
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**TRIBHOVANDAS BHIMJI ZAVERI**  
SHRIKANT ZAVERI GROUP

DETERMINED ✦ DEFINITIVE ✦ DECISIVE

**TRIBHOVANDAS BHIMJI ZAVERI LIMITED**

**ANNUAL REPORT 2016-17**



# Contents

## Corporate Overview

Corporate Information	01
About Us	02
Our Collections	04
Chairman's Message	06
Board of Directors	08
Financial Highlights	10
Corporate Social Responsibility	12
Awards	16

## Statutory Reports

Management Discussion & Analysis	17
Notice	25
Directors' Report	32
Report on Corporate Governance	79

## Financial Statements

Standalone Financials	106
Consolidated Financials	141

# Corporate Information



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

**Day & Date:** Tuesday,  
19<sup>th</sup> September, 2017

**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.

## Board of Directors

### Shrikant Zaveri

*Chairman & Managing Director*

### Binaisha Zaveri

*Whole-time Director*

### Raashi Zaveri

*Whole-time Director*

### Kamlesh Vikamsey

*Independent Director*

### Ajay Mehta

*Independent Director*

### Sanjay Asher

*Independent Director*

## Auditors

B S R & Co. LLP  
Lodha Excelus, 1<sup>st</sup> Floor,  
Apollo Mills Compound,  
N. M. Joshi Marg,  
Mahalaxmi, Mumbai – 400 011.

## Chief Financial Officer

Saurav Banerjee

## Head Legal & Company Secretary

Niraj Oza

## Bankers

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

## Registrar & Share Transfer Agent

### Karvy Computershare Private Limited

Unit: Tribhovandas Bhimji Zaveri Limited  
Karvy Selenium Tower B,  
Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad – 500 032.

Tel. No. (040) 6716 1606 / 1500 / 2222

Fax No. (040) 2342 0814

Toll Free No. 1800 3454 001

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

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

## Registered Office

241/43, Zaveri Bazar,  
Mumbai – 400 002.

CIN No.: L27205MH2007PLC172598

Tel. No. (022) 3956 5001

Fax No. (022) 3956 5056

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

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

## Corporate Office

1106 to 1121, 11<sup>th</sup> Floor, West Wing,  
Tulsiani Chambers, 212,  
Backbay Reclamation,  
Free Press Journal Road,  
Nariman Point, Mumbai – 400 021.

Tel. No. (022) 3073 5000

Fax No. (022) 3073 5088

## About Us



TBZ - The Original is a brand that is coveted for its promise of innovative designs, exemplary quality of workmanship and trust that spans over 150 years. Our brand has been synonymous with jewellery for weddings, celebrations and festive occasions as well for everyday wear for young India that has eclectic taste and seeks jewellery that is aspirational. We have been at the forefront of designing traditional as well as contemporary collections that enthralls and enthuses the senses with its visual appeal and beauty and accentuates one's personality.

**Determined** to always excel and outshine, we are trend-setters and pioneers setting benchmarks of

excellence and raising the bar of customer-centricity in all that we do. We were the first in India to promote the concept of lightweight precious jewellery, offer lifetime buy-back scheme on gold jewellery, provide certified solitaire diamonds and introduce 100% BIS hallmarked 22 karat gold jewellery. Every jewellery piece comes with a lifetime warranty, a rarity in the industry. Our pioneering focus is also reflected in the overall professional working environment in our Company and is visible in the high standards of corporate governance, transparency in reporting and ethical business practices we adopt.

For over 150 years, we have cultivated the beautiful artistry of adding

**definitive** and unmatched style to the substantial value that gold and precious metals represent. Created with passion and precision, our success in unveiling exquisite collections, season after season, is driven by the definite and confident creative excellence of our designers, craftsmen and our state-of-the-art integrated manufacturing facilities. Our unwavering emphasis on splendid product offerings and outstanding customer service has enabled us to cultivate an extraordinarily loyal clientele that often spans generations.

We have always been **decisive** and that has enabled us to transform and evolve our business over the years. From a family owned chain of stores, we became a publicly held company. Our decisiveness is also chronicled by the test of endurance of our enterprise that continues to grow and expand charting new territories. We now have a pan-India distribution network through 33 exclusive stores in 26 cities across 11 states, as well as digital footprints. We are further expanding our reach through a mix of owned showrooms and asset-light franchisee model.

By marrying design and innovation with technical skill and finesse at every phase of crafting jewellery, while staying true to the path of being 'DETERMINED. DEFINITIVE. DECISIVE.' in every aspect of our business, we are committed to delivering value to all our stakeholders – our customers, employees, shareholders and the society at large.

33  
Retail stores

43  
Designers including  
21  
CAD Designers

26  
Cities

~1,08,948  
sq. ft.  
Retail space spread

80%  
Average Conversion  
Rate of Customer  
Footfalls



## Our Collections

The jewellery destination of choice for every occasion, TBZ - The Original has a legacy of well over a century in enthraling customers with stunning and unique collections. Our creations, available in gold, diamond, platinum and silver, redefine taste, aesthetics, style and fashion for our customers. While wedding jewellery reminiscent of style and craftsmanship from a bygone age to create a unique heirloom has been our specialty, our creations also include exquisite offerings to cater the evolving needs of the modern woman.

From traditional masterpieces to contemporary glamour, sparkling showstoppers to sophisticated style, and boundless brilliance to charming simplicity; our collections celebrate the myriad facets of our customer's personality.

Our enduring collection of aesthetically designed pieces epitomises the spirit of femininity, elegance and grace. Inspired by our legacy and by staying true to the values of trust, quality and craftsmanship that we have inherited, we have carved a niche for ourselves.



### Our Product

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



## Chairman's Message



**For over 150 years, we have been privileged to be at the forefront of designing the finest and most spectacular jewellery collections in India – jewellery that has exuded its own distinct style and class and has passed the test of time**

*Dear Shareholders,*

It is indeed my privilege to present the Annual Report of your Company for the financial year ended 31<sup>st</sup> March, 2017. I am pleased to inform that our responsiveness and operational agility enabled us to improve on our previous year's results, reinforcing that our strategies are right and we are headed in the right direction. The theme for this year's Annual Report: 'Determined. Definitive. Decisive.' aptly symbolises this resolute focus on growth and value creation for all stakeholders.

For over 150 years, we have been privileged to be at the forefront of designing the finest and most spectacular jewellery collections in India – jewellery that has exuded its own distinct style and class and has passed the test of time. Our designs and collections continue to evolve as we closely map global trends and infuse it with our deep insight of the contemporary tastes of our customers. We have held on to our traditional strengths and while retaining the best of Indian craftsmanship, we have also invested in modern technology to enable flawless execution. It is these deep-rooted pillars that set us apart and are poised to etch our mark even deeper. It is this strength of brand TBZ and our innate passion for making remarkable jewellery that plays an invaluable role in our core business strategy as we continue to expand our footprints pan India.

During the year, we opened two new stores in Patna and Ranchi in the States of Bihar and Jharkhand. With this, we are now present in 26 cities across 11 states. We also renovated and re-launched our existing store in Vijayawada to offer a

larger retail space and an enhanced experience for our customers. We have also extended our reach by associating with leading online retailers.

We have successfully evolved the asset-light franchisee model wherein the stores are owned and operated by the franchisee. This approach enables us to expand operations with nominal capex and provides the business and entrepreneurial spirit of the country an opportunity to start their own venture in association with a trusted brand. Currently, we have a total of 33 stores, including 4 franchised stores. Over the next three years, we are optimistic of opening more franchised stores.

## Financial Overview

FY2017 was an important year for the country with the roll out of the one nation - one tax i.e. the Goods and Services Tax (GST) which unifies the country's US\$ 2 trillion economy and catapults India into a select league of nations that have a national sales tax. Earlier during the year, the demonetisation move, aimed at driving the nation towards a cashless economy, ensured greater transparency. While demand remained subdued for the ensuing quarter, it has slowly and steadily picked up subsequently.

At TBZ, we remained focussed on our core business and achieved growth as we capitalised on the high festive demand in the earlier part of the year and the extended wedding season. By providing exclusive designs, personalised attention and customised services we maximised the available opportunities. Additionally, we fine-combed our operations to recalibrate and keep overhead costs

at the minimum. We consciously took measures to rationalise our inventory and this enabled us to reduce debt and enhance liquidity for working capital expenses. Our loyalty program – the Kalpavruksha scheme has been instrumental in not only increasing our customer base but has also incentivised customers to increase their value of purchase at the time of redemption.

### To share our progress in numbers:

Total operating revenue increased to ₹ 1,70,024.20 Lakh in FY2017 from ₹ 1,65,477.72 Lakh in FY2016. We registered a profit of ₹ 1,853 Lakh in FY2017, as against a loss of ₹ 2,313 Lakh in FY2016. On a year-on-year basis, the gold jewellery average ticket size increased by 9.4% to ₹ 80,033 in FY2017 while the diamond average ticket size decreased marginally by 5.5% to ₹ 1,15,213 in FY2017.

## Outlook

We believe that the low demand in FY2016 for gold in India was an aberration rather than a trend, caused due to unique and one-off events. The underlying demand for gold and jewellery still remains robust, given India's favourable demographics, the huge popularity of Indian weddings and festivals, and Indian customers' strong affinity for the yellow metal. Two consecutive years of normal monsoons in most parts of the country is also expected to boost the demand for gold from the rural market.

As customers increasingly seek extraordinary jewellery designs of the finest quality and craftsmanship, sealed with the promise of trust, we believe that TBZ - The Original is well-poised to serve and delight them. Through

our planned expansion of Company-owned and franchisee-owned stores, while optimising costs, we will continue to pursue the opportunities to grow our sales, profitability and productivity.

On a concluding note, my sincere gratitude to our shareholders for their continued confidence, to our customers for their patronage, our stakeholders for their support, and to our employees whose passion and commitment enable our achievements.

We look forward to a successful year ahead and beyond.

Thank you

**Shrikant Zaveri**

*Chairman & Managing Director*

# Board of Directors

## 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 five years in the Gems and Jewellery industry. He has completed his education up to matriculation. He took over as the managing partner of the business in 2001. He continued his forefather's business with one flagship showroom at Zaveri Bazar, and given his immense efforts, your Company presently has thirty two showrooms, out of which, twenty nine are Company's own showrooms and three are franchisee showrooms, in twenty five cities and eleven states across India.

During the current financial year, with his vision, your Company has started its second and third franchise showrooms at Patna (Bihar) and at Ranchi (Jharkhand), respectively. He is discharging the additional responsibility of Chief Executive Officer of your Company.

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

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

## Ms. Binaisha Zaveri

*Whole-time Director*

Ms. Binaisha Zaveri holds a bachelor's degree in marketing and finance from the Stern School of Business, New York. She joined the business in 2004 and has an experience of more than thirteen 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 four 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 nine years. She is involved in the management of your Company's enterprise resource planning systems and is actively engaged in accounting, merchandising and general corporate management.

## Mr. Kamlesh Vikamsey

*Independent Director*

Mr. Kamlesh Vikamsey has a bachelor's degree in commerce from the University of Mumbai and is a qualified chartered accountant. He has more than thirty four years of experience in Accounting

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

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

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

### Mr. Ajay Mehta

*Independent Director*

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

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

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 seven years of experience in the field of law and corporate matters. He is presently

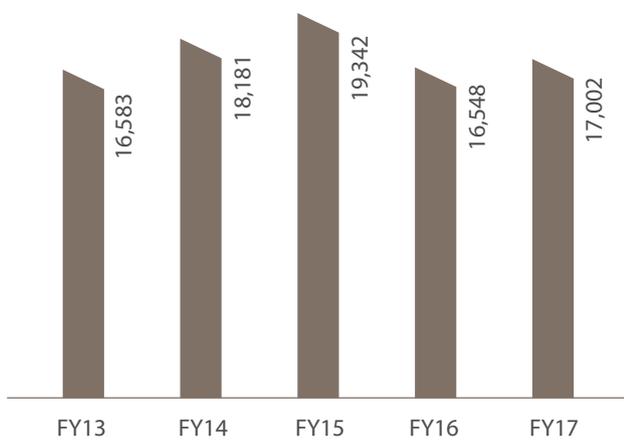
a senior partner at M/s. Crawford Bayley and Co., and deals with corporate laws, laws of mergers and acquisitions and capital market transactions.

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



# Financial Highlights

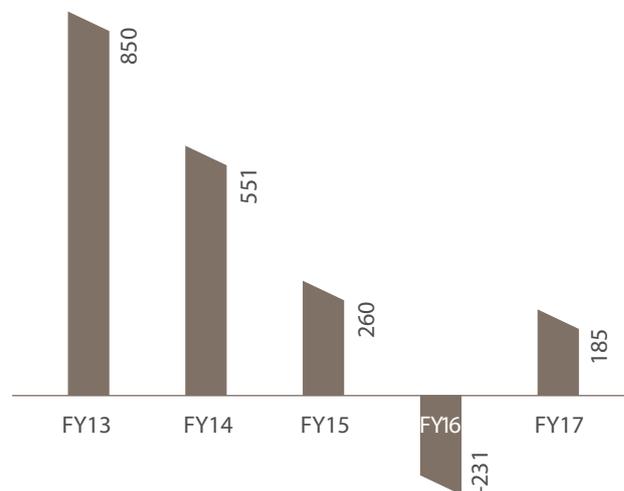
Operating Income (₹ Million)



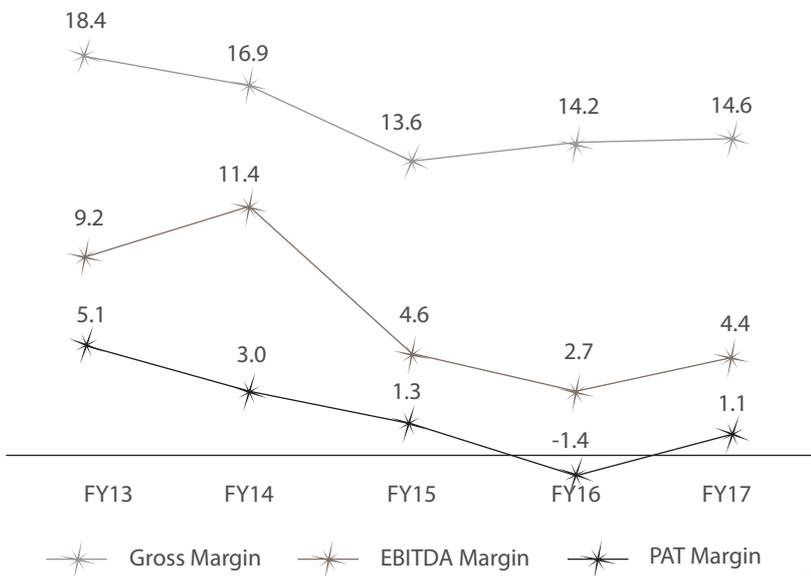
EBITDA (₹ Million)



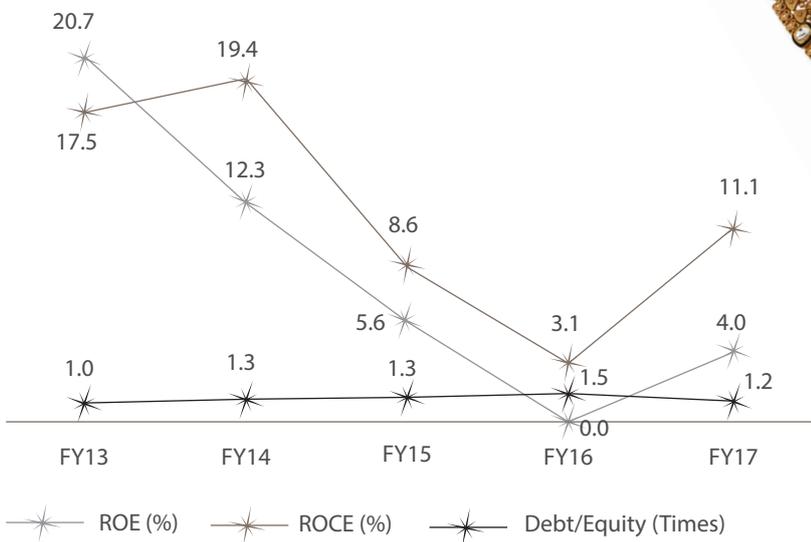
PAT (₹ Million)



**Margins (%)**



**Leverage & Returns**



# Corporate Social Responsibility

## CSR Strategy

At TBZ - The Original, Corporate Social Responsibility means much more to us than mandates; it's an essential part of our everyday operations. We strongly believe in aspiring to develop a society in which all people, regardless of race, religion or culture, harmoniously live and work together for the common good in the near future.

Our view of CSR extends beyond charity; it is a means to create self-sustaining communities that we can nurture for a long period of time. We are committed to uplifting the social fabric of the society in which we operate, women being the centre of this development chain.

Hence, in the year 2016-17, we launched our flagship project Pankhi to support victims of domestic violence and help them to integrate back in their families. We also launched a special helpline number for victims to avail counselling support over the phone as well.

We deeply value our relationship with our employees, customers and partners and look forward to them being active participants in all our CSR endeavours. We will continue to focus on this area and be responsible Corporate Citizens.

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



## Project Pankhi

The project aims at providing counselling and rehabilitation to the women victims of domestic violence through a central helpline (PANKHI) and face-to-face counselling services in accordance with The Protection of Women from Domestic Violence Act, 2005. Our partner for project implementation was SNEHA (Society for Nutrition, Education & Health Action).

### Achievements for the year 2016-17 were:

#### 1. Women's OPDs in four public hospitals

Through the Women's OPDs (outpatient departments) at four hospitals, we reached out to 853 clients. Of these, 735 cases (86%) were referred by the health care providers. The other 118 cases were referred by SNEHA staff, former



clients, self, helpline, campaigns, etc. 1,108 individual sessions were conducted in the four hospitals. In some cases, women required more than one counselling session. 281 joint counselling sessions were held between survivors of violence and the perpetrators (their spouses or marital/natal family members) to help the woman negotiate what she wanted as an outcome, whether it was reconciliation, separation, alimony, legal processes, etc. 540 sessions were devoted to the follow-up of other on-going cases.

#### 2. Sessions with para-medical and support services

Through the 51 training sessions SNEHA conducted for the hospital staff, they found that the level of awareness on gender-based violence was quite low. An important



outcome of the training was that 17 hospital staff members who had attended the training sessions came to the Women's OPDs for help with personal problems they were having.

#### 3. Awareness-raising events and campaigns

Through a 16-day campaign, we sensitised around 6,000 people on the subject of gender-based violence. Street plays, poster competitions, pamphlet distribution, games, talks, audio-visuals and film screening across all the hospitals were organised as part of the 16-day awareness campaign and on the occasion of Women's Day in March 2017. As part of the Women Day celebrations, a play was also written, directed and performed by the hospital counsellors.

#### 4. Pankhi Helpline

The Pankhi Helpline (inaugurated on 8<sup>th</sup> September, 2016) handled 123 calls from its commencement until March 2017. While the majority of the calls of 82 women were from Maharashtra (67%), the remaining 41 calls came from across India. The phone number was promoted through TBZ Marketing Channels & SNEHA website. Many clients were comfortable with approaching an organisation for help through it.



### Pankhi Project – Key Achievements

## Pankhi Helpline

Launched pan-India helpline service for providing telephonic counselling

6,000

People sensitised through campaigns and events

## Expanding Scale

Bharatiya Stree Shakti and Stree Mukti Sanghatan to be empanelled as NGO partners for increasing the coverage in Mumbai and suburban areas

123

Victims received support through Pankhi helpline

## Project Paper Boat

The Paper Boat Project is an in-house mentorship program which gives individuals an opportunity to design the future of young children as their mentor, teacher and a playful friend. As a part of the same, the top management of the Company volunteered to be mentors for children studying in municipal schools and belonging to underprivileged sections of the society. Five interactive sessions were conducted during the year.

## Project Sports for All

TBZ Ltd. collaborated with Ladi Devi Trust Foundation in providing football

training and kit provision to children from underprivileged sections of the society of South Mumbai. After receiving training, these children also participated in South Mumbai Soccer Challenge and competed against children studying in private schools, thus encouraging inclusivity and integration.

## Project Dance for All

TBZ Ltd. collaborated with Salaam Bombay Foundation which engages with "at risk" children through in-school leadership programmes and after-school sports, arts, media and vocational training initiatives. These programmes build their

self-esteem and give them the confidence to stay in school. As a part of the intervention, these children were trained in various dance forms and also got an opportunity to perform at Yash Raj Studios.

## Project Breast Cancer Awareness and Aid

TBZ Ltd. collaborated with Cancer Patients Aid Association, an institution which works on the concept of Total Management - from the time the cancer is diagnosed, through treatment and family support and finally rehabilitation. Around 26 women were impacted directly by this project.



### Initiatives undertaken as part of the project:

- TBZ Ltd. adopted Breast Cancer Awareness and Aid Programme for providing financial assistance towards medical treatment
- Interpreting and imparting education about the illness to the patient and patient's family members
- Extending guidance, counselling and emotional support to the patient to help him/her come to terms with the illness and to infuse hope and an optimistic attitude
- Institutional, hospital and home visits
- Placing the patient and his/her school-going children in appropriate institutions
- Making arrangements for prosthesis, ambulance, etc.
- Social rehabilitation of the patient

# Awards

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

Winner of two awards at the 12<sup>th</sup> Gemfields Retail Jewellers India Awards, 2016 in the field of:

TV Campaign of the Year



The Diamond Jewellery of the Year



Winner of best ring design over  
₹ **2,50,000**  
at the 'JJS-IJ Jewellers' Choice Design Awards, 2016

# Management Discussion and Analysis



## Global economy

2016 shall go down in history as a year of surprises: first, with the UK choosing to exit the EU and then, with the election of the Republican candidate as the President of the USA. Both these events are expected to have a long-term impact on the geo-political and socio-economic landscape in days to come. Amidst a sentiment of nervous trepidation, the global economy grew at 3.1% in 2016 compared to 3.4% in 2015. Firming of interest rates by the US Fed and the turmoil in Chinese financial markets due to Yuan depreciation by the Chinese Central Bank also impacted growth. However, global economic outlook strengthened towards the end of 2016 with buoyant financial markets, cyclical recovery in manufacturing and trade, and firming oil prices.

With economic activity in both advanced, emerging and developing economies forecast to accelerate in 2017, the International Monetary Fund (IMF) has projected global growth to be 3.5%, with emerging economies expected to contribute positively to the overall global growth.

## Indian economy

India remains the fastest growing emerging economy in Asia and the world. The Indian economy expanded by 7.1% in FY 2016-17. The key drivers included near-normal monsoon, benign inflation and the Government's focus to reinvigorate core sectors like infrastructure, manufacturing, housing as well taking measures to increase financial inclusion.

In addition to this, the Government's initiative to liberalise and simplify the foreign direct investment policies for several sectors, increased investments in infrastructure, focus on boosting rural economy by improving agricultural sector, facilitating entrepreneurship, and upgrading the taxation regime through implementation of the Goods and Services Tax bodes well for economic development.

Economic activity is expected to accelerate underpinned by a recovery in private investments, which are expected to get a boost by the recent increase in public capex and an improvement in the investment climate. The International Monetary Fund (IMF) projects India's growth rate to touch 7.2% in fiscal year 2018 and further accelerate to 7.7% in 2019.

*(Source: Central Statistics Office, IMF projections, Newspapers)*

## Gems and Jewellery industry review

Indian gems and jewellery industry is one of the largest in the world accounting for nearly 29% share in global jewellery consumption. It is an integral part of the Indian economy being one of the leading foreign exchange earners, contributing close to US\$ 43 billion in FY 2016-17, and providing employment to more than 4.5 million people.

As per Gem & Jewellery Export Promotion Council (GJEPC), in FY 2016-17, the gem and jewellery exports accounted for 15.7% of the country's total exports. In the domestic market, gold jewellery constitutes the largest share followed by

diamond and platinum jewellery. It forms nearly 80% of the Indian jewellery market with more than 3,00,000 players across the country.

India is also the world's largest cutting and polishing centre for diamonds. With an 8% share, it has become the world's third largest diamond consumer too.

(Source: Gems & Jewellery sector profile – Vibrant Gujarat)

### Domestic jewellery industry update

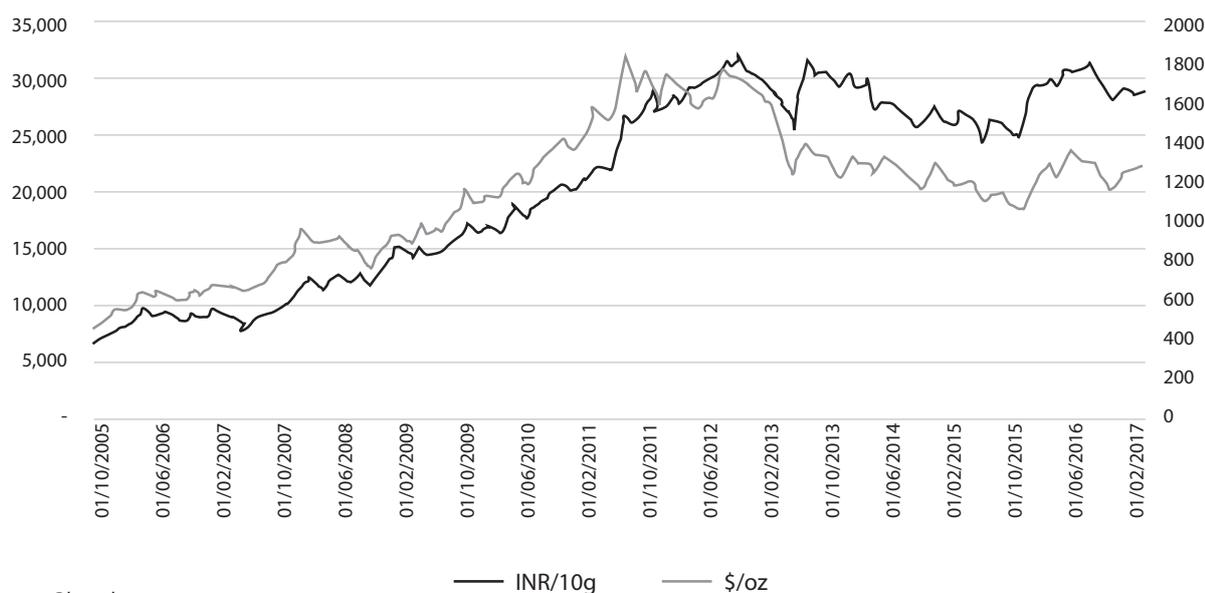
#### Demand:

During the fourth quarter of CY2016, that saw implementation of demonetisation, the gold demand in the country witnessed a 3% growth. This was on account of softening gold prices coinciding with the festive and wedding season. Stepping onto CY2017, the scenario further improved with India's demand for gold jewellery in the first quarter significantly surging to 92.3 tonnes compared to 22.9 tonnes in the US. During the same period, the investment demand for gold in the form of bars and coins was also high at 31.2 tonnes compared to 16.2 tonnes in the US.

For the full year CY2017, ICRA is bullish on the gold jewellery demand in India on expectation of easing liquidity pressures, extended wedding season, better farm output and rising income levels. It forecasts the gold jewellery demand to remain unaffected with the marginal rise in tax rates to 3% in GST regime and grow by 9% in value terms.

### Growth trends in Indian Gold Jewellery demand

Year	Gold jewellery demand in tonnes	Gold jewellery demand in value (₹ billion)
CY11	770	1947
CY12	690	2158
CY13	766	2298
CY14	779	2255
CY15	818	2280
CY16E	825	2409
CY17E	843	2460



Source: Bloomberg

#### Exports and Imports:

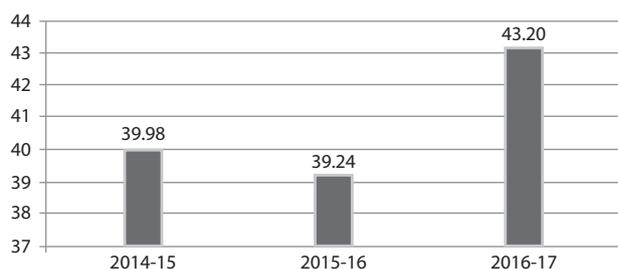
India exported gems & jewellery worth US\$43.2 billion during FY2017, a rise of 12.32% over the previous fiscal's export figure of US\$39.2 billion, accounting for 15.7% of the country's total exports. The growth was primarily led by a surge in exports of pearls and synthetic stones, silver jewellery and rough diamonds.

Major export destinations for the industry were UAE which accounted for 32% of the total exports, followed by Hong Kong at 30% and the US at 23%.

After crossing the US\$40 billion exports mark, the trade body is now devising a strategy named 'Vision 2022' to enable India attain global leadership position in gems & jewellery in the 75<sup>th</sup> year of independence. The strategic focus will be on

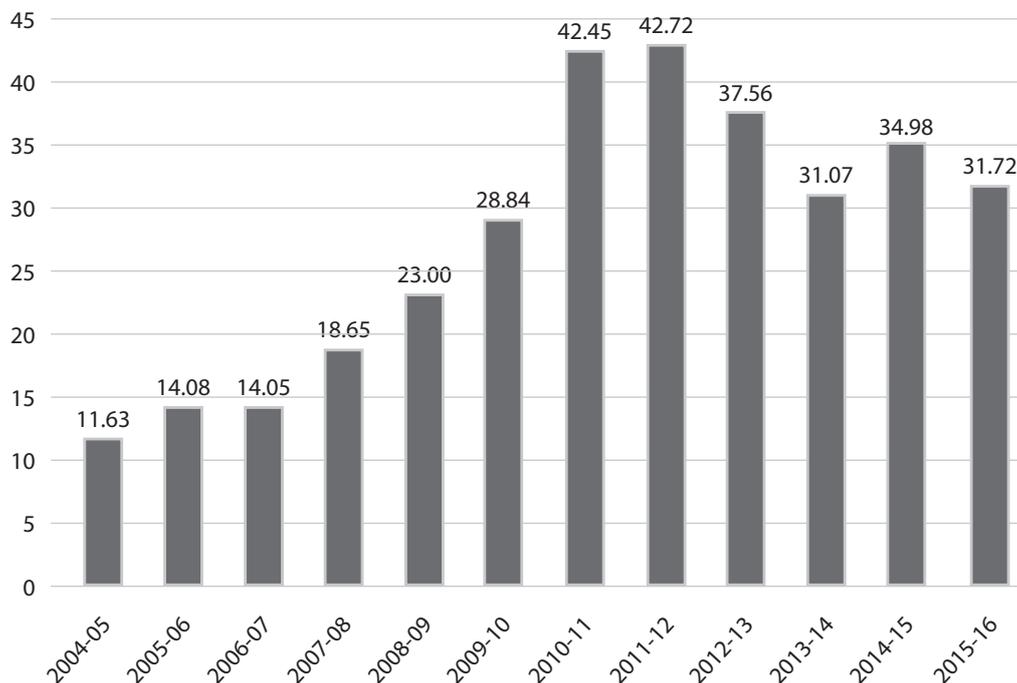
exports, training & education, employment generation, value addition and sustained marketing. Gems and Jewellery Association is in the process of creating a jewellery park in Maharashtra and 10 common facility centres across India.

### Gems and Jewellery Exports (USD billion)



(Source: GJPEC)

India imported 650 tonnes of gold in FY 2015-16. Gold imports in value terms declined by nearly 8% to US\$ 31.72 billion in FY 2015-16 from US\$ 34.98 billion in FY 2014-15 due to weak global prices. With global price trend expected to continue, the stress on country's current account deficit will not be high. Demonetisation also impacted the inbound shipments.



(Source: GJPEC)

**Domestic jewellery**

The Indian gems and jewellery market comprises gold and silver jewellery, diamonds, coloured stones and pearls, among others. Gold jewellery demand continues to dominate the market with ~80% share, followed by diamond jewellery at 19% and platinum jewellery at 1%.

The shifting trend of customers seeking product diversity, value for money, quality assurance and differentiated buying experience has led to organised players expanding their retail presence to widen reach. The retail gems and jewellery segment is growing at a fast pace of nearly 10% annually with the organised segment is growing at an even more accelerated pace.

The implementation of Goods and Service Tax (GST) for gold is marginally higher at 3%.

**Regulatory scenario**

**Major regulatory changes in FY2017**

Apr-16	Nationwide agitation of Gems and Jewellery Industry against imposition of 1% excise duty
Sep-16	Hallmarking of jewellery made compulsory to reinforce the consumer's trust
Nov-16	Demonetisation of high value currency notes led to temporary shrinkage in liquidity in hands of prospective buyers
Feb-17	Limit on cash transaction set at ₹ 2,00,000

**Opportunities and threats**

**Opportunities**

Jewellery volumes in India have remained resilient over the years aided by strong cultural affinity for the yellow metal and stable returns from the asset class. The major growth drivers for the industry are:

- **Stable asset class**  
Gold has historically been one of the most stable assets providing investors best returns over a long-term horizon, compared to other assets.
- **An essential part of Indian culture**  
Jewellery in India has traditionally been an integral part of weddings and festivals.  
  
Astute Indian customers often purchase contemporary jewellery as a form of self-expression and this has led to evolution of distinct targeted collections including wedding wear, work wear, regular or daily wear and fashion wear as well as very premium limited edition signature collections.
- **Increasing affordability**  
Rapidly expanding economy, increasing urban per capita income and government's focus to double farmers' income by 2022, huge opportunities will open up with increasing affordability of this segment.

- **Rising female workforce**  
Better job opportunities, rising demand for skilled and professional workforce and rapid urbanisation are leading to increasing share of women in workforce. And by virtue of women being the primary consumers of jewellery, their increasing entry into workforce and disposable income are likely to drive the demand, going forward.
- **E-commerce**  
With the rising internet penetration in the country, e-commerce is gaining significant boost with rising consumer confidence along with the advantage of ease in shopping, lucrative discounts, access to wider variety, free shipping, and quality assurance. Though, online sales through online channel is currently miniscule, it is gaining importance facilitating jewellers in reaching out to more customers.
- **Government support**  
Realising the sector's potential, the Government has identified it to be a focussed area for export promotion. Adopting policies of 'Make in India' and 'Design in India' there is a strong intent to push growth. The Government has also undertaken various measures to promote investments and upgrade technology & skills to promote 'Brand India' in the international market.

## Threats

### Fast-changing fashion trends

Jewellery being a vital fashion and lifestyle statement, demands the players to be more agile, and responsive to the constantly evolving trends and consumer preferences.

### Regulatory framework

Changes in regulations and stringent compliances, may cause temporary blip in sales during the transition period.

### Liquidity crisis

The industry is highly capital intensive in nature with long working capital cycles, since the jewellery conversion from gold typically requires 15 days. Strength of the balance sheet and access to easy credit is often required to facilitate and sustain ease in operations.

### Company overview

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

With a combination of skilled craftsmen, world-class manufacturing facility and technology, and strong focus on

innovation, the Company manufactures unique and high quality products meeting highest quality standards.

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

As a retail organisation, the Company is focussed on translating footfall into wallet share. Retail staff is well trained, highly motivated and sensitised to customer requirements and make every effort to ensure jewellery purchasing is a unique experience for customers. The Company's customer focused initiatives like the Kalpavruksha help customers to use recurring monthly investments to plan their jewellery purchases.

The Company's operations are spread across 26 cities in 11 Indian states with a total retail space of 1,08,948 sq. ft. It has a total of 33 showrooms, including 4 'franchisee owned, franchisee operated' stores.

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

### Product portfolio

TBZ has a design team with a strong pulse of consumers' changing preferences and fashion coupled with an eye for elegance that combines both substance and style. By combining the best of the tradition and contemporary, TBZ - The Original creates jewellery that captures hearts in the first appearance and endures in the minds of customer-focussed of their age, the purpose of purchase or their budget.

The retail gems and jewellery segment is growing at a fast pace of nearly 10% annually

Product range	Rings, earrings, pendants, bracelets, necklace, bangles, coins
Product mix	Plain gold, diamond studded, semi precious stone studded, diamond studded platinum jewellery, jewellery with coloured stones in gold and diamond, loose diamond solitaires, loose precious and semi precious stones and jadau jewellery
Signature Jewellery	CollectionDohra, Azva, Ria, Surprises, Showstopper, Temple, Watches, Festive

	FY2016	FY2017
Diamond jewellery proportion to sales (%)	21.5	22.1
Gold jewellery proportion to sales (%)	76.0	73.8
Diamond average ticket size	1,21,975	1,15,213
Gold jewellery average ticket size	73,172	80,033
Diamond jewellery gross margin (%)	30.7	28.9
Gold jewellery gross margin (%)	9.7	10.8

**Differentiating capabilities**

**Brand name**

The Company leveraging its strong legacy in the jewellery segment has emerged as the destination choice for jewellery purchasers. Relevant marketing and branding efforts, focussed customer engagements through various promotional activities, has facilitated in creating a strong brand recall. The Company has also created a strong digital presence on social media to expand its reach further.

**Asset-light model of expansion**

TBZ has placed a strong focus on asset-light expansion through franchise model. It currently has four franchise stores and will continue to explore more opportunities by targeting to open 6 to 8 new franchise stores per year for the next three years.

**Exclusive design and stringent quality**

TBZ - The Original stands for the endurance of an enterprise that is built on customer-centricity. It leverages its name, reputation and goodwill to build its markets. For over 150 years, it has challenged the industry norms and status quo while innovating its offerings. Designing and quality is thus the bedrock of its offerings. The Company boasts of a well-trained and experienced team of more than 40 designers, that includes 21 specialised CAD designers.

In-house production capabilities of high value diamond jewellery ensures highest quality standards and global benchmarks are evolved which has ensured customer loyalty over generations. Designs are customised to suit the local taste in different regions of the country along with the introduction of 8-10 new jewellery designs every year to meet the fast-changing trends in the jewellery space. The Company also ensures stringent quality check to ensure the purity, value and finish of the product.

**Wedding jewellery**

Jewellery is an integral part of Indian weddings making demand growth inevitable. The Company's strong foothold in the wedding jewellery (~65% of its sales are wedding related) is thus at an advantage. By virtue of wedding jewellery not being discretionary in nature, the Company enjoys a sweet spot led by compulsive buying. This also enables the Company to earn attractive margins due to a favourable product mix of high value along with complimentary lightweight everyday jewellery which forms part of wedding gifts and trousseaus.

**Manufacturing facilities**

The Company has made significant investments in building a state-of-the-art manufacturing facility having advanced machinery and testing facilities. This enables it to maintain stringent quality standards and attain high operational efficiency.

**Unique shopping experience**

The Company focusses on providing unique shopping experience through its attractive ambience, customer convenience, personalised attention and customised services. Customer-centricity is an essential element for enhancing brand equity and the Company ensures this through its skilled staff both at owned stores and franchises. There is a concentrated training effort and hand-holding of franchises in the recruitment and training of the personnel from time to time. The Company also provides customers value-added services by offering the advantage of custom-made design.

**Efficient inventory management**

The Company uses automated systems for efficient inventory management. It has consistently focussed on right sizing its inventory in the recent past (both gold and diamond). It makes conscious efforts to ensure designs are fresh, new and unique and they conform to the ever-changing needs of customer, based on constantly evolving fashion trends. This process has also helped enhance liquidity for working capital expenses.

**Research & development**

The retail landscape continuously evolves with changing trends. The Company being a large player in the retail business, gives utmost importance to R&D, so as to upgrade its offering with changing times. Absorption of new technologies and constant emphasis on knowledge management, enables the Company to differentiate itself from competitors on design, service and quality. The senior management to the Company are themselves involved in the functioning of the design-centre reflecting the Company's strong thrust on R&D.

**Growth strategy for FY2018**

**Robust expansion with focus on asset-light model**

The Company focusses on expanding its reach through leveraging franchisee-based model. This approach has facilitated faster expansion with limited investments and also ensured that local enterprise and expertise is encouraged, promoted even as the Company's brand reaches out to more customers pan-India.

By 2020, the Company intends to enhance its retail space by another 40,000 sq. ft. to 1,50,000 sq. ft. of this, nearly 75-80% of this expansion is planned to through this asset-light franchise model. The Company aspires to add 6-8 more franchises in the near future.

### Enhancing shareholder value

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

- Focus on sustainable high margins: The Company aims to improve its margin profile by infusing higher efficiencies and optimising costs. Besides, the Company's expansion through franchise route, wherein the franchisee bears the complete inventory cost.
- Inventory rationalisation: The Company continues to focus on optimising and rationalising its inventory to further improve its inventory churn rate which will facilitate in enhancing profitability through debt reduction.
- Continuing the 'Kalpavruksha' scheme: The 'Kalpavruksha' scheme has proven to be a great success for the Company, as it not only ensures purchases in the form of redemption but increases purchase value as customers generally tend to purchase 50-60% higher than the scheme investment value at the time of redemption.
- Gold metal loan: The Company shall continue to increase its exposure to gold metal loan for sourcing gold to reduce commodity price linked risk save on interest cost as the cost of lease is significantly lower.

### Management outlook

The rapidly evolving Indian retail landscape with rising disposable income is in favour of larger discretionary spending, thereby positively contributing to the demand in the branded jewellery segment. Going forward, the Company is optimistic of gradual rebound in discretionary demand backed by extended jewellery seasons. The Company shall continue with its strategic move of expanding through new franchise stores in the near term and grow its retail presence across India in an asset-light manner. Cost control shall be another important area of focus to improve margins and enhance shareholders' value. Strict compliance to regulatory changes remains the key for us.

### Operating Revenue

The Company's total operating revenue grew 2.75% in FY2017 over FY2016 from ₹ 1,65,478 Lakhs to ₹ 1,70,024 Lakhs. Despite external challenges, the Company has achieved growth due to higher festive demand, extended wedding season and higher sales under re-launched Kalpavruksha Scheme. The challenges faced include nationwide agitation by Gems and Jewellery industry, demonetisation of higher currency notes.

In ₹ Lakhs	FY2017	FY2016
Net sales	1,69,982.05	1,65,431.05
Total income from operations	1,70,024.20	1,65,477.72
Gross profit	24,838.43	23,527.30
EBITDA	7,215.78	3,955.59
Depreciation	870.61	1,008.51
Finance costs	5,018.88	5,569.48
PBT	1,662.77	(2,159.60)
Tax	(190.35)	153.38
PAT	1,853.12	(2,312.98)
Gross margin	14.6%	14.2%
EBITDA margin	4.2%	2.4%
Basic earnings per share (EPS)	2.78	(3.47)
Dividend per share	NIL	NIL
Networth	46,096.43	44,243.31
Short-term borrowings (including working capital loans)	54,743.11	63,835.89
Borrowings	54,759.74	65,045.75
Inventory	1,02,721.59	1,12,564.02
Debtors	221.18	69.05
Net block	10,108.03	10,530.57
Cash and Bank balance	3,056.98	3,833.68

Revenue from diamond jewellery saw an impressive 6% growth during the year, while gold jewellery sales declined by 0.3%. The revenue mix was in favour of diamond comprising 22.1% of sales in FY2017 versus 21.5% in FY2016. A decline of 5.4% in same-store sales of gold jewellery negated the growth of 1.4% in that of diamond jewellery resulting in overall same-store sales declining by 2.1%. Though the same-store sale for gold was negative for the year, it witnessed an improving trend in last two quarters of the year.



### Gross Profit

The Company's gross profit grew by 5.6% during the year from ₹ 23,527 Lakhs in FY2016 to ₹ 24,838 Lakhs in FY2017 with an improvement of 39 basis points in the Gross Margin to 14.6% in FY2017 from 14.2% in FY2016. The growth was led by an improvement in mix in favour of higher diamond sales which earned ~3x the gross margin as compared to gold jewellery.

### EBITDA

The Company's EBITDA witnessed a massive jump of 82% during the year to ₹ 7,216 Lakhs in FY2017 versus ₹ 3,956 Lakhs in FY2016. EBITDA margin jumped 185 basis points to 4.2% in FY2017 versus 2.4% in FY2016. Strict control on operational overheads can be attributed to margin improvement.

### Profit after Tax

The Company witnessed a turnaround in profitability to record a profit of ₹ 1,853 Lakhs in FY2017 versus a loss of ₹ 2,313 Lakhs recorded in FY2016. This turnaround is attributable to improved jewellery sales, strict cost control measures, inventory rationalisation and reduction in debt.

### Net Worth

The Company's Net Worth increased from ₹ 44,243 Lakhs as on March 31, 2016 to ₹ 46,096 Lakhs as on March 31, 2017.

### Reserves

The Company's Total Reserves increased from ₹ 37,570 Lakhs as on March 31, 2016 to ₹ 39,423 Lakhs as on March 31, 2017. It comprises Securities Premium, General Reserve and Profit & Loss Account.

### Borrowings

Total Debt witnessed a reduction of 16% from ₹ 65,046 Lakhs as on March 31, 2016 to ₹ 54,760 Lakhs as on March 31, 2017. Net Debt / Equity improved from 1.4x as on March 31, 2016 to 1.1x as on March 31, 2017.

### Risk & Concerns

#### Economic risks

A slowdown in general economic scenario coupled with rising interest rates and gold prices impacts gold demand.

With strong macro-economic fundamentals and implementation of GST, the Indian economy continues to remain strong. Besides, the prediction of normal monsoon is a healthy sign, which shall lead to growth in agricultural output and rural consumption expenditure.

#### Mitigation measure

##### Margin risks

Constantly changing regulatory framework and commodity price fluctuations poses risk to the Company's margin.

#### Mitigation measure

The Company lays great importance to improve margin by stringently controlling overhead expenses, focussing on asset-light franchise model for expansion, inventory rationalisation by right-sizing and higher exposure to gold loan scheme for procurement of gold. Besides, the focus on leveraging Kalpavruksha scheme to improve liquidity position has resulted in efficient use of capital while reducing interest burden.

#### Competition risks

The jewellery sector attracts huge competition owing to significant presence of the unorganised players who work on low margins.

#### Mitigation measure

The Company's brand goodwill, wide and unique product portfolio, quality assurance and ability to consistently introduce new jewellery collections enable it to enjoy significant brand loyalty. To attract prospective buyers, the Company undertakes significant promotional activities and launches attractive schemes. Customer-centric initiatives and customisation prowess further assists in better sales conversion.

#### Raw material risks

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

#### Mitigation measure

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

#### Human Resources

Operating in the retail space, Human Resource is an integral function at TBZ, as it is a people-centric environment involving customers, employees, skilled designers and craftsmen (karagars), suppliers and vendors.

The Company, being engaged in the business of jewellery retailing, which involves dealing with diverse categories of customers, especially the high-end customers looking to make expensive purchases, considers human resources as an integral part of its success. Driven by this, the employees are periodically provided training to enhance their skills. While the retail team is trained in various aspects of customer dealings in an elegant and friendly manner, training to the manufacturing team is focussed towards improving technical and functional proficiency. This has enabled the Company to build-up a robust team of employees.

The Company ensure a safe, conducive and productive work environment. This facilitates in higher employee satisfaction

and retention ratio. Employees are also kept motivated by ensuring fair remunerative and incentive policy. As on March 31, 2017, the Company had a total of 1,384 employees.

#### **Internal Controls**

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

The Company is a certified partner in C-TPAT (Customs-Trade Partnership against Terrorism), which engages in enhancing worldwide supply chain security. The Company ensures strict

compliance with the security criteria, best practices and implementation procedures as guided under C-TPAT. Besides, for securing and protecting its sensitive data, the Company has also invested in state-of-the-art information technology.

#### **Cautionary Statement**

*This document contains forward-looking statements about expected future events, financial and operating results of the Company. These forward-looking statements are based on assumptions and the Company does not guarantee the fulfilment of the same. These statements may be subject to risks and uncertainties. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of TBZ Limited's Annual Report, 2016-17.*

# Notice

**Notice is hereby given that the Tenth Annual General Meeting of the Members of Tribhovandas Bhimji Zaveri Limited will be held at M. C. Ghia Hall, 4<sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001, on Tuesday, 19<sup>th</sup> September, 2017 at 3.30 p.m. to transact the following Business:**

## ORDINARY BUSINESS:

- To receive, consider and adopt the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2017, including audited Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
- To appoint a Director in place of Ms. Binaisha Zaveri (DIN: 00263657), who retires by rotation and being eligible, offers herself for re-appointment.
- To ratify the appointment of Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

## NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- Pursuant to provision of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of total share capital of the Company may appoint a single person as proxy who shall not act as proxy for any other person or Member. A proxy is not entitled to vote except on a poll. The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than forty-eight hours before the commencement of the meeting. A proxy form is annexed to this Report. Proxies submitted on behalf of the limited companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable.
- An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the business in respect of the Ordinary Business to be transacted at the Annual General Meeting as set out in item no. 3 of the Notice, is annexed hereto. Details under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure

**“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 eleventh AGM of the Company to be held in the year 2018 at a remuneration as may be decided by the Board of Directors.”

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

Place: Mumbai

Date: 2<sup>nd</sup> August, 2017

**Shrikant Zaveri**

Chairman & Managing Director  
(DIN: 00263725)

## Registered Office:

241 / 43, Zaveri Bazar,  
Mumbai - 400 002, India.

CIN: L27205MH2007PLC172598

Requirements) Regulations, 2015 in respect to the Director retiring by rotation and seeking re-appointment at the ensuing Annual General Meeting as set out in item no. 2 of the Notice, is also annexed.

- Corporate Members intending to send their authorized representative to attend the Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company a certified copy of the relevant Board Resolution together with specimen signatures of their authorized representatives to attend and vote at the Meeting.
- 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.
- Members are requested to note that for the convenience of the Members and proper conduct of the meeting, entry to the meeting hall/ venue will be regulated by Attendance Slips, which is enclosed with this Annual Report. Members/ Beneficial Owners holding duly filled in and signed attendance slips and proxies holding valid proxy forms are requested to hand it over at the Registration Counter at the venue.

7. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, 13<sup>th</sup> September, 2017 to Tuesday, 19<sup>th</sup> September, 2017** (both days inclusive).
8. Share transfer documents and all other correspondence relating thereto, should be addressed to the Registrar and Share Transfer Agent (R & T Agent) of the Company, Karvy Computershare Private Limited at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel No: +91 (040) 6716 1606 / 1500/ 2222 Fax No: +91 (040) 2342 0814. E-Mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com). Website Add.: [www.karvycomputershare.com](http://www.karvycomputershare.com).
9. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, changes of address, change of name, email address, contact numbers etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Share Transfer Agents, Karvy Computershare Private Limited (Karvy) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Karvy.
10. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desired to avail of this facility may send their nomination in the prescribed Form No. SH.13 duly filled in to the office of Karvy Computershare Private Limited, Registrar and Share Transfer Agent of the Company. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, required to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
12. The Equity Shares of the Company are listed on the following Stock Exchanges in India w.e.f. 9<sup>th</sup> May, 2012:  
BSE Limited  
25, Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai – 400 001.  
  
National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra Kurla Complex, Bandra (East),  
Mumbai – 400 051.
- The Company has paid the applicable annual listing fees to each of the above Stock Exchanges for the financial year 2017 – 2018.
13. Non-Resident Members are requested to inform the Company immediately about:
- The Change in the Residential Status on return to India for permanent settlement;
  - The Particulars of NRE Bank Account maintained in India with complete name and address of the bank, if not furnished earlier.
14. The Company has designated an exclusive e-mail ID called [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com) for redressal of Members' complaint/ grievances. In case you have any queries/ complaints or grievances, then please write to us at [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com).
15. Members are requested to intimate to the Company, queries if any, regarding the accounts at least 10 days before the Annual General Meeting to enable the Management to keep the information ready at the Meeting. The queries may be addressed to: Company Secretary, Tribhovandas Bhimji Zaveri Limited, 1106 to 1121, 11<sup>th</sup> Floor, West Wing, Tulsiani Chambers, 212, Backbay Reclamation, Free Press Journal Road, Nariman Point, Mumbai - 400 021. (Email: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com)).
16. As a matter of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
17. Pursuant to Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, the Annual Report for 2016 – 2017 is being sent through electronic mode to all the Members whose E-mail IDs are registered with the Company / Depository Participants for communication purposes, unless any member has requested for physical copy of the same. For Members who have not registered their E-mail IDs with the Company/ Depository Participants, a physical copy of the Annual Report 2016 – 2017 is being sent by the permitted mode. Please note that as a Member you will be entitled to receive physical copies of all notices and documents free of cost, upon specific request to the Company. Members holding shares in physical mode and wishing to register / update their E-mail ID to receive the Annual Report and other documents in electronic mode are requested to fill the form "Consent for Receiving Documents in Electronic Form" {which is forming part of this Annual Report and also available on website of the Company ([www.tbztheoriginal.com](http://www.tbztheoriginal.com))} and send the same to our Registrar and Share Transfer Agents viz., Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32,

Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.

To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with Karvy Computershare Private Limited/ their respective Depository Participants.

18. In case of joint holders, attending the meeting, only such joint holder, who is higher in the order of names, will be entitled to vote at the meeting.
19. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the Annual General Meeting.
20. Members are requested to note that as per Section 124(5) of the Companies Act, 2013, dividends not encashed/ claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against the Company.
21. Members are requested to contact M/s. Karvy Computershare Private Limited/ Secretarial Department of the Company for encashing the unclaimed dividends standing to the credit of their account. The detailed dividend history and due dates for transfer to IEPF are available on 'Investor Folder' on the website of the Company at [www.tbztheoriginal.com](http://www.tbztheoriginal.com).
22. Members may utilize the facility extended by the Registrar and Share Transfer Agent for redressal of queries. Members may visit <https://evoting.karvy.com> and click on Members option for query registration through free identity registration process.
23. Electronic copy of the Notice of the 10<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 10<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
24. Members may also note that the Notice of the 10<sup>th</sup> Annual General Meeting and the Annual Report 2016 – 2017 will also be available on the Company's website [www.tbztheoriginal.com](http://www.tbztheoriginal.com) for their download. The physical

copies of the aforesaid documents will also be available at the Company's Corporate Office for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the Members may also send request to the Company's investor email id: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com).

#### 25. Voting Instruction:

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

A Member can opt only one mode to vote either through remote e-voting or through poll paper at AGM. If Member casts vote through both modes, then only vote cast through remote e-voting will prevail. Members who have not cast their vote through remote e-voting shall be allowed to vote at the 10<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 10<sup>th</sup> AGM, however, such Members will be entitled to attend the AGM.

Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 [(including any statutory modification(s) or re-enactment thereof for the time being in force), as amended by the Companies (Management and Administration) Amendment Rules, 2015] and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Members can exercise right to vote at the 10<sup>th</sup> AGM by electronic means and the business may be transacted through remote e-voting facility made available by Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited ('KCPL' or 'Karvy'). The remote e-voting facility is available at the link <https://evoting.karvy.com>.

The instructions for remote e-voting are as under:

- A. Members whose e-mail ID(s) are registered with the Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited ('KCPL' or 'Karvy')/ Depository Participants (NSDL/CDSL). The procedure to vote electronically is as under:
  - (I) Click on the PDF file sent to you in the e-mail by the Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited (Karvy). The file will

prompt for a password. Kindly input your Client ID or Folio No. as may be applicable in the box prompted for password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that this password is an initial password and for security purpose needs to be changed while doing first time login.

(II) Launch internet browser by typing the following URL: <https://evoting.karvy.com>.

(III) Click on Shareholder – Login.

(IV) Enter user ID and password as initial password /PIN noted in step (I) above. Click login.

(V) The Password Change Menu will appear on your screen. Change the password/ PIN with new password of your choice with minimum 8 digits/characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(VI) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.

(VII) Select the “EVEN” (e-voting Event Number) of Tribhovandas Bhimji Zaveri Limited.

(VIII) Now you are ready for e-voting as Cast Vote page opens.

(IX) Cast your vote by selecting an appropriate option and click on “Submit” and also “Confirm” when prompted.

(X) Upon confirmation, the message “Vote cast successfully” will be displayed.

(XI) Once you have voted on the resolution, you will not be allowed to modify your vote.

(XII) Corporate/ Institutional shareholders (i.e. other than individuals, HUFs, NRIs etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [pramodshah361@gmail.com](mailto:pramodshah361@gmail.com), with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com).

(XIII) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of <https://evoting.karvy.com>. Alternatively, you can also contact on [evoting@karvy.com](mailto:evoting@karvy.com) for any queries or grievances connected with remote e-voting service.

B. In case Member receive physical copy of the Notice of AGM (i.e. the Members whose e-mail ID(s) are not registered with the Company’s Registrar and Share

Transfer Agent, Karvy Computershare Private Limited (Karvy)/ Depositories or request for a physical copy), the procedure to vote electronically is as under:

(i) Initial password is provided in the following format in the E-voting instruction letter sent along with the Annual Report:

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

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

C. Other Instructions:

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

(i) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).

(ii) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. **Tuesday, 12<sup>th</sup> September, 2017** only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through poll paper.

(iii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of poll paper for all those Members who are present at the AGM but have not cast their votes by availing remote e-voting facility.

(iv) Members who have acquired shares after the dispatch of Notice of AGM and holding shares as on cut-off date i.e. **Tuesday, 12<sup>th</sup> September, 2017**, 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/ 1500 / 2222. Fax No. (040) 2342 0814 or at toll free number 1800 3454 001. Alternatively, you can also contact on [evoting@karvy.com](mailto:evoting@karvy.com) for any queries or grievances connected with remote e-voting service.

- (v) The remote e-voting period shall commence on **Thursday, 14<sup>th</sup> September, 2017 (9.00 a.m. IST) and ends on Monday, 18<sup>th</sup> September, 2017 (5.00 p.m. IST)**. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of **Tuesday, 12<sup>th</sup> September, 2017**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by Karvy Computershare Private Limited for voting thereafter. Once the vote on a resolution is cast by the shareholder, Member shall not be allowed to change it subsequently. Electronic voting shall not be allowed beyond the said date and time.
- (vi) The voting rights of the Members (for voting through remote e-voting or by Poll Paper at the Meeting) shall be in proportion to their shares of the paid up Equity Shares capital of the Company as on the cut-off date of **Tuesday, 12<sup>th</sup> September, 2017**.
- (vii) Mr. Pramod Shah, Partner of M/s. Pramod S. Shah & Associates, Practicing Company Secretaries (Membership No. FCS 334) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process is conducted in a fair and transparent manner.
- (viii) The scrutinizer shall, immediately after the conclusion of voting at the 10<sup>th</sup> AGM, first count the votes casted at the meeting and thereafter unblock the votes cast through remote e-voting in presence of atleast two (2) witnesses not in the employment of the Company and make within a period not exceeding three (3) days from conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman & Managing Director of the Company or person authorized by him of the Company.
- (ix) The results shall be declared after receiving consolidated Scrutinizer's Report from the Scrutinizer. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.tbztheoriginal.com](http://www.tbztheoriginal.com) and on the websites of Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited (Karvy) <https://evoting.karvy.com> immediately after the declaration of the results by the Chairman & Managing Director or person authorized by him and forwarded to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
- (x) The resolution shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes through a compilation of voting results (i.e. remote e-voting along with the voting held at the AGM).
26. The route map showing direction to reach the venue of 10<sup>th</sup> AGM is annexed at the end of Notice, as per the requirement of 'Secretarial Standard 2' (SS-2) for general meeting.

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

Place: Mumbai  
Date: 2<sup>nd</sup> August, 2017

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

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

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

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

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for the approval of the Members.

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

Place: Mumbai  
Date: 2<sup>nd</sup> August, 2017

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

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

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

### Item No. 3

#### To ratify the appointment of Statutory Auditors and to fix their remuneration

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

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

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

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

Details of Directors retiring by rotation at the ensuing Annual General Meeting:

Name of the Director	Ms. Binaisha Zaveri
Date of Birth	28.12.1982
Date of Appointment	24.07.2007
Qualification	Bachelor's degree in Marketing and Finance from Stern School of Business, New York.
Expertise in specific functional area	Experience in human capital management, operations, finance, business development, marketing and merchandising.
Directorships held in other Public Companies as on 31 <sup>st</sup> March, 2017 (excluding foreign Companies and Section 8 companies)	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, 2017	Stakeholders Relationship Committee - Member
Chairmanships/ Memberships of the Committees of other Public Companies as on 31 <sup>st</sup> March, 2017	NIL
a) Audit Committee	NIL
b) Stakeholders Relationship Committee	
Disclosure of Relationship between Directors inter-se	Mr. Shrikant Zaveri is father and Ms. Raashi Zaveri is sister
Nos. of Shares held in the Company	5,285,000

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

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

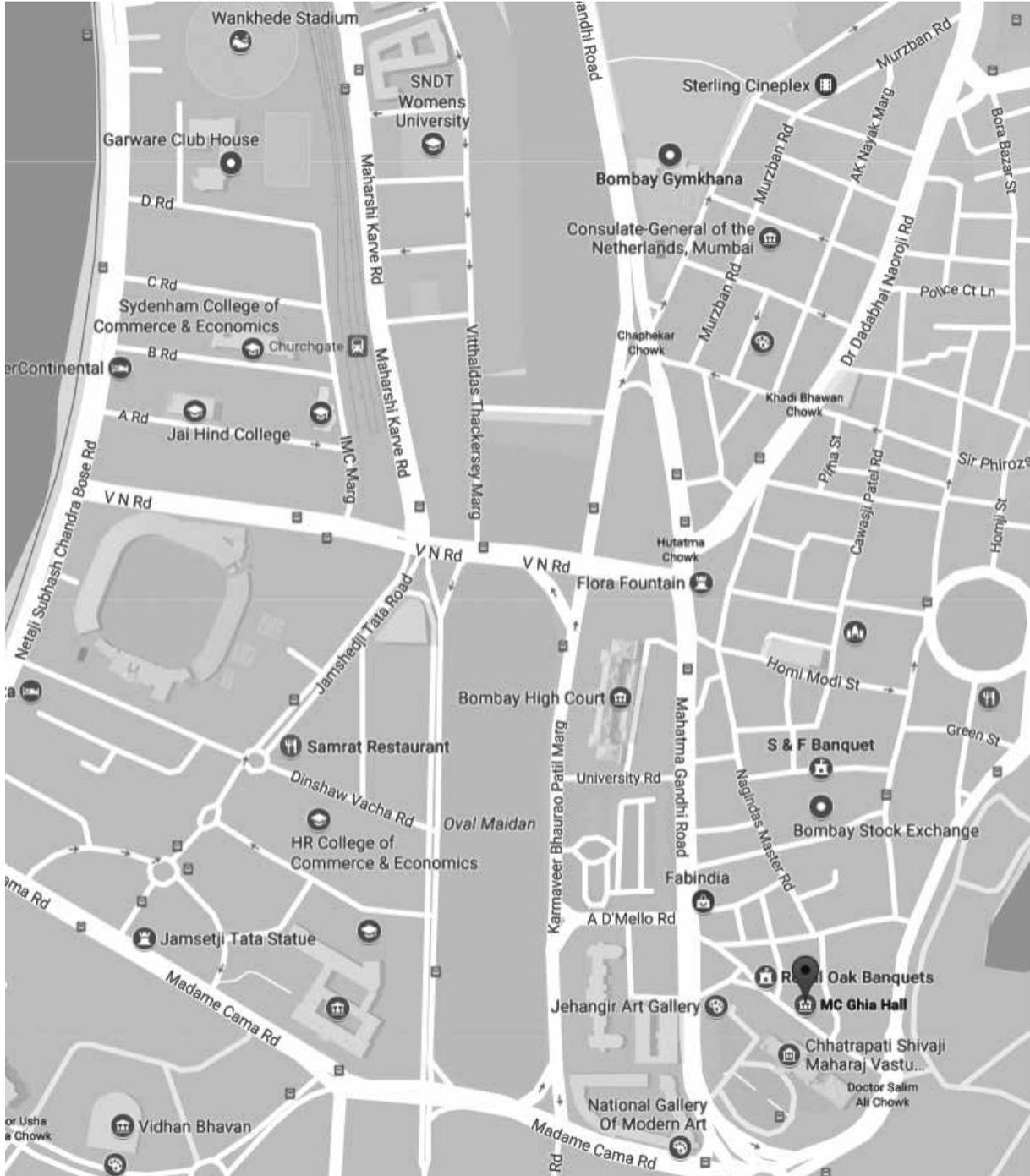
Day & Date: Tuesday, 19<sup>th</sup> September, 2017

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 Tenth 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, 2017:

## Financial Results:

The financial performance of your Company for the financial year ended 31<sup>st</sup> March, 2017 is summarized below:

Particulars	(₹ in Lakhs)	
	<b>Standalone Financials</b>	
	<b>31-Mar-17</b>	<b>31-Mar-16</b>
Revenue from operations	170,024.20	165,477.72
Other Income	336.48	462.80
<b>Total Income</b>	<b>170,360.68</b>	<b>165,940.52</b>
Earnings before Finance Cost, Depreciation and Amortization	7552.26	4,418.39
Less:		
Finance Cost	5018.88	5,569.48
Depreciation and Amortization	870.61	1,008.51
<b>Net Profit before Exceptional items &amp; Taxes</b>	<b>1,662.77</b>	<b>(2,159.60)</b>
Add: Exceptional items	-	-
<b>Net Profit for the year before Taxes</b>	<b>1,662.77</b>	<b>(2,159.60)</b>
<b>Less: Provision for Taxes</b>		
Current Tax (MAT)	165.27	-
MAT Credit	(165.27)	-
Deferred Tax Assets	-	34.85
(Excess)/ Short Provision for tax of earlier years	(190.35)	118.53
<b>Profit after tax</b>	<b>1,853.12</b>	<b>(2,312.98)</b>

(₹ in Lakhs)

Particulars	Standalone Financials	
	31-Mar-17	31-Mar-16
Add: Balance Brought Forward from Previous Year	19,377.43	21,690.41
Add: Employee Stock Options outstanding at the commencement of the year	-	-
<b>Surplus Available for Appropriation</b>	<b>21,230.55</b>	<b>19,377.43</b>
<b>Appropriations:</b>		
Transfer to General Reserve	-	-
Proposed Dividend	-	-
Dividend Tax	-	-
Equity Dividend including dividend distribution tax paid for earlier years	-	-
<b>Total Appropriations</b>	<b>-</b>	<b>-</b>
<b>Surplus Available after Appropriation</b>	<b>21,230.55</b>	<b>19,377.43</b>
Add: Addition/(reduction) on option granted	-	-
Add: Balance in Security Premium Account	16,791.35	16,791.35
Add: Balance General Reserve	1,401.47	1,401.47
Add: Balance Capital Reserve	-	-
<b>Balance carried forward to Balance Sheet</b>	<b>39,423.37</b>	<b>37,570.25</b>

**Financial Performance:**

Your Company has reported revenue profit during the financial year 2016 - 2017. Total income increased to ₹ 170,360.68 Lakhs from ₹ 165,940.52 Lakhs in the previous financial year, at an increased rate of 2.66%. The profit before tax increased to ₹ 1,662.77 Lakhs, up by 176.99% while net profit after tax increased to ₹ 1,853.12 Lakhs, up by 180.12%.

Sale of Gold Jewellery decreased by 0.31% to ₹ 125,427.45 Lakhs as compared to ₹ 125,814.13 Lakhs during the previous financial year. Sale of Diamond-studded Jewellery increased by 5.83% to ₹ 37,597.66 Lakhs as compared to ₹ 35,526.47 Lakhs during the previous financial year.

The Gross Profit Margin for the financial year 2016 - 2017 has increased to 14.61% as compared to 14.22% in the previous financial year. In the absolute term the Gross Profit has increased to ₹ 24,838.43 Lakhs as compared to ₹ 23,527.30 Lakhs during the previous financial year.

The EBITDA for the financial year 2016 - 2017 has increased to 4.24% as compared to 2.39% in the previous financial year.

During the current financial year, your Company has opened two new franchisee showroom at Patna, (Bihar) and Ranchi, (Jharkhand) totaling the number of showrooms to thirty two in twenty five cities and eleven states.

**Dividend:**

In view to conserve reserves for future expansion, your Directors have not recommended any dividend for the financial year ended 31<sup>st</sup> March, 2017, against the NIL dividend for the previous financial year ended 31<sup>st</sup> March, 2016. The total outgo is ₹ NIL for current financial year ended 31<sup>st</sup> March, 2017 as well as previous financial year ended 31<sup>st</sup> March, 2016.

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

During the financial year 2016 - 2017 there was no change in nature of business of your Company.

**Material Changes:**

There have been no material changes and commitments since the close of the financial year i.e. 31<sup>st</sup> March, 2017 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 2016 - 2017 there was no change in the Authorised Share Capital of your Company.

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

During the financial year 2016 - 2017 there was no change in the Paid-up Share Capital of your Company.

**Wholly owned Subsidiary Companies:**

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

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

interested in obtaining a copy of the audited annual accounts of the wholly owned subsidiary companies may write to the Company Secretary at your Company's corporate office or email to [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com).

For the year under review your Company has two wholly owned subsidiaries namely; (i) Tribhovandas Bhimji Zaveri (Bombay) Limited and (ii) Konfiaance Jewellery Private Limited.

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

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

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

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

Tribhovandas Bhimji Zaveri (Bombay) Limited, during the financial year 2016 - 2017, has reported a total revenue of ₹ 1,544.39 Lakhs and has incurred loss before tax of ₹ 391.41 Lakhs and loss after tax of ₹ 378.29 Lakhs.

#### ii) Konfiaance Jewellery Private Limited

Konfiaance Jewellery Private Limited is a non-operational company. During the financial year 2016 - 2017, has not reported any revenue and has incurred loss before tax of ₹ 0.77 Lakh and loss after tax of ₹ 0.77 Lakh.

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

As on 31<sup>st</sup> March, 2017, your Company was operating from thirty two showrooms in twenty five cities and eleven states out of which twenty nine showrooms are its own showrooms and three franchise showrooms and your Company has one Corporate Office at Tulsiani Chambers, Nariman Point.

Post 31<sup>st</sup> March, 2017 and before signing of this Director's Report, your Company has opened one more franchise

showroom on 23<sup>rd</sup> April, 2017 at Jamnagar, Gujarat. As on date of signing of this Director' Report your Company was operating from thirty three showrooms in twenty six cities and eleven states out of which twenty nine showrooms are its own showrooms and four franchise showrooms.

#### Recent Development(s):

During the current financial year, your Company has opened its second franchise showroom at Patna, Bihar and third franchise showroom at Ranchi, Jharkhand, totaling the number of showrooms to thirty two in twenty five cities and eleven states.

#### Awards & Recognition:

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

Year	Awards
2016	Winning of two awards at 12 <sup>th</sup> Gemfields Retail Jewellers India Awards, 2016 in the field of (i) TV Campaign of the year, and (ii) The Diamond Jewellery of the Year.
2016	Winning of best ring design over ₹ 2,50,000 at the 'JJS-IJ Jewellers' Choice Design Awards, 2016.

#### New Product Launch:

- 1) Your Company has launched a '**Floral Collection**', which are beautiful pieces of jewellery with the theme 'Let Blessings Bloom' were inspired by flowers. Customers could choose from some gorgeous pieces with intricate design work.
- 2) Your Company has also launched '**Rosabelle Collection**' by taking inspiration from the pantone shade of the year; Rose Quartz. It was an amalgamation of being lightweight and minimalistic in design aesthetics to keep up with the styles of today. Rosabelle is one of the warmest and universally flattering metals for every occasion; a feminine pastel hue, which is subtle and classic.
- 3) Every year your Company is coming out with new '**Wedding Collection**' as the iconic jewellery brand with a legacy of over 150 year introduced its new collection of diamond and gold jewellery to mark the beginning of the festive and wedding season. The collection incorporated pearls and precious stones like emeralds, rubies, sapphires and uncut diamonds with meenkari designs, adding a contemporary touch by enhancing the overall appearance of the jewellery.

#### Credit Rating

During the year under review, CRISIL has reviewed the Credit Rating on the long-term bank facilities of your Company at 'CRISIL BBB+/ Stable' downgraded from 'CRISIL A-/Negative', and withdrawn rating of ₹ 500 Million Commercial Paper Programme 'CRISIL A2 (Withdrawal) vide letter Ref. No. TBZPL/160034/BLR/071601366 dated 25<sup>th</sup> July, 2016 which is stated as follows:

Total Bank Loan Facilities Rated	₹ 7,350 Million
Long-Term Rating	CRISIL BBB+/ Stable (Downgraded from CRISIL A-/Negative)
₹ 500 Million Commercial Paper Programme	CRISIL A2 (Withdrawal)

#### Decrease in Inventories:

The inventory of your Company as on 31<sup>st</sup> March, 2017 has decreased by ₹ 9,842.43 Lakhs as compared to the inventory on 31<sup>st</sup> March, 2016. The decrease in inventory is due to inventory rationalisation.

#### Operations:

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

#### Hedge Accounting:

Your Company uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions, foreign currency fluctuations relating to certain firm commitments and foreign currency and interest rate exposures relating to foreign currency loan, if any.

Your Company had 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 ('ICAI') for commodity forward contracts with effect from 1<sup>st</sup> April, 2014. From 1<sup>st</sup> April, 2016, your Company has adopted the Guidance Note on Accounting for Derivative Contracts issued by the ICAI in 2015 which was effective from 1<sup>st</sup> April, 2016 for accounting of derivative instruments including hedge accounting. AS 30 stands withdrawn regarding matters covered under the guidance notes from 1<sup>st</sup> April, 2016 and was also subsequently completely withdrawn by the ICAI in November 2016.

This change in accounting standard/policy has no significant impact on the financial statement of your Company.

The use of derivative financial instruments is governed by your Company's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with your 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.

#### Derivative Financial Instruments:

Your Company has adopted recognition and measurement criteria relating to cash flow hedge accounting as set out in Guidance note on Accounting for Derivative Contracts issued by the ICAI in 2015 which is effective from 1<sup>st</sup> April, 2016 for accounting of derivative instruments including hedge accounting.

Your 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. Your 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. Commodity forward contract of 20 kgs is outstanding as on 31<sup>st</sup> March, 2017 (31<sup>st</sup> March, 2016: Nil). Mark to market loss of ₹ 1.16 Lakhs as on 31<sup>st</sup> March, 2017 (31<sup>st</sup> March, 2016: Nil) is accounted in other expenses.

#### Related Party Transactions:

All contracts/ arrangements/ transactions entered by your Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, there are no materially significant related party transactions entered by your Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of your Company at large.

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

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

The policy on Materiality on Related Party Transactions and manner of dealing with Related Party Transactions as approved by the Board is uploaded on your Company's website at the

link: <http://www.tbztheoriginal.com/pdf/Policy%20on%20Materiality%20of%20Related%20Party%20Transactions%20&%20Dealing%20with%20RPT.pdf>.

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

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

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

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

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

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

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

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

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

#### **Insurance:**

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

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

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

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

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

As part of initiatives under "Corporate Social Responsibility (CSR)", for the financial year 2016 – 2017, your Company has

shortlisted the specific activities/ projects in the area of (a) 'Promoting Healthcare including Preventive Healthcare', which is falling under item (i) of Schedule VII of the Act; (b) 'Promoting Education' which is falling under item (ii) of Schedule VII of the Act and (c) 'Promoting gender equality and women's empowerment which is falling under item (iii) of Schedule VII of the Act. Your Company will also undertake other need based initiatives in compliance with Schedule VII to the Act.

As per Section 135 of the Companies Act, 2013, the total amount of CSR contribution is coming to ₹ **6,725,839 (Rupees Sixty Seven Lakhs Twenty Five Thousand Eight Hundred and Thirty Nine Only)** for the financial year 2016 – 2017, out of which your Company has made CSR contribution of ₹ **4,795,843 (Rupees Forty Seven Lakhs Ninety Five Thousand Eight Hundred Forty Three only)** for the financial year 2016 – 2017. Your Company has made short contribution under CSR activities of ₹ **1,929,996 (Rupees Nineteen Lakhs Twenty Nine Thousand Nine Hundred and Ninety Six only)** for the financial year 2016 – 2017.

The total CSR contribution of ₹ **4,795,843 (Rupees Forty Seven Lakhs Ninety Five Thousand Eight Hundred Forty Three only)** were contributed to (1) Cancer Patient Aid Association (CPAA) of ₹ 350,000 for Promoting Healthcare including Preventive Healthcare; (2) Salaam Bombay Foundation of ₹ 500,000 for promoting education, including special education and employment enhancing vocational skills; (3) 8<sup>th</sup> South Mumbai Junior Soccer Challenger 2016 of ₹ 75,000 for promoting education, including special education and employment enhancing vocational skills; (4) Paper Boat Project of your Company ₹ 10,000 for promoting education; (5) Bal Ashram (Orphanage) of Raipur of ₹ 2,250 for promoting education. (6) Your Company has launched 'PANKHI' project which was launched for the promotion of gender equality and women empowerment and has contributed total amount of ₹ 3,858,593 through various NGO's like, (a) to SNEHA by making contribution of ₹ 2,794,567; (b) to Bharatiya Stree Shakti by making contribution of ₹ 535,000; (c) Stree Mukti Sangathan by making contribution of ₹ 506,200; (d) Pankhi project administrative expenses of ₹ 22,826. These NGO'S/ organization carry out projects are largely in accordance with Schedule VII of the Companies Act, 2013.

Your Company is fully committed to make contributions towards CSR Activities of your Company as per the requirement of Section 135 of the Companies Act, 2013. As this being the initial years of CSR activity of your Company, the members of the CSR Committee as well as the members of the Board has decided to go ahead with CSR activities with proper research and planning and decided not to make balance required contribution as stated above in haste, but decided to make the required contribution as and when your Company finds suitable projects or area in the coming financial years. Your Company is fully committed to participate whole heartedly under the CSR Activities.

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

### Business Risk Management:

SEBI has come out with the circular on the requirement of constitution of Risk Management Committee of the Board as per the requirement of the Listing Agreement (Regulations). As per SEBI Circular Reference No. SEBI/LAD-NRO/GN/2015-16/013 dated 2<sup>nd</sup> September, 2015 issued by Securities and Exchange Board of India (SEBI) and as per the requirement of Regulation 21(5) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 shall be applicable to top 100 companies by market capitalization as at the end of the immediate previous financial year.

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

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

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

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

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

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

#### (ii) Competition Risks:

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

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

### Disclosure under Section 164(2):

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

### Directors:

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

Ms. Binaisha Zaveri (DIN: 00263657), Whole-time Director of your Company, retires by rotation at the tenth 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 Familiarization Programme for Independent Directors is to provide insights into your Company to enable the Independent Directors to understand its business in depth and contribute significantly to your Company. Your Company has already carried out the familiarization programme for Independent Directors. The Familiarization Programme Imparted to Independent Directors in terms of Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is available on the website of your Company at link: [http://www.tbztheoriginal.com/pdf/TBZ-Familiarisation%20Prog.\(16-17\).pdf](http://www.tbztheoriginal.com/pdf/TBZ-Familiarisation%20Prog.(16-17).pdf).

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

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

**Key Managerial Personnel:**

Mr. Shrikant Zaveri, Chairman & Managing Director, Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors and Mr. Saurav Banerjee, Chief Financial Officer (CFO) and Mr. Niraj Oza, Head - Legal & Company Secretary of your Company are the Key Managerial Personnel of your Company as per the requirement of Section 203 of the Companies Act, 2013.

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

**Board Evaluation:**

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

**Nomination, Remuneration and Evaluation Policy:**

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

**Number of Meetings:**

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

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

During the financial year 2016 - 2017, five Board Meetings were convened and held on 2<sup>nd</sup> May, 2016, 3<sup>rd</sup> August, 2016, 19<sup>th</sup> September, 2016, 9<sup>th</sup> November, 2016 and 7<sup>th</sup> February, 2017. Total four Audit Committee Meetings were convened and held on 2<sup>nd</sup> May, 2016, 3<sup>rd</sup> August, 2016, 9<sup>th</sup> November, 2016 and 7<sup>th</sup> February, 2017. The details of the meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**Directors' Responsibility Statement:**

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

- (a) that in preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (b) that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent; so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit and loss of your Company for that period;
- (c) that they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013. They confirm that there are adequate systems and controls for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (d) that they have prepared the Annual Accounts on a going concern basis;
- (e) that they have laid down the proper internal financial controls to be followed by your Company and that such internal financial controls were adequate and were operating effectively;
- (f) that they have devised proper systems to ensure the compliance with all applicable laws and that such systems were adequate and operating effectively.

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

Financials of your Company for the financial year ended 31<sup>st</sup> March, 2017 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	-	₹ 139.27 Lakhs

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

Pursuant to the requirement of Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014, it is confirmed that during the Financial

Year under review, there are no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and your Company's operations in future.

#### **Audit Committee:**

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

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

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

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

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

Attracting, retaining and developing talent continued to be a focus area for your Company. The increased focus on capability enhancement and employee engagement had a positive impact on talent retention as reflected in the lower attrition levels. Your Company has total employee strength of 1,384 as on 31<sup>st</sup> March, 2017. Employee Relations continued to be cordial at all levels.

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

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

employees constituting the majority) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy. All employees (permanent, contractual, temporary, trainees) are covered under the policy.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. {There was no complaint received from any employee during the financial year 2016 – 2017 and hence no complaint is outstanding as on 31<sup>st</sup> March, 2017 for redressal}.

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

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report. (Refer "Annexure – 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:**

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

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

A detailed review of operations, performance and future outlook of your Company and its business is given in the Management Discussion and Analysis which forms part of this Report.

#### **Corporate Governance:**

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

Your Company is fully committed to and continues to follow procedures and practices in conformity with the Code of Corporate Governance enshrined in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V and all other applicable Regulation(s) of Securities and Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations, 2015. A detailed report on Corporate Governance forms part of this Report. The Statutory Auditor's Certificate as per the requirements of Para E of Schedule V and all other applicable Regulation(s) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, on compliance with Corporate Governance requirements by your Company is attached to the Report on Corporate Governance.

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

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

#### **Listing Fees:**

The Equity Shares of your Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). Your Company has paid the applicable listing fees to the above Stock Exchanges for the financial year 2017 - 2018. Your Company's shares are traded in dematerialized segment for all investors compulsorily and your Company had entered into agreements with the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for custodial services.

#### **Listing Agreement:**

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

#### **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, 2017. A confirmation to this effect has been received from your Company's Registrar and Share Transfer Agent.

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

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

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

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

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

During the previous financial year 2015 - 2016, 'TBZ ESOP, 2011', the ESOP Scheme of your Company got closed. For the good Corporate Governance, your Company is reproducing the details of the 'TBZ ESOP, 2011' which got closed in previous financial year 2015 - 2016, along with Annexures - 'A' & 'AA' for your reference. For the current financial year 2016 - 2017, your Company do not have any open ESOP scheme nor granted any fresh stock option to its employees. Henceforth, information on stock options will be given only when fresh options are granted by your Company.

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

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

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

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

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

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

Before starting of the vesting period of the second tranche of the Options (i.e. from 9<sup>th</sup> May, 2014), out of balance four employees who left after grant of first tranche to whom ESOP were granted, two employees have resigned and the total 20,247 Options consisting of 10,812 Stock Options of ₹ 149.93

each and 9,435 Restricted Stock Units (RSUs) of ₹ 10 each, which were granted to these employees were cancelled. After the first tranche of allotment Equity Shares and cancellation of Options before starting of vesting period of second tranche, total net balance of 40,295 Options consisting of 24,572 Stock Options of ₹ 149.93 each and 15,723 Restricted Stock Units (RSUs) of ₹ 10 each, were yet to be exercised in second and third tranche of 'TBZ ESOP, 2011'.

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

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

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

Your Directors are pleased to enclose the Consolidated Financial Statements pursuant to Section 129 and all other applicable provisions of the Companies Act, 2013 and as per the applicable Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and prepared in accordance with the Accounting Standards (AS) – 21 and all other applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard.

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

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

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

#### **Statutory Auditors:**

The Members at the 7<sup>th</sup> Annual General Meeting of your Company held on 24<sup>th</sup> September, 2014 had appointed M/s.

B S R & Co. LLP (Firm Registration No. 101248W/W-100022), Chartered Accountants, Mumbai as Statutory Auditors of your Company to audit financial accounts for the four financial years from 2014 - 2015 to 2017 – 2018 subject to ratification by the members at every AGM.

Your Company has received a letter from M/s. B S R & Co. LLP (Firm Registration No. 101248W/W-100022), Chartered Accountants, Mumbai as the Statutory Auditors, the ratification of appointment, if made, shall be within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013 and they are not disqualified in terms of Section 141 of the Companies Act, 2013 and related Rules to continue as the Statutory Auditors of your Company for financial year 2017-2018. As required under Regulation 33(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Your Directors propose 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 2017-2018.

The Statutory Auditors have issued a clean report on the financials of your Company and have not issued any qualifications for the financial year ended 31<sup>st</sup> March, 2017.

#### **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 2017 – 2018.

#### **Reporting of Fraud by Auditors:**

There is no instance of fraud reported by the Auditors during the Financial Year 2016 – 2017.

Date: 3<sup>rd</sup> May, 2017  
Place: Mumbai

#### **General:**

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

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

#### **Acknowledgement:**

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

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

#### **Cautionary Statement:**

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

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

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

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

## “Annexure – A” to Directors' Report

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

Statement as on 31<sup>st</sup> March, 2017 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:

Note: During the previous financial year 2015-2016, 'TBZ ESOP, 2011', the ESOP Scheme of your Company got closed. For the current financial year 2016-2017, your Company do not have any open ESOP scheme nor granted any fresh stock option to its employees. Hence there are no records for the current financial year 2016-2017.

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

Particulars	2012 – 2013		2013 – 2014		2014 – 2015		2015 – 2016	
	Stock Options	Restricted Stock Units (RSUs)						
(j) Employee wise details of options granted	Please refer to Note No. 1	Please refer to Note No. 1	Please refer to Note No. 2	Please refer to Note No. 2	Please refer to Note No. 3	Please refer to Note No. 3	Please refer to Note No. 4	Please refer to Note No. 4
(k) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with [Accounting Standard (AS) 20 'Earnings Per Share']	Please refer to Note No. 30.15 of Accounts of Standalone Financial Statement	Please refer to Note No. 30.15 of Accounts of Standalone Financial Statement	Please refer to Note No. 30.15 of Accounts of Standalone Financial Statement	Please refer to Note No. 30.15 of Accounts of Standalone Financial Statement	Please refer to Note No. 30.15 of Accounts of Standalone Financial Statement	Please refer to Note No. 30.15 of Accounts of Standalone Financial Statement	Please refer to Note No. 30.15 of Accounts of Standalone Financial Statement	Please refer to Note No. 30.15 of Accounts of Standalone Financial Statement
(l) Where your Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of your Company shall also be disclosed	Please refer to Note No. 30.2 of Notes to Accounts of Standalone Financial Statement	Please refer to Note No. 30.2 of Notes to Accounts of Standalone Financial Statement	Please refer to Note No. 30.2 of Notes to Accounts of Standalone Financial Statement	Please refer to Note No. 30.2 of Notes to Accounts of Standalone Financial Statement	Please refer to Note No. 30.2 of Notes to Accounts of Standalone Financial Statement	Please refer to Note No. 30.2 of Notes to Accounts of Standalone Financial Statement	Please refer to Note No. 30.2 of Notes to Accounts of Standalone Financial Statement	Please refer to Note No. 30.2 of Notes to Accounts of Standalone Financial Statement
(m) Weighted-average exercise prices and weighted-average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock	Stock Options not exercised on 31 <sup>st</sup> March, 2013	Restricted Stock Units (RSUs) not exercised on 31 <sup>st</sup> March, 2013	Weighted average earning prices of ₹ 149.93. Weighted average fair values of ₹ 157	Weighted average earning prices of ₹ 10. Weighted average fair values of ₹ 157	Weighted average earning prices of ₹ 149.93. Weighted average fair values of ₹ 157	Weighted average earning prices of ₹ 10. Weighted average fair values of ₹ 157	Weighted average earning prices of ₹ 149.93. Weighted average fair values of ₹ 157	Weighted average earning prices of ₹ 10. Weighted average fair values of ₹ 157

Particulars	2012 – 2013		2013 – 2014		2014 – 2015		2015 – 2016	
	Stock Options	Restricted Stock Units (RSUs)						
(n) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information	Intrinsic Value Method	Intrinsic Value Method						
(i) risk-free interest rate	8.03%	8.03%	8.03%	8.03%	8.03%	8.03%	8.03%	8.03%
(ii) expected life (years) (from date of Listing of Equity Shares on Stock Exchanges)	3 years	3 years						
(iii) expected volatility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(iv) expected dividends	The shares issued under Stock Options rank pari passu with the existing shares.	The shares issued under Restricted Stock Units (RSUs) rank pari passu with the existing shares.	The shares issued under Stock Options rank pari passu with the existing shares.	The shares issued under Restricted Stock Units (RSUs) rank pari passu with the existing shares.	The shares issued under Stock Options rank pari passu with the existing shares.	The shares issued under Restricted Stock Units (RSUs) rank pari passu with the existing shares.	The shares issued under Stock Options rank pari passu with the existing shares.	The shares issued under Restricted Stock Units (RSUs) rank pari passu with the existing shares.
(v) the price of the underlying share in market at the time of options granted	Not Listed at time of Stock Options granted	Not Listed at time of Restricted Stock Units (RSUs) granted	Not Listed at time of Stock Options granted	Not Listed at time of Restricted Stock Units (RSUs) granted	Not Listed at time of Stock Options granted	Not Listed at time of Restricted Stock Units (RSUs) granted	Not Listed at time of Stock Options granted	Not Listed at time of Restricted Stock Units (RSUs) granted

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

**Note No. 1****(j) Employee wise details of options granted (as on 31<sup>st</sup> March, 2013):**

(i) Senior Managerial Personnel:

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

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

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

(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of your Company at the time of grant: **None.****Note No. 2****(j) Employee wise details of options granted (as on 31<sup>st</sup> March, 2014):**

(i) Senior Managerial Personnel:

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

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

**Note No. 3****(j) Employee wise details of options granted (as on 31<sup>st</sup> March, 2015):**

(i) Senior Managerial Personnel:

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

(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: **None.**(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of your Company at the time of grant: **None.****Note No. 4****(j) Employee wise details of options granted (as on 31<sup>st</sup> March, 2016):**

(i) Senior Managerial Personnel:

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

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

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

Date: 3<sup>rd</sup> May, 2017  
Place: Mumbai

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

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

## “Annexure – AA” to Directors’ Report

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

[Details of Employees Stock Option Scheme (ESOS) as on 31<sup>st</sup> March, 2017 pursuant to the requirements under Regulation 14 (Disclosures by the Board of Directors) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]

**Note:** During the previous financial year 2015-2016, ‘TBZ ESOP, 2011’, the ESOP Scheme of your Company got closed. For the current financial year 2016-2017, your Company do not have any open ESOP scheme nor granted any fresh stock option to its employees. Hence there are no records for the current financial year 2016-2017.

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

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

The following details have been disclosed on your Company’s website at:

[http://www.tbztheoriginal.com/pdf/ESOP-Disclosure\(15-16\).pdf](http://www.tbztheoriginal.com/pdf/ESOP-Disclosure(15-16).pdf)

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

### Details related to ESOS / ESOP:

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

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

Description	TBZ ESOP, 2011						
(a) Date of shareholders’ approval	12 <sup>th</sup> January, 2011						
(b) Total number of options approved under ESOS	208,433 Options (comprising of 111,309 Stock Options and 97,124 RSUs)						
(c) Vesting requirements	The Options and RSUs granted under TBZ ESOP, 2011 shall vest in one or more tranches, so long as the holder of the Options or RSUs, as the case may be, continues to be in the employment/ Directorship of your Company or Subsidiary, as the case may be. The Options and RSUs granted under TBZ ESOP, 2011 would vest after the expiry of one year from date of grant of Options or RSUs, as the case may be.						
(d) Exercise price or pricing formula	<table border="0"> <tr> <td><b>Stock Options</b></td> <td><b>Restricted Stock Units (RSUs)</b></td> </tr> <tr> <td>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.</td> <td>Face Value of the Equity Share.</td> </tr> <tr> <td>₹ 149.93</td> <td>₹ 10</td> </tr> </table>	<b>Stock Options</b>	<b>Restricted Stock Units (RSUs)</b>	Under the Scheme, all the options were granted prior to the listing of the Equity Shares of your Company. These options were granted at a discount to the annual valuation.	Face Value of the Equity Share.	₹ 149.93	₹ 10
<b>Stock Options</b>	<b>Restricted Stock Units (RSUs)</b>						
Under the Scheme, all the options were granted prior to the listing of the Equity Shares of your Company. These options were granted at a discount to the annual valuation.	Face Value of the Equity Share.						
₹ 149.93	₹ 10						
(e) Maximum term of options granted	<p>The Options and RSUs granted pursuant to TBZ ESOP, 2011 were granted in three tranches. The maximum term of Options or RSUs granted, as the case may be, is as follows:</p> <p>The first/ second/ third year of the later of (i) the Date of Grant or (ii) the date of listing of the Equity shares of your Company on the BSE and the NSE.</p>						
(f) Source of shares (primary, secondary or combination)	Primary						
(g) Variation in terms of options	N.A.						

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

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

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

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

(iv) Options movement during the year:

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

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

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

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

(a) Senior Managerial Personnel:

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

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

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

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

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

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

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

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

Date: 3<sup>rd</sup> May, 2017  
Place: Mumbai

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

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

## “Annexure – B” to Directors' Report

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2016 - 2017

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

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

Your Company's Corporate Social Responsibility Policy (CSR Policy) provides for carrying out CSR activities in the various area covered under Schedule VII of the Act, such as (a) 'Promoting Healthcare including Preventive Healthcare', which is falling under item (i) of Schedule VII of the Act; (b) 'Promoting Education, including special education and employment enhancing vocational skills' which is falling under item (ii) of Schedule VII of the Act and (c) 'Promoting gender equality and women's empowerment' which is falling under item (iii) of Schedule VII of the Act.

Your Company has made CSR Contribution to (1) Cancer Patient Aid Association (CPAA) of ₹ 350,000 for Promoting Healthcare including Preventive Healthcare; (2) Salaam Bombay Foundation of ₹ 500,000 for Promoting Education, including Special Education and employment enhancing vocation skills; (3) Ladi Devi Paharia Foundation Trust of ₹ 75,000 towards 8<sup>th</sup> South Mumbai Junior Soccer Challengers 2016 for Promoting Education, including Special Education and employment enhancing vocation skills; (4) Paper Boat Project of your Company of ₹ 10,000 for Promoting Education, including Special Education and employment enhancing vocation skills; (5) Bal-ashram (orphanage), Raipur of ₹ 2,250 for Promoting Education; (6) Under CSR Activity of your Company carries out CSR Activities for promoting gender equality and women's empowerment under its main project known as "Pankhi Project". Your Company has made total CSR Contribution of ₹ 3,858,593 for the financial year 2016 – 2017 and out of which ₹ 22,826 was incurred towards administrative expenses and balance ₹ 3,835,767 made to various organisations such as: (a) Sneha (Society for Nutrition Education & Health Action) of ₹ 2,794,567; (b) Stree Mukti Sangathan of ₹ 506,200; (c) Bharatiya Stree Shakti of ₹ 535,000. These NGO'S/ organization carry out projects which are largely in accordance with Schedule VII of the Companies Act, 2013.

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

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

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

#### 2. Composition of the CSR Committee

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

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

Average net profit: ₹ **336,291,938**

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

Your Company is required to spend ₹ **6,725,839** towards CSR activities.

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

a. Total amount spent for the financial year: ₹ **4,795,843**

b. Amount unspent, if any: balance Amount ₹ **1,929,996**

c. Manner in which the amount spent during the financial year 2016 - 2017 is detailed below:

Sr. No.	CSR Projects or Activities identified	Sector in which the Project is covered	Project or programs – Local area or other	Amount outlay (Budget) Project or Programs wise	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency*
				Locations District (State)	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
1	Cancer Patients Aid Association (CPAA) Providing medical and radiation treatment to poor cancer patient. {The CSR contribution made to 'Cancer Patients Aid Association' (CPAA) which is a registered charitable NGO, which is working towards the "Total Management of Cancer" as a disease. The CSR Contribution amount will be used by the NGO for giving medical and radiation treatment to many poor cancer patients.}	Promoting Healthcare including Preventive Healthcare Clause (i)	Maharashtra (Mumbai & Pune)	3.50	3.50	3.50	3.50 Implementing Agency (1)
2	Salaam Bombay Foundation Providing employment enhancing vocation skills especially among children. {The CSR contribution made to Salaam Bombay Foundation will be used to provide world class dance training to 50 deserving children who grow up in Mumbai's slums.}	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects Clause (ii)	Maharashtra (Mumbai)	5.00	5.00	5.00	5.00 Implementing Agency (2)

Sr. No.	CSR Projects or Activities identified	Sector in which the Project is covered	Project or programs – Local area or other	Amount outlay (Budget)	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency*
				Project or Programs wise	1. Direct Expenditure on Projects or programs 2. Overheads		
			Locations District (State)	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
3	Ladi Devi Paharia Foundation Trust Providing employment enhancing vocation skills especially among children. {The CSR contribution made to Ladi Devi Paharia Foundation Trust towards 8 <sup>th</sup> South Mumbai Junior Soccer Challengers 2016 for Promoting Education, including Special Education and employment enhancing vocation skills}	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects Clause (ii)	Maharashtra (Mumbai)	0.75	0.75	0.75	0.75 Implementing Agency (3)
4	Paper Boat Project (In House Project) Promoting education, including employment enhancing vocation skills especially among children.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects Clause (ii)	Maharashtra (Mumbai)	0.10	0.10	0.10	0.10 (Direct) (In Houses project)
5	Bal-ashram (orphanage), Ranchi Promoting education among children.	Promoting education, Clause (ii)	Ranchi (Jharkhand)	0.0225	0.0225	0.0225	0.0225 Direct

Sr. No.	CSR Projects or Activities identified	Sector in which the Project is covered	Project or programs – Local area or other	Amount outlay (Budget)	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency*
				Project or Programs wise	1. Direct Expenditure on Projects or programs 2. Overheads		
			Locations District (State)	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
6	Pankhi Project towards prevention of violence against women and children. TBZ driven helpline was initiated in Pankhi Project for counselling of victims of domestic violence. The activity is towards promoting gender equality and empowering women. The CSR contribution made to Mumbai-based non-profit making organization and working in hospitals of Mumbai and Thane. The CSR contribution will be used for prevention of violence against women and children, counseling to the victims and to respond to crimes against women so as to ensure women live a life free from violence.}	Promoting gender equality and empowering women Clause (iii)	Maharashtra (Mumbai & Thane)				Implementing Agencies
	(a) Sneha (Society for Nutrition Education & Health Action)			62.00894	27.94567	62.00894	27.94567 (4)
	(b) Stree Mukti Sangathan			5.062	5.062	5.062	5.062 (5)
	(c) Bharatiya Stree Shakti			5.35	5.35	5.35	5.35 (6)
	(d) Administrative Expenses/ Overheads			(2-0) 0.22826	(2-0) 0.22826	(2-0) 0.22826	(2-0) 0.22826
				72.6492	38.58593	72.6492	38.58593
	<b>Total Amount</b>			<b>82.0217</b>	<b>47.95843</b>	<b>82.0217</b>	<b>47.95843</b>

(\*) Details of Implementing Agencies:

- (1) Cancer Patient Aid Association (CPAA);
- (2) Salaam Bombay Foundation;
- (3) Ladi Devi Pahari Foundation Trust,
- (4) Sneha (Society for Nutrition Education & Health Action);
- (5) Stee Mukti Sangathan; and
- (6) Bharatiya Stree Shakti.

During the financial year ended 31<sup>st</sup> March, 2017, your Company had spent amount in CSR activities undertaken mostly in Mumbai, one activity in Pune and one small contribution in Ranchi where your Company's showrooms are located.

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

**Reason for short spent for financial year 2016 - 2017:**

Your Company is fully committed to make contributions towards CSR activities of your Company as per the requirement of Section 135 of the Companies Act, 2013. As this being the initial years of the CSR activity of your Company has contributed with an amount ₹ 4,795,843 for the financial year 2016 – 2017 instead of the required contribution amount of ₹ 6,725,839 (i.e. 2% of the average net profit of your Company made during the three immediately preceding financial year). Your Company has not spent balance CSR contribution amount of ₹ 1,929,996. As the financial year 2016 – 2017 being the initial years of CSR activity of your Company, the members of the CSR Committee as well as the members of the Board has decided to go ahead with CSR activities with proper research and planning and decided not to make balance required contribution as stated above in haste, but decided to make the required contribution as and when your Company finds proper projects or area in the coming financial years. Your Company is fully committed to participate whole heartedly in the CSR Activities.

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

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

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

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

Date: 3<sup>rd</sup> May, 2017

Place: Mumbai

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

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

## “Annexure – C” to Directors’ Report

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2017

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

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

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017, 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, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
  - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time.

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

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

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

**We further report that**

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

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

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

We have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditor for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company as listed in Annexure 1.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. (As mentioned above and listed in Annexure I)

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

Place: Mumbai

Date: 3<sup>rd</sup> May, 2017

**Pramod S. Shah-Partner**

Pramod S. Shah & Associates

FCS No.: 334

C P No.: 3804

#### Annexure I

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

# “Annexure – D” to Directors’ Report

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2017

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

### Form No. MGT – 9

#### I) REGISTRATION AND OTHER DETAILS:

CIN	L27205MH2007PLC172598
Registration Date:	24 <sup>th</sup> July, 2007
Name of the Company	Tribhovandas Bhimji Zaveri Limited
Category / Sub-Category of the Company	Public Company / Limited by shares
Address of the Registered office and contact details	241/ 43, Zaveri Bazar, Mumbai - 400 002. Tel. No.: (022) 3956 5001 Fax No.: (022) 3956 5056 Email Add.: <a href="mailto:investors@tbzoriginal.com">investors@tbzoriginal.com</a> Website Add.: <a href="http://www.tbztheoriginal.com">www.tbztheoriginal.com</a>
Whether listed company	Yes / No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel. No. (040) 6716 1500 / 2222 Fax. No. 040-2342 0814 Email Add.: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> Website Add.: <a href="http://www.karvycomputershare.com">www.karvycomputershare.com</a> Contact Person: Mr. Anupam Ompolu SEBI Registration No.: INR000000221

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

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

Name and Description of main products /services	NIC Code of the Product /service	% to total turnover of the company
Retail Sale of Jewellery (Retail Jewellery)	47733 – Retail Sale of jewellery and imitation jewellery	99.05%

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

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

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

## i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	46,759,775	-	46,759,775	70.07	46,759,775	-	46,759,775	70.07	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	2,700,000	-	2,700,000	4.05	2,700,000	-	2,700,000	4.05	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other.....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):</b>	<b>49,459,775</b>	<b>-</b>	<b>49,459,775</b>	<b>74.12</b>	<b>49,459,775</b>	<b>-</b>	<b>49,459,775</b>	<b>74.12</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoters</b>	<b>49,459,775</b>	<b>-</b>	<b>49,459,775</b>	<b>74.12</b>	<b>49,459,775</b>	<b>-</b>	<b>49,459,775</b>	<b>74.12</b>	<b>-</b>
<b>(A) = (A)(1)+(A)(2)</b>									
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/ UTI	252	-	252	0.00	-	-	-	-	-
b) Banks / FI	81,865	-	81,865	0.12	67,005	-	67,005	0.10	-0.02
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs / Foreign Portfolio Investors	4,776,367	-	4,776,367	7.16	1,751,879	-	1,751,879	2.63	-4.53
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):</b>	<b>4,858,484</b>	<b>-</b>	<b>4,858,484</b>	<b>7.28</b>	<b>1,818,884</b>	<b>-</b>	<b>1,818,884</b>	<b>2.73</b>	<b>-4.55</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>	<b>4,345,534</b>	<b>-</b>	<b>4,345,534</b>	<b>6.51</b>	<b>4,546,512</b>	<b>-</b>	<b>4,546,512</b>	<b>6.81</b>	<b>+0.30</b>
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto ₹ 1 Lakh	3,816,143	700	3,816,843	5.72	5,248,218	700	5,248,918	7.87	+2.15
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	3,552,050	-	3,552,050	5.33	4,832,182	-	4,832,182	7.24	+1.91
c) NBFCs Registered with RBI	87,021	-	87,021	0.13	4,771	-	4,771	0.01	-0.12
d) Others (specify)									
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
ii) Other Foreign Nationals	-	-	-	-	-	-	-	-	-
iii) Foreign Bodies	-	-	-	-	-	-	-	-	-
iv) NRI / OCBs	193,248	-	193,248	0.29	347,272	-	347,272	0.52	+0.23
v) Clearing Members / Clearing House	416,030	-	416,030	0.62	136,701	-	136,701	0.20	-0.42
vi) Trusts	1,500	-	1,500	0.00	335,470	-	335,470	0.50	+0.50
vii) Limited Liability Partnership	-	-	-	-	-	-	-	-	-
viii) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
ix) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(x) Unclaimed Suspense Account	135	-	135	0.00	135	-	135	0.00	-
<b>Sub-Total (B)(2):</b>	<b>12,411,661</b>	<b>700</b>	<b>12,412,361</b>	<b>18.60</b>	<b>15,451,261</b>	<b>-</b>	<b>15,451,961</b>	<b>23.15</b>	<b>+4.55</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>17,270,145</b>	<b>700</b>	<b>17,270,845</b>	<b>25.88</b>	<b>17,270,145</b>	<b>-</b>	<b>17,270,845</b>	<b>25.88</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>66,729,920</b>	<b>700</b>	<b>66,730,620</b>	<b>100</b>	<b>66,729,920</b>	<b>700</b>	<b>66,730,620</b>	<b>100</b>	<b>0</b>

## ii) Shareholding of Promoters:

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

## iii) Change in Promoters' Shareholding:

Shareholder's Name	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	74.12	49,459,775	74.12
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	There is no change in Promoter shareholding during the year.			
At the end of the year	<b>49,459,775</b>	<b>74.12</b>	<b>49,459,775</b>	<b>74.12</b>

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	HSBC Global Investment Funds A/C HSBC GIF Mauritius Limited	2,211,715	3.31	NIL	NIL
2	Lata Bhanshali	657,152	0.98	857,152	1.28
3	Keki Jimmy Unwalla	500,000	0.75	500,000	0.75
4	Priyanka Finance Private Limited	498,000	0.75	NIL	NIL
5	Aadi Financial Advisors LLP	420,326	0.63	420,326	0.63
6	Vespera Fund Limited (Elara Capital Plc A/C Vespera Fund Limited)	409,706	0.61	409,706	0.61
7	Acacia Partners, LP	388,794	0.58	388,794	0.58
8	Steinberg India Emerging Opportunities Fund Limited	338,000	0.51	NIL	NIL

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	Morgan Stanley Asia (Singapore) PTE.	310,500	0.47	310,500	0.47
10	Akash Bhanshali	290,072	0.43	615,072	0.92
11	Optimum Securities Private Limited	NIL	NIL	559,233	0.84
12	Madhavan Kunniyur	150,000	0.22	438,308	0.66
13	Kutir Properties LLP	NIL	NIL	375,000	0.56
14	V E C Strategic Growth Fund	NIL	NIL	334,224	0.50

**“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 (01.04.16)/ end of the year (31.03.17)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.16 to 31.03.17)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	HSBC Global Investment Funds A/C HSBC GIF Mauritius Limited	2,211,715	3.31	01.04.16				
				15.04.16	(46,740)	Transfer	2,164,975	3.24
				22.04.16	(690,498)	Transfer	1,474,477	2.21
				29.04.16	(1,474,477)	Transfer	NIL	NIL
				31.03.17	NIL		NIL	NIL
2	Lata Bhanshali	657,152	0.98	01.04.16				
				03.06.16	200,000	Transfer	857,152	1.28
		857,152	1.28	31.03.17				
3	Keki Jimmy Unwalla	500,000	0.75	01.04.16	NIL	Nil movement during the year	500,000	0.75
		500,000	0.75	31.03.17				
4	Priyanka Finance Private Limited	498,000	0.75	01.04.16				
				15.04.16	(158,000)	Transfer	340,000	0.51
				22.04.16	(53,000)	Transfer	287,000	0.43
				29.04.16	(87,000)	Transfer	200,000	0.30
				06.05.16	(15,000)	Transfer	185,000	0.28
				13.05.16	15,000	Transfer	200,000	0.30
				27.05.16	60,000	Transfer	260,000	0.39
				03.06.16	30,000	Transfer	290,000	0.43
				17.06.16	(15,000)	Transfer	275,000	0.41
				24.06.16	(35,000)	Transfer	240,000	0.36
				30.06.16	(140,000)	Transfer	100,000	0.15
				08.07.16	(5,000)	Transfer	95,000	0.14
				29.07.16	55,000	Transfer	150,000	0.22
		19.08.16	18,000	Transfer	168,000	0.25		
		16.09.16	(109,543)	Transfer	58,457	0.09		
		23.09.16	(58,457)	Transfer	NIL	NIL		
		31.03.17	NIL		NIL	NIL		

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 (01.04.16)/ end of the year (31.03.17)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.16 to 31.03.17)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
5	Aadi Financial Advisors LLP	420,326	0.63	01.04.16	NIL	Nil movement during the year	420,326	0.63
		420,326	0.63	31.03.17			420,326	0.63
6	Vespera Fund Limited (Elara Capital Plc A/C Vespera Fund Limited)	409,706	0.61	01.04.16	NIL	Nil movement during the year	409,706	0.61
		409,706	0.61	31.03.17			409,706	0.61
7	Acacia Partners, LP	388,794	0.58	01.04.16	NIL	Nil movement during the year	388,794	0.58
		388,794	0.58	31.03.17			388,794	0.58
8	Steinberg India Emerging Opportunities Fund Limited	338,000	0.51	01.04.16	(338,000)	Transfer	NIL	NIL
		NIL	NIL	11.11.16				
9	Morgan Stanley Asia (Singapore) PTE.	310,500	0.47	01.04.16	NIL	Nil movement during the year	310,500	0.47
		310,500	0.47	31.03.17			310,500	0.47
10	Akash Bhanshali	290,072	0.43	01.04.16	325,000	Transfer	615,072	0.92
				29.04.16				
		615,072	0.92	31.03.17				
11	Optimum Securities Private Limited	NIL	NIL	01.04.16	300,000	Transfer	300,000	0.45
				04.11.16				
				11.11.16				
				18.11.16				
				25.11.16				
				13.01.17				
559,233	0.84	31.03.17	559,233	0.84				
12	Madhavan Kunniyur	150,000	0.22	01.04.16	276,295	Transfer	438,308	0.66
				15.04.16				
				22.04.16				
				14.10.16				
				24.03.17				
				31.03.17				
438,308	0.66	31.03.17	438,308	0.66				
13	Kutir Properties LLP	NIL	NIL	01.04.16	227,701	Transfer	375,000	0.56
				18.11.16				
				25.11.16				
				09.12.16				
		31.12.17	375,000	0.56				

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 (01.04.16)/ end of the year (31.03.17)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.16 to 31.03.17)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
14	VEC Strategic Growth Fund	NIL	NIL	01.04.16				
				30.06.16	40,224	Transfer	40,224	0.06
				01.07.16	40,500	Transfer	80,724	0.12
				12.08.16	108,000	Transfer	188,724	0.28
				19.08.16	73,500	Transfer	262,224	0.39
				09.09.16	72,000	Transfer	334,224	0.50
				334,224	0.50	31.03.17		

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

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

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

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

**V) INDEBTEDNESS**

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

(₹ In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	64,945.94	99.80		65,045.74
ii) Interest due but not paid				
iii) Interest accrued but not due	129.06			129.06
<b>Total (i+ii+iii)</b>	<b>65,075.00</b>	<b>99.80</b>		<b>65,174.80</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition				
• Reduction	10,206.05	79.96		10,286.01
<b>Net Change</b>	<b>10,206.05</b>	<b>79.96</b>		<b>10,286.01</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	54,739.89	19.84		54,759.73
ii) Interest due but not paid				
iii) Interest accrued but not due	79.67			79.67
<b>Total (i+ii+iii)</b>	<b>54,819.56</b>	<b>19.84</b>		<b>54,839.40</b>

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

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount (₹ in Lakhs)
		Mr. Shrikant Zaveri, Chairman & Managing Director	Ms. Binaisha Zaveri, Whole-time Director	Ms. Raashi Zaveri, Whole-time Director	
1.	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 <b>(Minimum Remuneration)</b>	180	180	180	540
(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>180</b>	<b>180</b>	<b>180</b>	<b>540</b>
	Ceiling as per the Act (Minimum Remuneration) (*)	190.18	190.18	190.18	570.54

(\*) ₹ 540 Lakhs (being Minimum Remuneration calculated as per Section 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013)

**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	1.70	2.90	1.30	5.90
• Commission	5.00	5.00	5.00	15.00
• Others, please specify	-	-	-	-
<b>Total</b>	<b>6.70</b>	<b>7.90</b>	<b>6.30</b>	<b>20.90</b>

**C. Remuneration to Key Managerial Personnel Other Than Md / Manager / Wtd**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total (₹ in Lakhs)
		Mr. Saurav Banerjee Chief Financial Officer	Mr. Niraj Oza Head Legal & Company Secretary	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	80.01	30.12	110.13
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit			
	- Others, specify...			
5.	Others, please specify	-	-	-
	<b>Total (C)</b>	<b>80.01</b>	<b>30.12</b>	<b>110.13</b>

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

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

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

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

**Shrikant Zaveri**

Chairman & Managing Director  
(DIN: 00263725)

**Raashi Zaveri**

Whole-time Director  
(DIN: 00713688)

Date: 3<sup>rd</sup> May, 2017

Place: Mumbai

## “Annexure – E” to Directors' Report

### Nomination, Remuneration and Evaluation Policy

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

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

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

#### 1. OBJECTIVE

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

The Key Objectives of the Committee would be:

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

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

#### 2. DEFINITIONS

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

#### 3. ROLE OF COMMITTEE

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

The Committee shall:

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

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

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

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

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

### 3.2.2. Term / Tenure:

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

### 3.2.3. Evaluation:

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

### 3.2.4. Removal:

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

### 3.2.5. Retirement:

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

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

### 3.3.1. General:

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

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

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

(a) Fixed pay:

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

(b) Minimum Remuneration:

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

(c) Provisions for excess remuneration:

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

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

(a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company,

if any, and the Act and as approved by the Shareholders.

(b) Sitting Fees:

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

(c) Commission:

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

(d) Stock Options:

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

**4. MEMBERSHIP**

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

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

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

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

**5. CHAIRPERSON**

5.1 Chairperson of the Committee shall be an Independent Director.

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

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

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

**6. FREQUENCY OF MEETINGS**

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

**7. COMMITTEE MEMBERS' INTERESTS**

- 7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**8. SECRETARY**

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

**9. VOTING**

- 9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- 9.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

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

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

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

employee of the Company subject to the provision of the law and their service contract.

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

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

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

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

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

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

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

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

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

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

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

**13. MINUTES OF COMMITTEE MEETING**

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

**14. AMENDMENT IN LAW**

Any subsequent amendment/ modification in the Listing Agreement and / or other applicable Laws, Rules and Regulations in this regard shall automatically apply to this Policy.

## “Annexure – F” to Directors’ Report

### Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2016 – 2017:

- (i) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2016 – 2017, ratio of the remuneration of each Director to the median remuneration of the employees of your Company for the financial year 2016 – 2017 are as under:

Sr. No.	Name of Director / KMP and Designation	Remuneration of Directors/ KMP for Financial Year 2016-17 (₹ in Lakhs)	% Increase/ (Decrease) in Remuneration in the Financial Year 2016-17	Ratio of Remuneration of each Director/ to median remuneration of employee
1	Mr. Shrikant Zaveri Executive Chairman & Managing Director	180.00	50%	66.08
2	Ms. Binaisha Zaveri Whole-time Director	180.00	400%	66.08
3	Ms. Raashi Zaveri Whole-time Director	180.00	400%	66.08
4	Mr. Kamlesh Vikamsey Independent Director	6.70	294%	2.46
5	Mr. Ajay Mehta Independent Director	7.90	163%	2.90
6	Mr. Sanjay Asher Independent Director	6.30	385%	2.31
7	Mr. Saurav Banerjee Chief Financial Officer	80.01	4.21%	Not Applicable
8	Mr. Niraj Oza Head Legal & Company Secretary	30.12	18.77% (*)	Not Applicable

(\*) Salary include onetime leave encashment payment made to all eligible employees in the financial year 2016-2017 on account of reduction in number of carry forward Privilege Leave from 63 days to 42 days. In addition to this in November 2015, Mr. Niraj Oza has accepted addition role of legal by accepting position of Head Legal in addition to position of Company Secretary.

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

- (ii) In the financial year, there was an increase of 14.93% in the median remuneration of employees.
- (iii) There were 1376 permanent employees on the rolls of your Company as on 31<sup>st</sup> March, 2017.
- (iv) Average percentage increased made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016 – 2017 was 4.16% whereas increase in the managerial remuneration for the same financial year was 38.93%. The managerial remuneration during the year 2016-2017 was paid as per revised Schedule V of the Companies Act.

- (v) The key parameters for the variable component of remuneration availed in the form of Commission by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees. (For the financial year 2016 – 2017, none of the Executive Directors received any Commission).
- (vi) The ratio of remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- (vii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board of Directors of

Date: 3<sup>rd</sup> May, 2017  
Place: Mumbai

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

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

## “Annexure – G” to Directors’ Report

**Statement of Particulars of employees pursuant to provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2016 - 2017**

**(A) Name of Top Ten (10) employees in terms of remuneration drawn, employed throughout the Financial Year 2016 – 2017 whose remuneration was falling under remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Sr. No.	Name	Age (Years)	Date of commencement of employment	Gross Remuneration (in ₹)	Designation	Educational Qualification	Experience in Years	Previous Employment
1	Shrikant Zaveri	57	24.07.2007	18,000,000	Executive Chairman & Managing Director	Matriculation	35	Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (joined in 1991)
2	Binaisha Zaveri	34	24.07.2007	18,000,000	Whole-time Director	Bachelor’s degree in Marketing and Finance from Stern School of Business, New York	13	Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (Joined w.e.f. 01.01.2004)
3	Raashi Zaveri	30	01.07.2008	18,000,000	Whole-time Director	Bachelor’s degree in Finance and Entrepreneurship from Kelly school of Business, Indiana University and is a graduate Gemologist from Gemological Institute of America	9	Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri
4	Saurav Banerjee	51	17.02.2014	8,001,396	Chief Financial Officer	B. Com (Hons), CA	27	Worked as CFO in Rosy Blue India Pvt. Ltd.
5	Rajeev Sagar	39	24.07.2007	8,677,206	Head - Gold Operations	B. Com	17	Worked as employee in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (Joined w.e.f. 01.09.2000)
6	Mayur Choksi	48	01.10.2011	8,697,455	Head – Diamond Operation	Matriculation	28	Worked as employee in Tribhovandas Bhimji Zaveri (Bombay) Limited (Joined w.e.f. 01.04.1997)
7	Sunil Gujarathi	53	05.04.2011	5,527,068	Head –MIS & Treasury	ICWA & M.Com., B.Com.	22	Worked as DGM in VIP Industries Ltd.

Sr. No.	Name	Age (Years)	Date of commencement of employment	Gross Remuneration (in ₹)	Designation	Educational Qualification	Experience in Years	Previous Employment
8	Mehul Shah	46	01.02.2016	5,023,860	Head – Financial Accounting and Audit	CA, MBA, IFRS & M.Com., B.Com.	20	Worked as Head Corp. Finance (EVP) in Zee Entertainment Ent. Ltd.
9	Kaushal Shah	42	08.07.2014	3,988,336	Group Head –IT	B.Com. & Executive Programme in Business Mgt.-IIM Calcutta & System Mgt. from GNIIT	17	Worked as Head-IT (Process Manufacturing) in M/s Privi Organics Ltd.
10	Santosh Nair	47	23.06.2014	3,964,285	Group Head – Watches	MMS & B.Com.	21	Worked as Business Head - Luxury Watch Division (Mumbai) in M/s Morellato India Pvt. Ltd.

**(B) Name of employees employed throughout the Financial Year 2016 – 2017 whose remuneration was falling under remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Sr. No.	Name	Age (Years)	Date of commencement of employment	Gross Remuneration (in ₹)	Designation	Educational Qualification	Experience in Years	Previous Employment
1	Shrikant Zaveri	57	24.07.2007	18,000,000	Executive Chairman & Managing Director	Matriculation	35	Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (joined in 1991)
2	Binaisha Zaveri	34	24.07.2007	18,000,000	Whole-time Director	Bachelor's degree in Marketing and Finance from Stern School of Business, New York	13	Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (Joined w.e.f. 01.01.2004)
3	Raashi Zaveri	30	01.07.2008	18,000,000	Whole-time Director	Bachelor's degree in Finance and Entrepreneurship from Kelly school of Business, Indiana University and is a graduate Gemologist from Gemological Institute of America	9	Worked as Partner in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri

**(C) Details of employee was employed for part of the Financial Year 2016 – 2017 whose remuneration was falling under remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Sr. No.	Name	Age (Years)	Date of commencement of employment	Gross Remuneration (in ₹)	Designation	Educational Qualification	Experience in Years	Previous Employment
1	Divyesh Shah (*)	43	24.07.2007	7,296,237	Group Head – Retail	B. Com.	20	Worked as employee in the erstwhile Partnership firm of M/s. Tribhovandas Bhimji Zaveri (Joined w.e.f. 01.12.1997)
2	Monica Bhandari (**)	43	18.08.2016	5,313,929	Chief Human Resource Officer	B. Com, PG in Business Management	22	Worked as CHRO with House of Anita Dongre Limited

(\*) Mr. Divyesh Shah, Head – Retail of your Company resigned from the services w.e.f. 30<sup>th</sup> June, 2016.

(\*\*) Ms. Monica Bhandari, Chief Human Resource Officer joined w.e.f. 18<sup>th</sup> August, 2016.

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

Sr. No.	Name	Age (Years)	Date of commencement of employment	Gross Remuneration (in ₹)	Designation	Educational Qualification	Experience in Years	Previous Employment
	NIL	NA	NA	NA	NA	NA	NA	NA

**Notes:**

- Gross Remuneration shown above is subject to tax.
- Remuneration includes:  
For Chairman & Managing Director and Whole-time Directors – Remuneration in form of Minimum Remuneration.  
For Chief Financial Officer - basic salary, perquisites, bonus, other allowances, variable pay, etc.  
For others – basic salary, perquisites, bonus, other allowances, variable pay, leave encashment, etc.
- In addition to the above remuneration the employees are entitled to Gratuity in accordance with your Company's rules.
- The nature of employment is contractual for all the employees.
- The date of commencement of employment have shown as 24<sup>th</sup> July, 2007, i.e. date of conversion of partnership firm into private limited company, even though the Directors/ Employee(s) who were with Company at the time of partnership firm.
- Designation denotes the nature of duties also.
- For Executive Director(s) 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 respectively, are related to each other. Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors of your Company, being sisters are related to each other. None of the other employees is relative in the terms of provision of Section 2(77) of the Companies Act, 2013 of any Director of your Company.

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

Date: 3<sup>rd</sup> May, 2017  
Place: Mumbai

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

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

# Report on Corporate Governance

The Directors present your Company's Report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2017 as stipulated in Para C of Schedule V and all other applicable Regulation(s) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure requirements of which are given below:

## Company's Philosophy on Corporate Governance:

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

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

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

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

## Governance Structure:

Your Company's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level.

This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable growth.

## Board of Directors

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

## Committee of Directors

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

## Management Structure

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

### a) Chief Executive Officer

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

### b) Functional Heads

Functional Heads of various departments, viz. Retail Department, Gold Order Department, Diamond Order Department, Advertisement and Marketing Department, Human Resource Department, Administration Department, Information and Technology (IT) Department, Secretarial Department, Legal Department, Budget Costing & MIS Department, Accounts and

Finance Department and Project Department. The Chief Financial Officer reports to the Chief Executive Officer of your Company. These Department Heads review the functioning of their department.

### Shareholders' Communications

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

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

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

#### I. Board of Directors:

A. The composition of the Board of Directors represents a combination of knowledge, experience and professionalism and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Board comprises of Executive and Independent Directors as required under applicable legislation. As on 31<sup>st</sup> March, 2017, the Board consists of six Directors comprising of three Executive Directors and three Independent Directors who are Non-Executive Directors, i.e. fifty per cent of the Board comprises of Independent Directors. The number of Independent Directors on the Board is in conformity with the requirement of Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board also consists of two women Whole-time Directors. All three Executive Directors are the Promoters of your Company.

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

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

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

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

During the year, five Board Meetings were held on 2<sup>nd</sup> May, 2016, 3<sup>rd</sup> August, 2016, 19<sup>th</sup> September, 2016, 9<sup>th</sup> November, 2016 and 7<sup>th</sup> February, 2017.

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

Name of the Directors	Date of Appointment	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM held on 19.09.2016	No. of outside Directorship in all Companies (*)	No. of outside Committee Membership/ Chairmanship in all Companies (+) (**)	
						Member	Chairman
Mr. Shrikant Zaveri (DIN: 00263725)	24.07.2007	CMD	5	Yes	2	Nil	Nil
Ms. Binaisha Zaveri (DIN: 00263657)	24.07.2007	WTD	5	Yes	2	Nil	Nil
Ms. Raashi Zaveri (DIN: 00713688)	01.07.2008	WTD	4	Yes	1	Nil	Nil
Mr. Kamlesh Vikamsey (DIN: 00059620)	26.08.2010 (+)	ID	5	Yes	5	3	1
Mr. Ajay Mehta (DIN: 00028405)	14.12.2010 (+)	ID	5	Yes	3	1	Nil
Mr. Sanjay Asher (DIN: 00008221)	14.12.2010 (+)	ID	5	Yes	9	5	5

**Note:**

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

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

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

(+) All three Independent Directors were appointed for the period of five years, i.e. from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2019 in the Seventh Annual General Meeting of your Company held on 24<sup>th</sup> September, 2014.

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

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

Every Director currently on the Board of your Company has personally attended at least one Board/ Committee of the Directors' Meeting in the financial year 2016-2017.

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

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

**C. Directors' Profile:**

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

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

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

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

During the current financial year, with his vision, your Company has started its second and third franchise

showrooms at Patna (Bihar) and at Ranchi (Jharkhand), respectively. He is discharging the additional responsibility of Chief Executive Officer of your Company.

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

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

**Ms. Binaisha Zaveri (Whole-time Director)**

Ms. Binaisha Zaveri holds a bachelor's degree in marketing and finance from the Stern School of Business, New York. She joined the business in 2004 and has an experience of more than thirteen 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 four 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 nine years. She is involved in the management of your Company's enterprise resource planning systems and is actively engaged in accounting, merchandising and general corporate management.

**Mr. Kamlesh Vikamsey (Independent Director)**

Mr. Kamlesh Vikamsey has a bachelor's degree in commerce from the University of Mumbai and is a qualified chartered accountant. He has more than thirty four years of experience in Accounting and Finance, Taxation, Corporate and Advisory services. He is a Member of the Independent Management Advisory Committee (IMAC) of International Telecommunication Union (ITU), Geneva, Switzerland, the External Audit Committee (EAC) of International Monetary Fund (IMF), Washington D.C., United States of America and the Audit Advisory Committee of United Nations Children's Fund (UNICEF), New York, United States of America. He is also a member of the Appellate Authority constituted under section 22A of the Chartered Accountants Act, 1949 & Income Computation Disclosure Standards Committee of Central Board of Direct Taxes (CBDT).

He was the Chairperson of the Audit Advisory Committee of the United Nations Development Programme (UNDP) and a member of the Indian Advisory Board at Intuit. He was the President of the Confederation of Asian and Pacific Accountants (CAPA) 2007-2009 and was

the Deputy President of CAPA during 2005-2007. He was a Board Member of the International Federation of Accountants (IFAC) from 2005 until 2008. He was the President of the Institute of Chartered Accountants of India (ICAI) during 2005-06. He has served as a member of various advisory and expert committees at national and international levels, including as a member of the expert committee constituted by the Central Government for the promotion of the Gems and Jewellery industry in 2007 and was a member of the Accounting Standards Committee of SEBI during 2005-2006.

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

**Mr. Ajay Mehta (Independent Director)**

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

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

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

**D. Board's Functioning and Procedure:**

Your Company holds at least four Board Meetings in a year, one in each quarter to, inter-alia, review the financial results of your Company. The Board periodically reviews the items required to be placed before it and reviews and approves quarterly/ half yearly unaudited standalone financial statements and the audited standalone and consolidated annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance, performance of various showrooms and reviews such other items which require the Board's attention. It directs and guides the activities of Management towards the set goals and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with laws and regulations. The agenda for the Board Meeting broadly covers the minimum information to be placed before the Board of Directors as specified in Part A of Schedule II of Regulation 17(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent these are relevant and applicable. The agenda is circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda, which are supported by relevant information, documents and presentations to enable the Board to take informed decisions. The date of the Board Meetings is agreed upon well in advance of the meeting.

The gap between two Board Meetings does not exceed one hundred and twenty days. Apart from the four scheduled Board Meetings, additional Board Meetings are also convened to address the specific requirements of your Company. Urgent matters are also approved by the Board by passing resolutions through circulation, if required.

All the departments in your Company communicate to the Company Secretary well in advance, the matters requiring approval of the Board/ Committees of the Board to enable inclusion of the same in the agenda for the Board/ Committee Meetings.

**E. Relationship between Directors:**

In terms of Schedule V(C)(2)(e) and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 none of the three Independent Directors (Non-Executive Directors) are related to each other nor related to any of the Executive Directors of your Company.

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

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

**F. Appointment of Directors retiring by rotation:**

Ms. 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 cover amongst other things your Company's commitment to honest and ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health and safety, transparency and compliance of laws and regulations etc. and the same are placed on the website of your Company at [www.tbztheoriginal.com](http://www.tbztheoriginal.com).

In addition to the above, your Company has adopted a Code for Independent Directors as per the provisions of Section 149(8) read with Schedule IV of the Companies Act, 2013 which suitably incorporates the duties of Independent Directors.

The Codes lay down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity at the work place, in business practices and in dealing with stakeholders. The Codes give guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure.

All the Board members and Senior Management of your Company have affirmed compliance with their respective Code of Conduct for the financial year ended 31<sup>st</sup> March, 2017. A declaration to this effect duly signed by the Chairman & Managing Director of your Company (in the capacity of Chief Executive Officer) is annexed hereto.

**H. Remuneration Policy and details of Remuneration paid/ payable to the Managing Director and the Whole-time Directors for the year ended 31<sup>st</sup> March, 2017:**

The remuneration of your Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in accordance with the existing industry practice. Your Company pays remuneration by way of salary (fixed component) and commission (variable component) to the Chairman & Managing Director and to the Whole-time Directors. Salary is paid within the amount fixed by the shareholders, which is restricted to the maximum limits prescribed under Sections 196, 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013. The Commission payable to the Chairman & Managing Director and Whole-time Directors is calculated with reference to the net profits of your Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the Nomination and Remuneration Committee, subject to the overall ceilings stipulated in Section 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013.

The Chairman & Managing Director and the Whole-time Directors are not paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.

The agreement with Chairman & Managing Director and the Whole-time Directors are for a period not exceeding five years at a time and salary fixed is for a period not exceeding three years at a time. Either party may terminate the agreement by giving the other party prior written notice of six months, provided that the Company may waive the notice by giving the remuneration on a pro rata basis in respect of the months for which the Chairman

& Managing Director and Whole-time Director(s) would have received had he/she remained in office. There is no separate provision for payment of severance fees.

Your Company does not have a scheme for grant of stock options to any of the Chairman & Managing Director and the Whole-time Directors of your Company.

The commission payable to the Chairman & Managing Director and the Whole-time Directors are based on the performance criteria laid down by the Board which broadly considers the profits earned by your Company for the financial year. The members of the Nomination and Remuneration Committee has approved and recommended to the Board the remuneration in the form of minimum remuneration to be paid within the limits specified as per Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013. On basis of these recommendations the Board has approved the remuneration in the form of minimum remuneration to be paid to Mr. Shrikant Zaveri, Chairman & Managing Director; Ms. Binaisha Zaveri and Ms. Raashi Zaveri, Whole-time Directors of your Company.

The Nomination and Remuneration Committee has not recommended any commission to the Chairman & Managing Director and the Whole-time Directors of your Company for the financial year 2016 – 2017, and on basis of the said recommendations, the Board of Directors has decided not to declare any commission for the financial year 2016 – 2017 to any of the Chairman & Managing Director and Whole-time Directors of your Company.

Details of remuneration in the form of minimum remuneration paid/ payable to Managing Director and Whole-time Directors for the financial year 2016 – 2017 is as follows:

<b>Names of Managing Director / Whole-time Directors</b>	<b>Gross Salary (in form of Minimum Remuneration) (in ₹)</b>	<b>Commission (in ₹)</b>	<b>Perquisites (in ₹)</b>	<b>Retirement Benefits (in ₹)</b>	<b>Stock Option</b>	<b>Total (in ₹)</b>
Mr. Shrikant Zaveri	18,000,000	--	--	--	--	<b>18,000,000</b>
Ms. Binaisha Zaveri	18,000,000	--	--	--	--	<b>18,000,000</b>
Ms. Raashi Zaveri	18,000,000	--	--	--	--	<b>18,000,000</b>

**I. Remuneration Policy and details of Sitting Fees & Commission paid / payable to Independent Directors (Criteria for making payment to Independent Directors):**

The Independent Directors are paid remuneration by way of Commission not exceeding 1% of the net profit of your Company. The Independent Directors are also paid Sitting Fees for the meeting of the Board of Directors and various Committee Meetings attended by them. In terms of shareholders' approval obtained for the period of five years commencing from 1<sup>st</sup> April, 2013, by way of Special Resolution at the Sixth Annual General Meeting of your Company held on 30<sup>th</sup> August, 2013, the total Commission payable to the Independent Directors has been approved at the rate not exceeding 1% per annum of the net profits of your Company (computed in accordance with Sections 197, 198 and all other applicable provisions of the Companies Act, 2013). The proposal for distribution of Commission amongst the Independent Directors is placed before the Board. The Commission is distributed amongst Independent Directors in accordance with their individual contribution at the Board Meetings and certain Committee Meetings as well as time spent on operational matters other than at the meetings. The total amount of Commission, if paid, to the Independent Directors, under no circumstances exceed 1% of the net profits of your Company.

For the current financial year 2016 – 2017, your Company has declared a total Commission of ₹ 1,500,000 (Rupees Fifteen Lakhs only) to Independent Directors and ₹ 500,000 (Rupees Five Lakhs only) to each Independent Director. Your Company has paid sitting fees to Independent Directors based on number of Board and Committee Meetings attended by each Independent Director. The details of the commission payable and the sitting fees paid individually is available in the chart given below.

Your Company pays sitting fees of ₹ 20,000 per Board Meeting attended and ₹ 10,000 per meeting attended of the various Committees to the Independent Directors.

Details of sitting fees paid/ commission payable to Independent Directors of your Company as on 31<sup>st</sup> March, 2017 are as follows:

Names of the Independent Directors	Sitting Fees (In ₹)	Commission (in ₹)	Total (In ₹)
Mr. Kamlesh Vikamsey	170,000	500,000	670,000
Mr. Ajay Mehta	290,000	500,000	790,000
Mr. Sanjay Asher	130,000	500,000	630,000

The above amounts are exclusive of Service Tax.

None of the Independent Directors of your Company has any pecuniary relationship or transaction with your Company.

All the Independent Directors have complied with the limits of directorships and maximum tenure as per Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the applicable provisions of the Companies Act, 2013. The appointment letter of the Independent Directors and their terms and conditions, has been disclosed on the Company's website ([www.tbztheoriginal.com](http://www.tbztheoriginal.com)).

#### J. Board Training and Induction:

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter-alia explains the role, function, duties and responsibilities expected of him/her as a Director of your Company. The Director is also explained in detail, the compliances required from him/her under the Companies Act, 2013, Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant regulations and his/her affirmation is taken with respect to the same.

By way of an introduction to your Company, the Director is presented with documents on rules & bye-laws, policies of your Company and the Standard Operating Processes (SOP) of your Company as a whole as well as for various departments are also shared with the incoming Director to acquaint him/her with the functioning of your Company. Apart from this your Company shares relevant Annual Reports, brochures for various schemes and programmes, and reports on the Gems and Jewellery Industry published by various agencies/ authorities. The functioning of various departments of your Company, the market share and markets in which it operates, governance and internal control process and other relevant information pertaining to your Company's

business are also shared with the Director. The Managing Director and Executive Directors also have a one-to-one discussion with the newly appointed Director. The above initiatives help the Director to understand your Company, its business and the regulatory framework in which your Company operates and equips him/her to effectively fulfil his/her role as a Director of your Company.

#### K. Familiarization Programme for Independent Directors:

As per the requirement of Regulation 25(7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has a program to familiarize Independent Directors with regard to their roles, rights, responsibilities as Independent Directors in your Company, nature of the industry in which your Company operates, the business model of your Company, etc. The Independent Directors are also provided with an overview of terms of appointment, the code of conduct of Board of Directors and insider trading regulations, disclosures and business interests of your Company and other important regulatory aspect as relevant for Independent Directors.

The purpose of the Familiarization Programme for Independent Directors is to provide insights into your Company to enable the Independent Directors to understand its business in depth and contribute significantly to your Company. Your Company has already carried out the familiarization programme for Independent Directors. The details of Familiarization Programme Imparted to Independent Directors in terms of Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is available on the website of your Company at link: [http://www.tbztheoriginal.com/pdf/TBZ-Familiarisation%20Prog.\(16-17\).pdf](http://www.tbztheoriginal.com/pdf/TBZ-Familiarisation%20Prog.(16-17).pdf).

#### L. Performance Evaluation / Board Evaluation Criteria:

During the year under review, the Board adopted a formal mechanism for evaluating its own performance, the Directors individually including the Chairman of

the Board as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspect of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, experience and competencies, execution and performance of specific duties, obligations and governance.

As required under Section 134(3)(p) of the Companies Act, 2013 and Regulation 17(10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors assessed the performance of Independent Directors as per the criteria laid down and have recommended their continuation on the Board of your Company.

A separate exercise was carried out to evaluate the performance of the Independent Directors and individual Directors including the Chairman of the Board, who were evaluated on the parameters such as relevant experience, expertise and skills; devotion of time and attention to your Company's long term strategic issues, addressing

the most relevant issues for your Company, discussing and endorsing your Company's strategy, Professional conduct, ethics and integrity, ability and willingness to speak up, focus on shareholder value creation, high governance standards, knowledge of business, process and procedure followed, openness of discussion/integrity, relationship with management, impact on key management decisions, level of attendance, engagement and contribution, independence of judgement, safeguarding the interest of your Company and its minority shareholder's interest etc. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Independent Director being evaluated and the performance evaluation of the Chairman and Non-Independent Directors (Executive Directors) was carried out by the Independent Directors.

Having regard to the industry, size and nature of business your Company is engaged in, the Board expressed their satisfaction with the evaluation process which is sufficient, appropriate and found to be serving the purpose. Your Directors have expressed their satisfaction for the evaluation process, evaluation results, which reflected the overall engagement and the effectiveness of the Board and its Committees.

#### M. Details of shares held by Directors:

Following are the details of the shares held by the Directors of your Company as on 31<sup>st</sup> March, 2017:

Names of the Directors	Nature of Directorship	No. of Shares held
Mr. Shrikant Zaveri	Chairman & Managing Director	33,402,275
Ms. Binaisha Zaveri	Whole-time Director	5,285,000
Ms. Raashi Zaveri	Whole-time Director	4,572,500
Mr. Kamlesh Vikamsey	Independent Director	NIL
Mr. Ajay Mehta	Independent Director	NIL
Mr. Sanjay Asher	Independent Director	6,300

#### II. Board Committees:

With a view to have a more focused attention on business and for better governance and accountability, the Board has already constituted the following mandatory Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. Your Company has also voluntarily constituted a Risk Management Committee which is mandatory as per Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for top 100 listed companies only. Apart from these your Company has also constituted a Special Committee of Board of Directors. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

The Board has constituted six Committees and conducted separate meeting of the Independent Directors:

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

#### 1) Audit Committee:

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

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

The Audit Committee was constituted under the Chairmanship of Mr. Kamlesh Vikamsey, who comes with finance and accounting background. All the members of the Audit Committee are financially literate and have relevant finance and audit exposure. The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee consists of the following members:

Name of the Members	Designation in the Committee	Nature of Directorship
Mr. Kamlesh Vikamsey	Chairman	Independent Director
Mr. Ajay Mehta	Member	Independent Director
Mr. Shrikant Zaveri	Member	Chairman & Managing Director

The Audit Committee enjoys the following powers: -

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the Audit Committee shall include the following:

1. Overseeing your Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and creditable;
2. Recommending to the Board for the appointment, remuneration and terms of appointment of auditors of your Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013,
  - b. Changes, if any, in accounting policies and practices and reasons for the same,

- c. Major accounting entries involving estimates based on the exercise of judgment by management,
  - d. Significant adjustments made in the financial statements arising out of audit findings,
  - e. Compliance with listing and other legal requirements relating to financial statements,
  - f. Disclosure of any related party transactions, and
  - g. Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
  6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
  8. Approval or any subsequent modification of transactions of the Company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings of assets of the Company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  13. Discussion with internal auditors on any significant findings and follow up there on;
  14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders,

shareholders (in case of non-payment of declared dividends) and creditors;

17. To review the functioning of the Whistle Blower Mechanism;
18. Approval of appointment of CFO (i.e. whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
19. Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the internal auditor;
20. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
21. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
6. Statement of deviations:
  - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
  - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be minuted in the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of your Company to provide clarifications on the matters relating to the audit.

The Company Secretary is the Secretary to the Committee. Mr. Kamlesh Vikamsey, Chairman of the Audit Committee, was present at the last Annual General Meeting of your Company held on 19<sup>th</sup> September, 2016.

As at the year-end, the Audit Committee of the Board comprised of three members, two of them being Independent Directors. Mr. Kamlesh Vikamsey is a Chartered Accountant and is a financial expert.

During the year, four Audit Committee Meetings were held on 2<sup>nd</sup> May, 2016, 3<sup>rd</sup> August, 2016, 9<sup>th</sup> November, 2016 and 7<sup>th</sup> February, 2017.

The attendance record of the members of the Audit Committee is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr. Kamlesh Vikamsey	4	4
Mr. Ajay Mehta	4	4
Mr. Shrikant Zaveri	4	4

## 2) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee's composition meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the members of the Nomination and Remuneration Committee are Non-Executive and Independent Directors. Mr. Ajay Mehta, Independent Director, is the Chairman of the Committee.

The composition of the Remuneration Committee is as follows:

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

The Company Secretary is the Secretary to the Committee.

The terms of reference of the Nomination and Remuneration Committee includes identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance; laying down the evaluation criteria for performance evaluation of Independent Directors and the Board of Directors; formulating the criteria for determining qualifications, positive attributes

and independence of a director and recommending to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees; devising the policy on Board diversity; whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

Mr. Ajay Mehta, Chairman of the Nomination and Remuneration Committee, was present at the last Annual General Meeting of your Company held on 19<sup>th</sup> September, 2016.

During the year, two Nomination and Remuneration Committee Meetings were held on 2<sup>nd</sup> May, 2016 and 17<sup>th</sup> August, 2016.

The attendance record of the members of the Nomination and Remuneration Committee is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr. Ajay Mehta	2	2
Mr. Kamlesh Vikamsey	2	2
Mr. Sanjay Asher	2	2

**3) Stakeholders Relationship Committee:**

The Stakeholders Relationship Committee's composition meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The present committee consists of the following members:

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

Mr. Niraj Oza, Head Legal & Company Secretary is designated as the Compliance officer of your Company.

The Company Secretary is the Secretary to the Committee. The terms of reference of the Stakeholders Relationship Committee as per Section 178(6) and as specified in Part D of Schedule II of Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall

consider and resolve the grievances of the security holders of your Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividend.

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

During the year, four Stakeholders Relationship Committee Meetings were held on 2<sup>nd</sup> May, 2016, 3<sup>rd</sup> August, 2016, 9<sup>th</sup> November, 2016 and 7<sup>th</sup> February, 2017.

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

Name of the Members	No. of Meetings	
	Held	Attended
Mr. Ajay Mehta	4	4
Mr. Shrikant Zaveri	4	4
Ms. Binaisha Zaveri	4	4
Ms. Raashi Zaveri	4	3

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

The Board of Directors has constituted Special Committee of the Board of Director and delegated some of the powers enjoyed by the Board of Directors to the Special Committee of the Board of Directors, which are not prohibited by Section 179 of the Companies Act, 2013. The composition of the Special Committee of Board of Directors is as follows:

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

The Company Secretary is the Secretary to the Committee.

During the year, two meetings of the Special Committee of Board of Directors were held on 21<sup>st</sup> April, 2016 and 9<sup>th</sup> June, 2016.

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

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

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

The Corporate Social Responsibility Committee (CSR Committee) of the Board of Director was constituted as per the requirements of the Section 135 and all other applicable provision of the Companies Act, 2013. The Corporate Social Responsibility Committee (CSR Committee) of the Board of Director was constituted to carry out the functions and duties as mentioned in the Section 135 and activities as mentioned in Schedule VII of the Companies Act, 2013.

The present committee consists of the following members:

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

The Company Secretary is the Secretary to the Committee. During the year, four Corporate Social Responsibility Committee Meetings were held on 2<sup>nd</sup> May, 2016, 3<sup>rd</sup> August, 2016, 9<sup>th</sup> November, 2016 and 7<sup>th</sup> February, 2017.

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

Name of the Members	No. of Meetings	
	Held	Attended
Mr. Shrikant Zaveri	4	4
Mr. Ajay Mehta	4	4
Ms. Binaisha Zaveri	4	4
Ms. Raashi Zaveri	4	3

### 6) Risk Management Committee

As per the requirement of Regulation 21(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the constitution of a Risk Management Committee shall be applicable to top 100 listed companies, determined on the basis of market capitalization, as at the end of the immediate previous financial year. Accordingly, constitution of Risk Management Committee is not compulsory for your Company, but to follow Corporate Governance in the right spirit your Company has voluntarily constituted the Risk Management Committee of the Board.

The Risk Management Committee of the Board of Directors was voluntary constituted. Risk Management

Committee provides assistance to the Board of Directors in fulfilling its objective of controlling/ monitoring various risks prevailing in the functioning of your Company in day to day life including the review and functioning of Gold Price Risk Management Policy of your Company as well as reviewing measures to be taken to mitigate the risk on hedging in domestic as well as international market, to evaluate and identify the major strategic, operational, regulatory risks inherent in the business of your Company, to evaluate and identify various types of external and internal risks and to suggest various control measures to be adopted.

The present committee consists of the following members:

Name of the Members	Designation in the Committee	Nature of Directorship
Mr. Shrikant Zaveri	Chairman	Chairman & Managing Director
Mr. Ajay Mehta	Member	Independent Director
Ms. Binaisha Zaveri	Member	Whole-time Director
Ms. Raashi Zaveri	Member	Whole-time Director
Mr. Saurav Banerjee	Member	Chief Financial Officer
Mr. Sunil Gujarathi	Member	Head – MIS & Treasury

The Company Secretary is the Secretary to the Committee.

During the year, four Risk Management Committee Meetings were held on 2<sup>nd</sup> May, 2016, 3<sup>rd</sup> August, 2016, 9<sup>th</sup> November, 2016 and 7<sup>th</sup> February, 2017.

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

Name of the Members	No. of Meetings	
	Held	Attended
Mr. Shrikant Zaveri	4	4
Ms. Binaisha Zaveri	4	4
Ms. Raashi Zaveri	4	3
Mr. Ajay Mehta	4	4
Mr. Saurav Banerjee	4	4
Mr. Sunil Gujarathi	4	4

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

As per the requirements of the Regulation 25(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of your Company have met on 7<sup>th</sup> February, 2017, inter-alia to:

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

**III. General Body Meetings:**

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

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

Year	Location of the Meeting	Date	Time
2013-2014	M. C. Ghia Hall, 4 <sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001.	24 <sup>th</sup> September, 2014	3.30 p.m.
2014-2015	M. C. Ghia Hall, 4 <sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001.	9 <sup>th</sup> September, 2015	3.30 p.m.
2015- 2016	M. C. Ghia Hall, 4 <sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001.	19 <sup>th</sup> September, 2016	3.30 p.m.

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

- (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.

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

- (i) To fix remuneration payable to Mr. Shrikant Zaveri, Chairman & Managing Director of the Company from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> December, 2015.

Three Special Resolutions were passed in the AGM held on 19<sup>th</sup> September, 2016 which are as follows:

- (i) To re-appoint Mr. Shrikant Zaveri (DIN: 00263725) as Chairman & Managing Director of the Company and to fix terms of appointment and remuneration.
- (ii) To re-appoint Ms. Binaisha Zaveri (DIN: 00263657) as Whole-time Director of the Company and to fix terms of appointment and remuneration.
- (iii) To re-appoint Ms. Raashi Zaveri (DIN: 00713688) as Whole-time Director of the Company and to fix terms of appointment and remuneration.

No postal ballot activity was carried out during the previous financial year 2015 – 2016 and current financial year 2016 – 2017.

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 7<sup>th</sup> February, 2017.

All the Independent Directors were present at the meeting.

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

During last three financial years, i.e. from year 2013 – 2014 to 2015 – 2016, your Company has not held any Extra Ordinary General Meeting (EGM). During the current financial year 2016 – 2017 your Company has not held any Extra Ordinary General Meeting (EGM).

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

No special resolution was passed through postal ballot during the previous financial year 2015 – 2016 and current financial year 2016 - 2017. 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, 2017 your Company has two wholly owned Subsidiary Companies, namely (1) Tribhovandas Bhimji Zaveri (Bombay) Limited and (2) Konfiaance Jewellery Private Limited.

Your Company does not have any material subsidiary as defined under Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, viz. a subsidiary, whose income or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediate preceding

accounting year. It is, therefore, not required to have an Independent Director of your Company on the Board of such subsidiary.

Your Company's Audit Committee reviews the consolidated financial statements of your Company as well as the financial statements of the subsidiaries. The minutes of the Board Meetings, are periodically placed before the Board of Directors of your Company.

Your Company has framed and adopted a Policy for Determining Material Subsidiary, pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder and the requirements of the Regulation 16(1) (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy can be downloaded from your Company's website [www.tbztheoriginal.com](http://www.tbztheoriginal.com), under link: <http://www.tbztheoriginal.com/pdf/TBZ-Material%20Subsidiary%20Policy.pdf>.

## V. Disclosures:

### A. Disclosure of materially significant Related Party Transactions:

All related party transactions that have been entered were in the ordinary course of business and were placed periodically before the Audit Committee and the Board of Directors. All transactions with the related parties were at arm's length.

There were no materially significant related party transactions, pecuniary transactions or relationships between your Company and its Directors for the financial year ended 31<sup>st</sup> March, 2017 that may have a potential conflict with the interest of your Company at large.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

Transactions with related parties, as per the requirements of Accounting Standards 18, are disclosed in this Annual Report and they are not in conflict with the interest of your Company at large.

Your Company has adopted Policy on materiality of Related Party Transactions and manner of dealing with Related Party Transactions as per the requirements of the provisions of Regulation 23(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also to comply with the provisions of Section 188 of the Companies Act, 2013 and the Rules framed thereunder as amended from time to time. The Policy can be downloaded from your Company's website [www.tbztheoriginal.com](http://www.tbztheoriginal.com), under

link: <http://www.tbztheoriginal.com/pdf/Policy%20on%20Materiality%20of%20Related%20Party%20Transactions%20&%20Dealing%20with%20RPT.pdf>.

### B. Disclosure of Accounting Treatment:

Your Company has followed the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable in the preparation of financial statements and has not adopted a treatment different from that prescribed in Accounting Standards. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

### C. Risk Management Framework:

Your Company has in place a mechanism to inform the Board Members about the Risk Assessment and Minimization procedures and periodical reviews to ensure that risk is controlled by the Executive Management through the means of a properly defined framework. For more details on Business Risk Management refer to the Directors' Report.

### D. Statutory Listing Compliances / (Strictures and Penalties):

Your Company has complied with the requirements of the Stock Exchanges / Securities and Exchange Board of India (SEBI) and statutory authorities on all matters related to the capital markets from the date of listing. There were no instances of strictures or penalties imposed on your Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any statutory authorities on any matter related to the capital market since date of listing (i.e. 9<sup>th</sup> May, 2012).

### E. Details of Utilisation of the funds out of the proceeds from the Public Issue:

During the year under review, there were no IPO proceeds left from the Public Issue. Your Company has fully utilized the IPO proceeds from the Public Issue during the financial year 2012 - 2013. IPO Proceeds were utilized for the purpose stated in the Prospectus and there were no deviations in utilization of funds from those stated in the Prospectus.

### F. Vigil Mechanism / Whistle Blower Policy

Your Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour.

The Board of Director of your Company has adopted and established a Vigil Mechanism as per the requirements of the Companies Act, 2013 and as per the Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015. Your Company has established / adopted a Whistle Blower Policy (Vigil Mechanism) for directors and employees of your Company to report concerns about unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct or ethics policy. The Whistle Blower Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. The policy provides adequate safeguard against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. During the year under review, no employee or personnel has been denied access to the Audit Committee.

In this regard your Company has already created dedicated email id, viz. [wb.tbz@tbzoriginal.com](mailto:wb.tbz@tbzoriginal.com) which is monitored by Mr. Niraj Oza, Head Legal & Company Secretary who is also Compliance Officer of your Company, who is also the designated officer for the said purpose. The concern can also be raised in writing in the form of a letter signed by the concerned director(s) or employee(s) of your Company.

The policy document can be downloaded from your Company's website [www.tbztheoriginal.com](http://www.tbztheoriginal.com), under link: <http://www.tbztheoriginal.com/pdf/TBZ-Whistle%20Blower%20Policy.pdf>.

**G. Prevention of Insider Trading**

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders (earlier, Code of Conduct for Prevention of Insider Trading) for prevention of Insider Trading with a view to regulate trading in securities by the directors and designated employees of your Company. The Code requires pre-clearance for dealing in your Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to your Company and during the period when the Trading Window is closed. The Company Secretary & Compliance Officer is responsible for implementation of the Code.

**VII. General Shareholders Information:**

i)	Annual General Meeting	
	Date and Time	Tuesday, 19 <sup>th</sup> September, 2017 at 3.30 p.m.
	Venue	<b>M. C. Ghia Hall</b> 4 <sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai - 400001.
ii)	Financial Calendar 2017 - 2018 (Tentative) Results	Meeting to be held on or before following dates:
	Unaudited Results for the quarter ending 30 <sup>th</sup> June, 2017	On or before 14 <sup>th</sup> August, 2017
	Unaudited Results for the quarter ending 30 <sup>th</sup> September, 2017	On or before 14 <sup>th</sup> November, 2017
	Unaudited Results for the quarter ending 31 <sup>st</sup> December, 2017	On or before 14 <sup>th</sup> February, 2018

All the Board Directors and the designated employees have confirmed compliance with the Code.

**H. Internal Controls**

Your Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. Your Company's business processes are on Oracle platforms / systems and have a strong monitoring and reporting process resulting in financial discipline and accountability.

**I. Policy for Determining Material Subsidiary**

Your Company is in compliance with the provisions in relation to material subsidiary wherever applicable. Your Company do not have any material subsidiary company. Policy for Determining Material Subsidiary is posted on your Company's website [www.tbztheoriginal.com](http://www.tbztheoriginal.com), under link: <http://www.tbztheoriginal.com/pdf/TBZ-Material%20Subsidiary%20Policy.pdf>.

**J. Disclosure of commodity price risk and commodity hedging activities:**

This has been discussed under point no. VI (xxviii) of this Corporate Governance Report.

**VI. MEANS OF COMMUNICATION:**

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

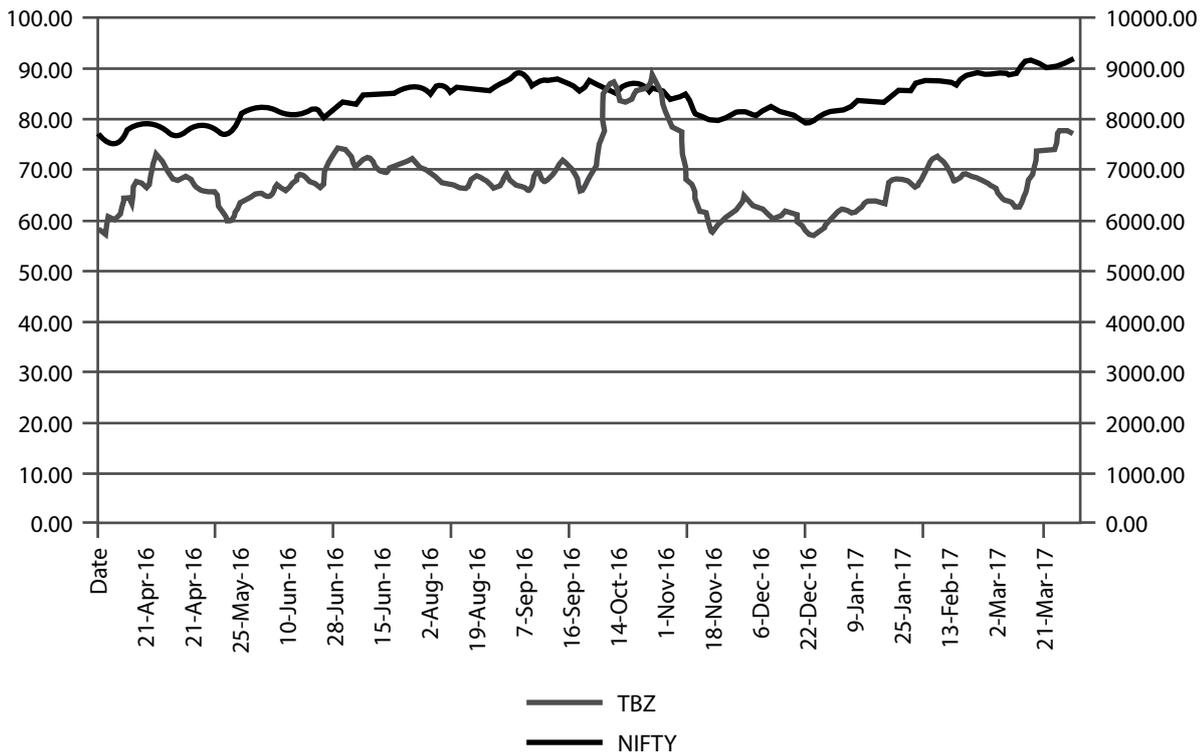
Audited Results for the year ending 31 <sup>st</sup> March, 2018	On or before 30 <sup>th</sup> May, 2018
AGM for the approval of the Audited accounts for the year ended 31 <sup>st</sup> March, 2018	On or before 30 <sup>th</sup> September, 2018
Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
iii) Book Closure Date	Wednesday, 13 <sup>th</sup> September, 2017 to -Tuesday, 19 <sup>th</sup> September, 2017 (both days inclusive)
iv) Dividend payment date and dividend per Equity Share	The Board of Directors did not recommend any dividend for the financial year ended 31 <sup>st</sup> March, 2017.
v) Listing on Stock Exchanges	The equity shares of your Company got listed on 9 <sup>th</sup> May, 2012 on: <b>BSE Limited (BSE)</b> Corporate Service Department, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 <b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, Plot No. C/1 G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
vi) Payment of Listing Fees	Your Company has paid applicable Listing Fees to the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for the financial years 2016 – 2017 and 2017 - 2018.
vii) Payment of Custodial Fees	Your Company has already paid annual custodial fees to Central Depository Services (India) Limited (CDSL) for the financial year 2017 - 2018. Your Company on receipt of the bill/ invoice will immediately pay the applicable custodial fees to National Securities Depository Limited (NSDL). Your Company has not yet received the invoice from NSDL (as on date of signing of this report).
viii) Stock Code/ Symbol: Bombay Stock Exchange code: 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 2016 – 2017 at NSE & BSE:**

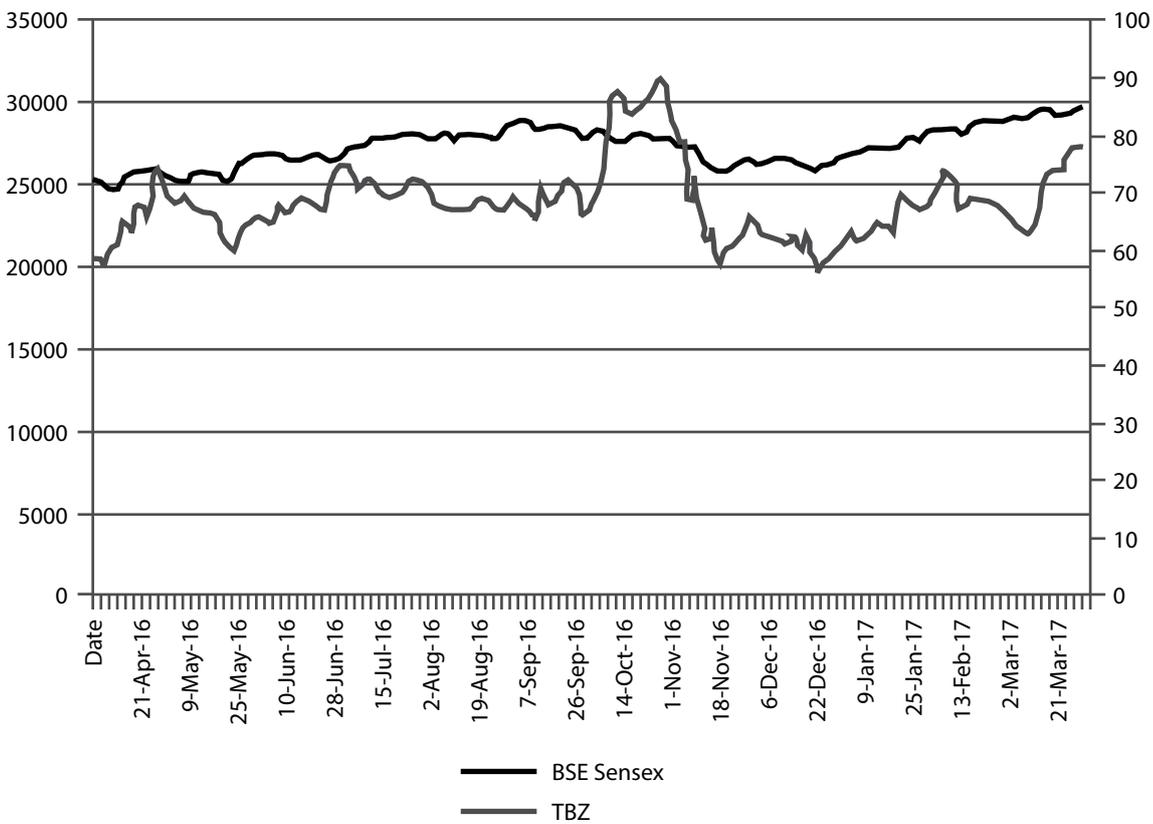
High, Low prices (based on closing prices) and number of shares traded during each month in the financial year 2016 - 2017 on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE):

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 2016	75.90	56.05	15,788,747	76.00	56.05	5,342,027
May 2016	73.40	59.70	7,266,413	73.00	59.00	1,858,728
June 2016	76.90	63.10	7,467,420	76.80	62.80	1,755,518
July 2016	77.00	66.30	5,081,903	77.00	68.55	1,164,952
August 2016	73.40	66.20	3,640,859	73.25	66.10	965,093
September 2016	74.10	63.00	7,911,357	74.20	64.10	2,015,624
October 2016	91.70	66.45	23,296,627	91.80	66.35	5,006,424
November 2016	88.50	57.30	7,600,427	88.45	57.00	2,061,989
December 2016	71.15	55.80	5,361,288	70.50	56.10	1,380,011
January 2017	71.80	58.60	5,505,274	71.95	58.65	1,278,729
February 2017	73.90	65.50	4,012,918	73.95	65.55	1,350,173
March 2017	80.60	61.40	8,152,274	80.60	61.50	2,018,477

**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, 2017 are as under:**

Sr. No.	Nature of Complaints	Pending as on 1 <sup>st</sup> April, 2016	Received during the year	Disposed during the year	Pending as on 31 <sup>st</sup> March, 2017
1.	Non-Receipt of Annual Report	0	52	52	0
2.	Non-Receipt of Dividend Warrants	0	4	4	0
3.	BSE Complaint by shareholders (*)	0	1	1	0
4.	NSE- Complaint by shareholders (**)	0	1	1	0
5.	SEBI-Complaint by shareholders	0	0	0	0
<b>Total</b>		<b>Nil</b>	<b>58</b>	<b>58</b>	<b>Nil</b>

(\*) One shareholder Complaint filed with BSE is regarding non-receipt of the Annual Report.

(\*\*) One shareholder Complaint filed with NSE is regarding non-receipt of the Annual Report.

There were no complaints which were pending as on 31<sup>st</sup> March, 2017.

**XIV) List of Top 10 Shareholders and the Distribution of Shareholding as on 31<sup>st</sup> March, 2017:****List of Top 10 Shareholders as on 31<sup>st</sup> March, 2017:**

Sr. No.	Name	Holding	% of Shareholding
1	Shrikant Gopaldas Zaveri	33,402,275	50.06%
2	Binaisha Shrikant Zaveri	5,285,000	7.92%
3	Raashi Zaveri	4,572,500	6.85%
4	Bindu Shrikant Zaveri	3,500,000	5.24%
5	Tribhovandas Bhimji Zaveri (TBZ) Private Limited	1,350,000	2.03%
6	Tribhovandas Bhimji Zaveri Jewellers (Mumbai) Private Limited	1,350,000	2.02%
7	Lata Bhanshali	857,152	1.28%
8	Akash Bhansali	615,072	0.92%
9	Optimum Securities Private Limited	559,233	0.84%
10	Keki Jimmy Unwalla	500,000	0.75%
<b>Total</b>		<b>51,991,232</b>	<b>77.91%</b>

**Distribution of Shareholding as on 31<sup>st</sup> March, 2017:**

Holding	No. of Shareholders		No. of Shares & Amount		
	No. of Holders	% to Total Holders	Total Shares	Amount in (₹)	% to Capital
1-5,000	15,150	86.46%	1,907,558	19,075,580	2.86%
5,001-10,000	1,134	6.47%	937,143	9,371,430	1.40%
10,001-20,000	589	3.36%	895,671	8,956,710	1.34%
20,001-30,000	167	0.95%	436,809	4,368,090	0.66%
30,001-40,000	85	0.49%	307,981	3,079,810	0.46%
40,001-50,000	97	0.55%	466,544	4,665,440	0.70%
50,001-100,000	146	0.83%	1,073,744	10,737,440	1.61%
100,001 and above	155	0.89%	60,705,170	607,051,700	90.97%
<b>Total</b>	<b>17,523</b>	<b>100%</b>	<b>66,730,620</b>	<b>667,306,200</b>	<b>100%</b>

**XV) Shareholding Pattern by ownership as on 31<sup>st</sup> March, 2017 as compared with that of 31<sup>st</sup> March, 2016:**

Particulars	As on 31 <sup>st</sup> March, 2017				As on 31 <sup>st</sup> March, 2016			
	No. of share holders	% of share holders	No. of shares held	% of shareholding	No. of share holders	% of share holders	No. of shares held	% of shareholding
Promoter Director	4	0.02%	46,759,775	70.07%	4	0.03%	46,759,775	70.07%
Foreign Institutional Investors	0	0.00%	0	0.00%	7	0.05%	3,330,131	4.99%
Resident Individuals	16,420	93.71%	9,367,524	14.04%	13,795	93.22%	7,000,824	10.49%
Bodies Corporates	382	2.18%	4,546,512	6.81%	410	2.77%	4,345,534	6.51%
Promoter Companies	2	0.01%	2,700,000	4.05%	2	0.01%	2,700,000	4.05%
Non Resident Indians	214	1.22%	347,272	0.52%	152	1.04%	193,248	0.29%
Foreign Portfolio Investors	8	0.05%	1,751,879	2.63%	7	0.05%	1,446,236	2.17%
HUF	386	2.20%	713,576	1.07%	307	2.08%	363,066	0.54%
Clearing Members	97	0.55%	136,701	0.20%	103	0.71%	416,030	0.62%
Indian Financial Institutions	1	0.01%	47,875	0.07%	1	0.00%	23,276	0.04%
Banks	1	0.01%	19,130	0.03%	1	0.00%	58,589	0.09%
Trusts	2	0.01%	335,470	0.50%	1	0.00%	1,500	0.00%
Mutual Funds	0	0.00%	0	0.00%	1	0.00%	252	0.00%
NBFC	4	0.02%	4,771	0.01%	4	0.03%	87,021	0.13%
Employees	0	0.00%	0	0.00%	1	0.00%	5003	0.01%
Unclaimed Suspense Account	2	0.01%	135	0.00%	2	0.01%	135	0.00%
<b>Total</b>	<b>17,523</b>	<b>100%</b>	<b>66,730,620</b>	<b>100%</b>	<b>14,798</b>	<b>100%</b>	<b>66,730,620</b>	<b>100%</b>

**XVI) Dematerialisation of Shares:**

Your Company's Shares are compulsorily traded in dematerialized form and are available for trading through both the Depositories in India, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31<sup>st</sup> March, 2017, 100% of the total paid up capital, representing 66,729,920 Equity Shares were held in dematerialized form and the balance Nil% representing 700 Equity Shares were held in physical form. The statement of Equity Shares lying in dematerialised form with NSDL & CDSL and the Equity Shares lying in physical form as on 31<sup>st</sup> March, 2017 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	10,757	61.39%	63,648,614	95.38%
CDSL	6,761	38.58%	3,081,306	4.62%
<b>Sub-total</b>	<b>17,518</b>	<b>99.97%</b>	<b>66,729,920</b>	<b>100%</b>
Physical Form	5	0.03%	700	0.00%
<b>Total</b>	<b>17,523</b>	<b>100%</b>	<b>66,730,620</b>	<b>100%</b>

**XVII) Share Transfer System:**

The share transfers/ transmissions are approved by the Stakeholders Relationship Committee. The Committee meets as and when required to consider other transfer proposals and attend to Shareholders' grievances. There are no share transfer requests pending as on 31<sup>st</sup> March, 2017.

Shares in physical form for transfer, should be lodged with the office of your Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited, Hyderabad at the address given below or at the Corporate Office of your Company. The transfers are processed if technically found to be in order and complete in all respects. As per directives issued by SEBI, it is compulsory to trade in your Company's Equity Shares in dematerialised form.

**xviii) Secretarial Audit:**

- Pursuant to Regulation 40(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates have been issued on a half-yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by your Company.
- A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

**XIX) Consolidation of Folios and avoidance of multiple mailing:**

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

**XX) Unclaimed/ Outstanding Refundable portion of IPO Application Amount:**

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

**XXI) Unclaimed Shares:**

As per the provisions of Schedule VI pursuant to Regulation 39(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the unclaimed shares lying in the escrow account shall be transferred to demat suspense account if there is no response even after sending three reminder notices to the persons concerned. Details of unclaimed equity shares of your Company are as follows:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Number of Shareholders</b>	<b>Number of Shares</b>
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, 2016	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, 2017	2	135
5	The voting rights on these unclaimed shares lying in demat suspense account shall remain frozen till the rightful owner of such shares claims the shares.		

**XXII) Green Initiative in Corporate Governance:**

Pursuant to Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, the Annual Report for 2016 – 2017 is being sent through electronic mode to all the Members whose E-mail IDs are registered with your Company / Depository Participants for communication purposes, unless any member has requested for physical copy of the same. For Members who have not registered their E-mail IDs with your Company/ Depository Participants, a physical copy of the Annual Report 2016 – 2017 is being sent by the permitted mode. Please note that as a Member you will be entitled to receive physical copies of all notices and documents free of cost, upon specific request to your Company. Members holding shares in physical mode and wishing to register / update their E-mail ID to receive the Annual Report and other documents in electronic mode are requested to fill the form “Consent for Receiving Documents in Electronic Form” {which is forming part of this Annual Report and also available on website of your Company ([www.tbztheoriginal.com](http://www.tbztheoriginal.com))} and send the same to our Registrar and Share Transfer Agents viz., Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.

To support the ‘Green Initiative’ Members who have not registered their e-mail addresses are requested to register the same with Karvy Computershare Private Limited/ their respective Depository Participants.

**XXIII) Mandatory requirement of PAN:**

SEBI vide its circular dated 7<sup>th</sup> January, 2010 has made it mandatory to furnish copy of Income Tax PAN Card in the following cases:

- (i) Deletion of name of deceased shareholder(s), where the shares are held in the name of two or more shareholders.
- (ii) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder.
- (iii) Transposition of shares – in case of change in the order of names in which physical shares are held jointly in the name of two or more shareholders.

**XXIV) Address for correspondence:**

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

**a) For Share Transfer / Dematerialisation of shares, payment of Dividend and any other query relating to shares:****Karvy Computershare Private Limited**

Unit: Tribhovandas Bhimji Zaveri Limited

Karvy Selenium Tower B, Plot 31-32,

Gachibowli, Financial District,

Nanakramguda, Hyderabad – 500 032

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

Fax No: +91 (040) 2342 0814

Toll Free No.: 1800 345 4001

E-Mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

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

Contact Person: Mr. Anupam Ompolu

SEBI Registration No: INR000000221

**b) For Investors assistance:****Corporate Office Address:****Mr. Niraj Oza**

Head - Legal & Company Secretary

Tribhovandas Bhimji Zaveri Limited

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

Tulsiani Chambers, 212,

Backbay Reclamation, Free Press Journal Road,

Nariman Point, Mumbai – 400 021.

Tel. No.: +91 (022) 3073 5000  
Fax No.: +91 (022) 3073 5088  
Email Add.: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com)  
Website Add.: [www.tbztheoriginal.com](http://www.tbztheoriginal.com)

For any Investor assistance, the contact person is Mr. Niraj Oza, Head Legal & Company Secretary who is also the Compliance Officer of your Company and address of Correspondence is Corporate Office Address.

Your Company has an exclusive e-mail id viz. [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com) to enable investors to register their complaints, if any.

**c) Registered Office Address:**

Tribhovandas Bhimji Zaveri Limited  
241/ 43, Zaveri Bazar,  
Mumbai - 400 002.  
CIN No.: L27205MH2007PLC172598  
Tel. No.: +91 22 3956 5001  
Fax No.: +91 22 3956 5056  
Email Add.: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com)  
Website Add.: [www.tbztheoriginal.com](http://www.tbztheoriginal.com)

**XXV) Compliance Officer:**

Mr. Niraj Oza, Head Legal & Company Secretary is the Compliance Officer of your Company. The Company Secretary is primarily responsible to ensure Compliance with applicable statutory requirements and is the interface between the management and the regulatory authorities for governance matters.

**XXVI) Showroom addresses:**

Your Company has total thirty two (32) showrooms out of which twenty nine (29) are own showrooms and three (3) franchisee showroom operating as on 31<sup>st</sup> March, 2017.

Post 31<sup>st</sup> March, 2017 and before signing of this Report your Company has total thirty three (33) showrooms out of which twenty nine (29) are own showrooms and four (4) franchisee showroom operating.

The addresses of the showrooms and franchisee showrooms forms part of Annexure to this report.

**XXVII) CEO / CFO Certification:**

The Chairman & Managing Director {in the capacity of Chief Executive Officer (CEO)} and the Chief Financial Officer (CFO) of your Company, have certified to the Board in accordance with Part B of Schedule II pursuant to Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 pertaining to CEO/ CFO certification for the financial year ended 31<sup>st</sup> March, 2017 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of your Company's affairs. The said certificate is annexed and forms part of the Annual Report.

**XXVIII) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

Your Company has a price review mechanism to protect against material movements in prices of Gold.

Gold price is directly driven by various international factors and stringent domestic government policies. Your Company monitors the Gold price on a regular basis using pricing trends and forecasts from internationally reputed news agencies and international factors. To mitigate the risk of gold price fluctuation, your Company's endeavour is to maximize the procurement of gold under gold loan scheme from various banks which will help to reduce the risk due to gold price fluctuation by way of 'natural hedging'. In addition to procuring gold on loan, your Company also does hedging in domestic markets on the MCX Exchange as per business requirement, to protect your Company from gold price fluctuation.

Your Company procures gold from various banks and other domestic sources available and does not directly import Gold from the international market, in that connection, your Company is not directly exposed to Foreign Exchange Risk. As foreign

exchange fluctuation has an impact on gold price, your Company is updated with the currency forecast received from various banks and keeps a close eye on important data announcements such as unemployment data of US, G 7 meetings, non-farm payroll of US, RBI announcements etc.

**XXIX) Adoption / compliance with Mandatory Requirements and status on Non-Mandatory (Discretionary) Requirements:**

All the mandatory requirements have been complied with as stated in this report on Corporate Governance. There is no non-compliance with any requirement of corporate governance report of sub-paras (2) to (10) of the Corporate Governance Report as given in Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The disclosures of the compliance with Corporate Governance requirements specified in Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations) have been made in this Corporate Governance Report. Details required under clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the said Regulations are displayed on the website of your Company at [www.tbztheoriginal.com](http://www.tbztheoriginal.com).

The status on non-mandatory requirements of Part E of Schedule II of Regulation 27(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

1. Your Company has an Executive Chairman on its Board. (Hence, the question of maintaining Non-Executive Chairperson's office at your Company's expenses and reimbursement of expenses incurred in performance of duties does not arise).
2. The quarterly / half yearly un-audited results of your Company after being subject to a Limited Review by the Statutory Auditors are published in newspapers viz. Free Press Journal (English newspaper) and Navshakti (Marathi newspaper) and on your Company's website [www.tbztheoriginal.com](http://www.tbztheoriginal.com). These results are not sent to shareholders individually.
3. There are no qualifications in the Audit Report (unmodified audit opinion) for the financial year 2016 - 2017.
4. Till 10<sup>th</sup> September, 2015, i.e. the date of retirement of the Chief Executive Officer of your Company, there were separate persons for the post of Chairman & Managing Director and Chief Executive Officer (CEO). W.e.f. 10<sup>th</sup> September, 2015, onwards your Company do not have separate person to these posts.
5. Your Company has appointed M/s. Aneja Associates, Mumbai as Internal Auditors to perform the internal audit of your Company and they report directly to the Audit Committee on a quarterly basis on their findings and corrective actions taken.

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

Date: 3<sup>rd</sup> May, 2017  
Place: Mumbai

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

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

**Annexure to Report on Corporate Governance****Showroom Addresses:****Showrooms of your Company in operation as on 31<sup>st</sup> March, 2017:****Maharashtra**

1	241/43, Zaveri Bazar, Mumbai - 400 002.
2	Hirji Heritage, Upper Basement, Ground Floor, First Floor and Second Floor at G/1, Gulmohar Road, Off. L.T. Road, Near Vrundas Hotel, Borivali (West), Mumbai - 400 092.
3	002 & 102, Prime Plaza, S.V. Road, Santacruz (West), Mumbai - 400 054.
4	M.G. Road, Rajawadi, Ghatkopar (East), Mumbai - 400 077.
5	Gautam Tower, off Gokhale Road, Thane (West) - 400 601.
6	Seth House, 21/4B, Opposite Le-Royce Hotel, Bund Garden Road, Pune - 411 001.
7	Shop No. 2, Sunder Mahal, 92, Veer Nariman Road, Churchgate, Mumbai - 400 020.
8	Shop No. 1, 2 & 3, Near St. Augustine High School, Tiberias Building, Stella, Village Barampur, District Thane, Vasai (West) - 401 202.
9	Unit No. 003, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor, Rachana Galaxy, Mouza Ambazari, Opp. Wockhardt Hospital, Dharampeth, Nagpur - 440 010.
10	A.G. Pride, Plot. No. 301, N-3, CIDCO, Opp. Hotel Ramgiri, Beside Raymond & Ratnakar Bank, Jalna Road, Aurangabad - 431 005.
11	Shop No. G-20, Ground Floor, Satra Plaza, Plot No. 19 & 20, Sector 19-D, Palm Beach Road, Vashi, Navi Mumbai - 400 705.
12	36 Turner Road, Bandra (W), Mumbai - 400 050.

**Gujarat**

13	Iscon Center, Shivranjani Cross Road, Satelite, Ahmedabad 380 015.
14	Lal Bunglow, SNS House, Athwa Lines, Surat - 395 007.
15	Janakpuri Complex, Dr. Yagnik Road, Opp. Hotel Imperial Palace, Rajkot - 360 001.
16	K.P. Infinity, Opposite Yes Bank Ltd., Near INOX Multiplex, Natubhai Circle, Race Course Road, Vadodara - 390 007.
17	7-11, Ground Floor, Fortune Square- II, Near Primary School, Next to Royal Dream Society, Vapi Daman Road, Vapi - 396 191.
18	Shop No. G1, Krishna Complex, Waga Wadi Road, Next to 'Ghar Shala', Bhavnagar - 364 001.
19	Shop 4, 5 & 6, Ground Floor, Sunshine Arcade, Plot No. 59, Sector 8, Tagore Road, Near Lord's Hotel, Gandhidham, Kutch, Gujarat - 370201

**Andhra Pradesh (Hyderabad)**

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

**Telangana (Vijaywada)**

22	Opp Gateway Hotel, M.G. Road, Labbipet, Vijayawada - 520 010. (*)
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**Kerala (Kochi)**

23	Jos Annexe Building, Jos Junction, Ernakullam, Kochi - 682 016.
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**Madhya Pradesh (Indore)**

24	576 Laxmi Tower, M.G. Road, opp Treasure Island, Indore - 452 001.
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**West Bengal (Kolkata)**

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

**Chhattisgarh (Raipur)**

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

**Rajasthan (Udaipur)**

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

**Jharkhand (Jamshedpur)**

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

(\*) Your Company has relaunched in grand new renovated Vijaywada Showroom with larger range of Diamond and Gold collection on 25<sup>th</sup> April, 2017.

**Franchisee Showroom Addresses:****Jharkhand**

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

31 Plot No. 675, Ward No. 13/27, Holding No. 367, Hindustan Building, M. G. Road, Ranchi, District – Ranchi – 834 001, Jharkhand.

**Bihar (Patna)**

32 Ground Floor & Mezanine Floor, C.S. Plot No. 166, Khata No. 170, under Thana No. 7, situated at Survey Mauza Dhakan-pura, Darbari Govinda Complex (D.G. Complex), Near Pant Bhavan, Boring Canal Road, P.S. S.K. Puri, Patna – 800 001, Bihar.

4<sup>th</sup> Franchise showroom and 33<sup>rd</sup> showroom of your Company was opened at Jamnagar, Gujarat On Sunday, 23<sup>rd</sup> April, 2017 situated at P. N. Marg, Opp. Dhanvantri Ground, Nr. Welcome Tower, Jamnagar – 361 008, Gujarat.

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

Date: 3<sup>rd</sup> May, 2017  
Place: Mumbai

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

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

**Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification**

To  
The Board of Directors  
Tribhovandas Bhimji Zaveri Limited  
Mumbai.

Dear Sir/ Madam,

**Sub: CEO/CFO Certificate**

**(Issued in accordance with provisions of Part B of Schedule II pursuant to Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015)**

We, Shrikant Zaveri, Chairman & Managing Director (in capacity of Chief Executive Officer) and Saurav Banerjee, Chief Financial Officer of Tribhovandas Bhimji Zaveri Limited, to the best of our knowledge and belief, certify that:

- (A) We have reviewed the Balance Sheet and Profit & Loss Account (standalone and consolidated) for the financial year ended 31<sup>st</sup> March, 2017 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,  
**Tribhovandas Bhimji Zaveri Limited**

Date: 3<sup>rd</sup> May, 2017  
Place: Mumbai

**Shrikant Zaveri**  
Chairman & Managing Director  
(in the capacity of CEO)  
(DIN: 00263725)

**Saurav Banerjee**  
Chief Financial Officer

**Declaration by the CEO under Part D of Schedule V pursuant to Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct**

In ACCORDANCE WITH Part D of Schedule V pursuant to Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, applicable to them for the financial year ended 31<sup>st</sup> March, 2017.

For **Tribhovandas Bhimji Zaveri Limited**

Date: 3<sup>rd</sup> May, 2017  
Place: Mumbai

**Shrikant Zaveri**  
Chairman & Managing Director  
(in the capacity of CEO)  
(DIN: 00263725)

To the Members of  
Tribhovandas Bhimji Zaveri Limited

**Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

1. This certificate is issued in accordance with the terms of our agreement dated 26 September 2016.
2. This report contains details of compliance of conditions of corporate governance by Tribhovandas Bhimji Zaveri Limited ('the Company') for the year ended 31 March 2017 as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

**Management's Responsibility for compliance with the conditions of Listing Regulations**

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

**Auditors' Responsibility**

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2017.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)**

**Opinion**

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company

**Restriction on use**

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

**Vijay Mathur**  
Partner  
Membership No: 046476

Date: 3<sup>rd</sup> May, 2017  
Place: Mumbai

# 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 2017, the Statement of Profit and Loss, and the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, 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, 2016 ('the Order'), issued by the Central Government of India in exercise of powers conferred by sub-section 11 of Section 143 of the Act, we enclose in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by sub-section 3 of Section 143 of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the Directors as on 31 March 2017 taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2017 from being appointed as a Director in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
1. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 30.1 to the standalone financial statements;
  2. The Company did not have any long-term contracts including derivative contracts, requiring provisions under any Act or accounting standard for any material foreseeable losses - Refer Note 30.6 to the standalone financial statements; and
  3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  4. The Company has provided the requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the Management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 30.18 to the financial statements.

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Vijay Mathur**

Partner

Membership No: 046476

Mumbai  
3 May 2017

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

With reference to the Annexure A referred to in the Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory, except stocks lying with third parties, has been physically verified by the management during the year. In respect of inventory lying with third parties, these have been substantially confirmed by them. The frequency of such verification is reasonable and no material discrepancies were noticed.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships, or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, value added tax, service tax, duty of customs and duty of excise which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned below:

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to investments made. The Company has not granted any loans, or security or guarantee covered under Section 185 or 186 of the Act.
- (v) The Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the products manufactured/services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales tax, value added tax, service tax, duty of customs, duty of excise, cess, and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in a few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, sales tax, value added tax, service tax, duty of customs, duty of excise, cess, and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

Nature of statute	Nature of dues	Amount (₹ Lakhs)#	Period to which amount relates	Forum where dispute is pending
Maharashtra Value Added Tax Act, 2002	Value added tax	17.47	FY 2008-09	Joint Commissioner of Sales Tax (Appeal)
Customs Act, 1962	Customs duty	18.25	FY 2007-08	Additional Commissioner of Customs
Maharashtra Value Added Tax Act, 2002	Value added tax	31.50	FY 2010-11	Joint Commissioner of Sales Tax (Appeal)
Central Sales Tax Act, 1956	Central sales tax	15.50	FY 2010-11	Joint Commissioner of Sales Tax (Appeal)

Nature of statute	Nature of dues	Amount (₹ Lakhs)#	Period to which amount relates	Forum where dispute is pending
Maharashtra Value Added Tax Act, 2002	Value added tax	281.23	FY 2011-12	Joint Commissioner of Sales Tax (Appeal)
Central Sales Tax Act, 1956	Central sales tax	0.97	FY 2011-12	Joint Commissioner of Sales Tax (Appeal)
Rajasthan Value Added Tax Act, 2003	Value added tax	19.17	FY 2013-14	Joint Commissioner of Appeal
Bombay Provincial Municipal Corporation Act, 1949	Local body tax	26.95	FY 2016-17	Commissioner of local body tax, Vasai-Virar Municipal Corporation

#The above amounts are net of amounts paid under protest.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any borrowing from government or outstanding debentures during the year.
- (ix) According to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

for **BSR & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Vijay Mathur**  
Partner  
Membership No: 046476

Mumbai  
3 May 2017

# Annexure “B” to the Independent Auditor’s Report

## Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Tribhovandas Bhimji Zaveri Limited (“the Company”) as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## Management’s Responsibility for Internal Financial Controls

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

## Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

## Meaning of Internal Financial Controls over Financial Reporting

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

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Mumbai  
3 May 2017

for **BSR & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Vijay Mathur**  
Partner  
Membership No: 046476

# Balance Sheet

as at 31 March 2017

(₹ in Lakhs)

	Notes	31 March 2017	31 March 2016
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	6,673.06	6,673.06
(b) Reserves and Surplus	4	39,423.37	37,570.25
		<b>46,096.43</b>	<b>44,243.31</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	5	11.33	754.49
(b) Other long-term liabilities	6	603.96	624.13
(c) Long-term provisions	7	304.50	278.83
		<b>919.79</b>	<b>1,657.45</b>
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	8	54,743.11	63,835.89
(b) Trade Payables	9		
(A) Total outstanding due to Micro, Small and Medium Enterprises		-	-
(B) Total outstanding due to Other than Micro, Small and Medium Enterprises		7,733.18	9,124.66
(c) Other Current Liabilities	10	9,665.76	10,522.36
(d) Short-term provisions	11	385.39	404.38
		<b>72,527.44</b>	<b>83,887.29</b>
<b>TOTAL</b>		<b>119,543.66</b>	<b>129,788.05</b>
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	12		
(i) Tangible assets		9,826.87	10,338.79
(ii) Intangible assets		98.57	191.78
(iii) Capital work-in-progress		182.59	-
		<b>10,108.03</b>	<b>10,530.57</b>
(b) Non-current investments	13	307.64	307.63
(c) Deferred tax assets (net)	14	-	-
(d) Long-term loans and advances	15	2,122.09	1,640.16
		<b>2,429.73</b>	<b>1,947.79</b>
<b>(2) Current Assets</b>			
(a) Inventories	16	102,721.59	112,564.02
(b) Trade Receivables	17	221.18	69.05
(c) Cash and Bank balances	18	3,056.98	3,833.68
(d) Short-term loans and advances	19	975.87	787.03
(e) Other current assets	20	30.28	55.91
		<b>107,005.90</b>	<b>117,309.69</b>
<b>TOTAL</b>		<b>119,543.66</b>	<b>129,788.05</b>
Significant accounting policies	2		
The notes referred to above form an integral part of the financial statements			

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

**Vijay Mathur**  
Partner  
Membership No: 046476

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

**Saurav Banerjee**  
Chief Financial Officer

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

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

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

Place : Mumbai  
Date : 3 May 2017

Place : Mumbai  
Date : 3 May 2017

# Statement of Profit and Loss

for the year ended 31 March 2017

(₹ in Lakhs)

	Notes	31 March 2017	31 March 2016
<b>INCOME</b>			
<b>Revenue from operations (Gross)</b>			
Gross Sales of products	21	170,777.97	165,437.27
Less : Excise duty		795.92	6.22
Revenue from operation (Net)		169,982.05	165,431.05
Other operating revenue	22	42.15	46.67
		<b>170,024.20</b>	<b>165,477.72</b>
Other income	23	336.48	462.80
<b>TOTAL REVENUE</b>		<b>170,360.68</b>	<b>165,940.52</b>
<b>EXPENSES</b>			
Cost of raw material and components consumed	24	101,235.93	109,521.12
Purchase of traded goods	25	32,916.26	30,791.24
Changes in inventories of finished goods and traded goods	26	11,033.58	1,638.06
Employee benefits expenses	27	7,434.33	6,596.16
Finance costs	28	5,018.88	5,569.48
Depreciation and amortisation expenses	12	870.61	1,008.51
Other expenses	29	10,188.32	12,975.55
<b>TOTAL EXPENSES</b>		<b>168,697.91</b>	<b>168,100.12</b>
<b>Profit/(Loss) before tax</b>		<b>1,662.77</b>	<b>(2,159.60)</b>
<b>Tax expense</b>			
- Current tax (MAT)		165.27	-
- MAT Credit		(165.27)	-
- Provision pertaining to earlier years		(190.35)	118.53
- Deferred tax charge	14	-	34.85
<b>Total tax expense</b>		<b>(190.35)</b>	<b>153.38</b>
<b>Profit/(Loss) for the year</b>		<b>1,853.12</b>	<b>(2,312.98)</b>
Earnings per equity share	30.15		
(Nominal value of share ₹ 10 (31 March 2016: ₹ 10))			
(1) Basic		2.78	(3.47)
(2) Diluted		2.78	(3.47)
Significant accounting policies	2		
The notes referred to above form an integral part of the financial statements			

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

**Vijay Mathur**  
Partner  
Membership No: 046476

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

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

**Saurav Banerjee**  
Chief Financial Officer

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

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

Place : Mumbai  
Date : 3 May 2017

Place : Mumbai  
Date : 3 May 2017

# Cash Flow Statement

for the year ended 31 March 2017

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit/(loss) before tax	1,662.77	(2,159.60)
Adjustments for:		
Depreciation and amortisation expenses	870.61	1,008.51
Interest expenses	5,018.88	5,569.48
Foreign exchange loss	0.31	0.24
Interest income on bank deposits	(165.83)	(236.12)
Loss on sales of fixed assets	6.97	4.27
Dividend income	(0.01)	-
Bad debts written off	4.53	19.66
Provision for doubtful debts and advances	62.60	(26.37)
Assets written off	50.61	47.88
<b>Operating cash flow before working capital changes</b>	<b>7,511.44</b>	<b>4,227.94</b>
<b>Movements in working capital</b>		
(Increase) in trade receivables	(159.28)	(9.17)
Decrease/(Increase) in inventories	9,842.43	(1,196.55)
(Increase) in current assets and loans and advances	(422.88)	(70.15)
Decrease in trade payables	(1,391.79)	(1,961.21)
Decrease in current liabilities and provisions	(337.38)	(38.03)
<b>Cash generated for operations</b>	<b>15,042.54</b>	<b>952.83</b>
Income taxes refund/(paid)	52.41	(64.69)
<b>Net cash generated from operating activities</b>	<b>(A) 15,094.95</b>	<b>888.14</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(727.63)	(910.45)
Proceeds from sale of fixed assets	18.81	5.98
Bank deposits (having original maturity of more than three months)	587.01	(414.41)
Investments in mutual funds	(0.02)	-
Dividend received	0.01	0.01
Interest received on deposits	191.46	231.94
<b>Net cash (used) / generated from investing activities</b>	<b>(B) 69.64</b>	<b>(1,086.94)</b>

# Cash Flow Statement

for the year ended 31 March 2017

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	(10,286.01)	6,719.98
Exercise of stock options	-	1.07
Dividend paid	-	(667.20)
Dividend distribution tax paid	-	(138.56)
Finance cost paid	(5,068.27)	(5,551.93)
<b>Net cash generated / (used) in financing activities (C)</b>	<b>(15,354.28)</b>	<b>363.35</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(189.69)</b>	<b>164.56</b>
<b>Cash and cash equivalent at beginning of year (refer note below)</b>	<b>617.35</b>	<b>452.79</b>
<b>Cash and cash equivalent at end of year (refer note below)</b>	<b>427.66</b>	<b>617.35</b>
<b>Notes to cash flow statement</b>		
1	Components of cash and cash equivalents: (refer note 18)	
	Cash on hand	198.58
	Balances with banks	125.30
	- on current accounts#	229.08
	<b>427.66</b>	<b>617.35</b>
	#Includes restricted amounts towards Unclaimed Dividend of ₹ 0.60 Lakhs (31 March 2016: ₹ 0.61 Lakhs) and share application money due for refund of ₹ 0.34 Lakhs (31 March 2016: ₹ 0.34 Lakhs).	
2	The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements".	
	Significant accounting policies (refer note 2)	
	The notes referred to above form an integral part of the financial statements	

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

**Vijay Mathur**  
Partner  
Membership No: 046476

Place : Mumbai  
Date : 3 May 2017

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

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

**Saurav Banerjee**  
Chief Financial Officer

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

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

Place : Mumbai  
Date : 3 May 2017

# Notes to the Financial Statements

## for the year ended 31 March 2017

### 1 Company Overview

Tribhovandas Bhimji Zaveri Limited ('TBZ or the "the Company) known under the brand ' TBZ- the Original' was incorporated on 24 July 2007 by conversion of a partnership firm Tribhovandas Bhimji Zaveri under Part IX of the Companies Act, 1956 whereby the partners of the partnership firm became shareholders with the shareholdings as agreed amongst the partners. The Company has been converted to a public limited company w.e.f. 3 December 2010. The Company is in the business of retail sales of ornaments made of gold, diamond, silver, platinum and precious stones through its 29 show rooms and 3 franchisee outlets located across India.

### 2 Significant Accounting Policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

#### 2.1 Basis of Preparation of financial statements

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

#### 2.2 Use of estimates

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

#### 2.3 Current -non-current classification

All assets and liabilities are classified into current and non-current.

##### Assets

An asset is classified as current when it satisfies any of the following criteria :

- a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

##### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification.

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

All other liabilities are classified as non-current.

##### Operating Cycle :

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

### 2.4 Fixed assets and depreciation / amortisation

#### Tangible Fixed Assets

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

## Notes to the Financial Statements for the year ended 31 March 2017 (Continued)

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

If Significant parts of an item of property, plant and equipment have different lives, than they are accounted for as separate items (major components) of property, plant and equipment.

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.

### 2.4 Fixed assets and depreciation / amortisation (Continued)

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

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

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

#### Intangible Fixed Assets

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of such assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. All costs relating to the acquisition are capitalised.

Intangible assets are amortised in the Statement of Profit or Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. The Company's intangible assets comprise of Computer software which are being amortised on a straight line basis over their estimated useful life of five years

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates,

the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

### 2.5 Impairment of assets

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

### 2.6 Investments

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

### 2.7 Inventories

Inventories which comprise raw materials, finished goods, stock-in-trade and packing materials are carried at the lower of cost and net realizable value. Cost is determined on weighted average basis.

Cost of inventories comprises all costs of purchase and, other duties and taxes (other than those subsequently recoverable from tax authorities), costs of conversion and all other costs incurred in bringing the inventory to their present location and condition. In respect of purchase of goods at prices that are yet to be fixed at the year end, adjustments to the provisional amounts are recognised based on the year end closing gold rate.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

# Notes to the Financial Statements

## for the year ended 31 March 2017 (Continued)

### 2.8 Borrowing Costs

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

### 2.9 Revenue recognition

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

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

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

### 2.10 Foreign exchange transactions

Foreign exchange transactions are recorded at the exchange rates prevailing on the dates of the transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the Statement of Profit and Loss of that period.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the closing exchange rates. The resultant exchange differences are recognized in the Statement of Profit and Loss.

In respect of forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss of the reporting period in which the exchange rates change.

### 2.11 Employee benefits

#### Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term

employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

#### Post-employment benefits

##### Defined contribution plans

###### Provident fund

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contribution to a Government administered scheme and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards Provident Fund, which is a defined contribution plan, at the prescribed rates. Provident fund dues are recognized when the liability to contribute to the provident fund arises. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

##### Defined benefit plans

###### Gratuity

The Company's gratuity benefit scheme is a funded defined benefit plan. Contribution to the Company's Gratuity Trust and provision towards gratuity are provided on the basis of an independent actuarial valuation carried out at the end of the year using the projected unit credit method and are debited to the Statement of Profit and Loss on an accrual basis. Actuarial gains and losses arising during the year are recognised in the Statement of Profit and Loss.

##### Other long-term employee benefits

###### Compensated absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

### 2.12 Employees Stock Option Scheme

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

## Notes to the Financial Statements for the year ended 31 March 2017 (Continued)

### 2.13 Leases

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

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

Assets given by the Company under operating lease are included in fixed assets.

### 2.14 Income taxes

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

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

### 2.15 Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

### 2.16 Provision, contingent liabilities and contingent assets

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value. These are reviewed at each year end date and adjusted to reflect the best current estimate. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may or may not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

### 2.17 Hedge accounting

The Company uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions, foreign currency fluctuations relating to certain firm commitments and foreign currency and interest rate exposures relating to foreign currency loan, if any. The Company had 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 ('ICAI') for commodity forward contracts with effect from 1 April

## Notes to the Financial Statements

### for the year ended 31 March 2017 (Continued)

2014. From 1 April 2016 the Company has adopted the Guidance Note on Accounting for Derivative Contracts issued by the ICAI in 2015 which is effective from 1 April 2016 for accounting of derivative instruments including hedge accounting. AS 30 stands withdrawn regarding matters covered under the said guidance notes from 1 April 2016 and was also subsequently completely withdrawn by the ICAI in November 2016. This change in accounting standard/policy has no significant impact on the financial statement of the Company.

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.

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>3 Share capital</b>		
<b>Authorised</b>		
75,000,000 (31 March 2016: 75,000,000) equity shares of ₹ 10 each	7,500.00	7,500.00
	<b>7,500.00</b>	<b>7,500.00</b>
<b>Issued, subscribed and paid-up</b>		
66,730,620 (31 March 2016: 66,730,620) equity shares of ₹ 10 each fully paid-up	6,673.06	6,673.06
	<b>6,673.06</b>	<b>6,673.06</b>

**Note:-****a Employee stock options**

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

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

	31 March 2017		31 March 2016	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
At the beginning of the year	66,730,620	6,673.06	66,719,900	6,671.99
Shares issued on exercise of employee stock option (refer note 30.2)	-	-	10,720	1.07
<b>At the end of the year</b>	<b>66,730,620</b>	<b>6,673.06</b>	<b>66,730,620</b>	<b>6,673.06</b>

**c Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

	31 March 2015	
Equity shares	No. of shares	₹ in Lakhs
Equity shares allotted as fully paid bonus shares by capitalization of security premium	40,000,000	4,000.00

## Notes to the Financial Statements

### for the year ended 31 March 2017 (Continued)

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

Equity shares	31 March 2017		31 March 2016	
	% holding in class	No. of Shares	% holding in class	No. of Shares
Equity shares of ₹ 10 each fully paid up held by:				
Shrikant Zaveri	50.06%	33,402,275.00	50.06%	33,402,275.00
Binaisha Zaveri	7.92%	5,285,000.00	7.92%	5,285,000.00
Raashi Zaveri	6.85%	4,572,500.00	6.85%	4,572,500.00
Bindu Zaveri	5.24%	35,00,000.00	5.24%	35,00,000.00

#### e Terms / rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his share of paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>4 Reserves and surplus</b>		
<b>i) Securities premium account</b>		
At the commencement of the period	16,791.35	16,775.59
Add: premium received on exercise of employee stock options	-	15.76
<b>Closing balance</b>	<b>16,791.35</b>	<b>16,791.35</b>
<b>ii) Employee stock options outstanding account*</b>		
At the commencement of the year	-	16.63
Less: transferred on exercise of stock options	-	(15.76)
Less: transferred on cancellation of stock options	-	(0.87)
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>iii) General reserves</b>		
At the commencement of the year	1,401.47	1,400.60
Add: Transfer from statement of profit and loss	-	0.87
<b>Closing balance</b>	<b>1,401.47</b>	<b>1,401.47</b>
<b>iv) Cash flow hedge reserves</b>		
At the commencement of the year	-	-
Less: Transfer to hedge reserve	-	321.46
Add: Reversed from hedge reserve	-	(321.46)
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>v) Statement of profit and loss</b>		
At the commencement of the period	19,377.43	21,690.41
Profit/(Loss) for the year	1,853.12	(2,312.98)
<b>Net surplus in the statement of profit and loss</b>	<b>21,230.55</b>	<b>19,377.43</b>
<b>Total reserves and surplus</b>	<b>39,423.37</b>	<b>37,570.25</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 Statements

### for the year ended 31 March 2017 (Continued)

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>5 Long-term borrowings</b>		
<b>Secured</b>		
<b>Term loans</b>		
from banks	11.33	746.31
from non banking financial companies	-	8.18
	<b>11.33</b>	<b>754.49</b>
<b>Amount disclosed as current maturities of long term borrowings under the head other current liabilities (refer note 10)</b>		
from banks	5.30	440.02
from non banking financial companies	-	15.34
	<b>5.30</b>	<b>455.36</b>

The term loans from banks carries interest in the range of 10.00% - 11.75% p.a (31 March 2016: 10.00% - 11.75% p.a.). The loans are repayable in equated monthly installments of 60 months (31 March 2016: 60 to 72 months) with installments of ₹ 0.44 (31 March 2016: ₹ 0.23 to ₹ 32.50 Lakhs). The loans are secured by hypothecation of vehicle purchased.

The loan from non-banking financial company comprised of vehicle loan which carried interest at 10.78% p.a. The loan was repayable in 36 monthly installments of 1.62 Lakhs along with interest, commencing from the date of loan. The loan was secured by hypothecation of the vehicle. The loan has been fully repaid during the year.

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>6 Other long-term liabilities</b>		
<b>Others</b>		
<b>From related parties</b>		
- Security deposits (refer note 30.13)	54.00	54.00
<b>From other than related parties</b>		
- Deferred rent liability	549.96	570.13
	<b>603.96</b>	<b>624.13</b>

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>7 Long-term provisions</b>		
<b>Provision for employee benefits</b>		
- Provision for gratuity (refer note 30.3)	260.20	222.82
- Provision for compensated absences (refer note 30.3)	44.30	56.01
	<b>304.50</b>	<b>278.83</b>

## Notes to the Financial Statements

### for the year ended 31 March 2017 (Continued)

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>8 Short-term borrowings</b>		
<b>Secured</b>		
<b>Loans repayable on demand</b>		
- Working capital demand loan from banks	29,270.01	34,379.95
- Cash credit from banks	25,453.26	29,356.14
	<b>54,723.27</b>	<b>63,736.09</b>
<b>Unsecured Loan</b>		
<b>Loans repayable on demand</b>		
- From directors (refer note 30.13)	15.00	95.19
<b>Others</b>	4.84	4.61
	<b>19.84</b>	<b>99.80</b>
	<b>54,743.11</b>	<b>63,835.89</b>

Working capital demand loan and the Cash credit facilities are part of a consortium arrangement with banks. The above facilities carry interest ranging between 2.70% to 11.75% (31 March 2016: 2.85% - 12% p.a.) and are secured by primary security by way of hypothecation charge on the entire current assets of the Company, present and future, on first pari passu basis among the members of the consortium.

Further, the facility is secured by collateral security on first pari passu charge basis among the members of the consortium - By way of mortgage over premises at Zaveri Bazar, Mumbai, premises at Surat, premises at Kandivali Industrial Estate, Mumbai, premises at Nariman Point, Mumbai. - By way of hypothecation charge over fixed assets installed/erected at Surat, at Kandivali Industrial Estate, Mumbai, at Pune, and all movable and immovable assets present in all the Company's showrooms.

The facility is also secured by way of extension of mortgage charge on pari passu basis over commercial premises at Santacruz, Mumbai belonging to Shri Shrikant Zaveri (Chairman and Managing Director) and the personal guarantee of the Chairman and Managing Director to the extent of the value of the said commercial premises at Santacruz, Mumbai.

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

- By way of mortgage over land and building at Punjagutta, Hyderabad.

Further, bank deposits of ₹ 2,617.04 Lakhs (31 March 2016: ₹ 3,205.05 Lakhs) are under lien with the banks as a security for the above facilities (refer note 18). The facilities are also secured by stand-by Letter of credit and Bank Guarantee of ₹ 19,450 Lakhs (31 March 2016: ₹ 16,127 Lakhs) and Letter of comfort of ₹ 10,800 Lakhs (31 March 2016: ₹ 14,956 Lakhs).

Loan from directors is interest free and repayable on demand.

Other borrowings carry interest in the range of 5% -10% p.a (31 March 2016: 5% -10% p.a). These are repayable at the end of 361 days from the date of borrowing.

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>9 Trade payables</b>		
<b>Due to</b>		
- Micro Enterprises and Small Enterprises (refer note 30.4)	-	-
- Other than Micro Enterprises and Small Enterprises	7,733.18	9,124.66
	<b>7,733.18</b>	<b>9,124.66</b>

## Notes to the Financial Statements

### for the year ended 31 March 2017 (Continued)

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>10 Other current liabilities</b>		
Current maturities of long term borrowings (refer note 5)	5.30	455.36
Interest accrued but not due on borrowings	79.67	129.06
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	0.60	0.61
<b>Other payables</b>		
- Advance from customers	1,175.08	1,685.91
- Customers dues under schemes / arrangements	5,873.38	5,993.96
- Statutory liabilities#	782.58	257.79
- Creditors for capital expenditure	93.20	126.43
- Accrual for expenses	1,655.61	1,872.90
	<b>9,665.76</b>	<b>10,522.36</b>

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

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

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>11 Short-term provisions</b>		
<b>Provision for employee benefits</b>		
- Provision for gratuity (refer note 30.3)	84.30	88.63
- Provision for compensated absences (refer note 30.3)	301.09	315.75
	<b>385.39</b>	<b>404.38</b>

# Notes to the Financial Statements

## for the year ended 31 March 2017 (Continued)

### 12 Fixed assets

Description of assets	Gross block				Depreciation / Amortisation				Net block	
	As at 1 April 2016	Additions during the year	Deletion/ adjustment during the year	As at 31 March 2017	As at 1 April 2016	For the year	Deletion/ adjustment during the year	Adjustments during the year#	As at 31 March 2017	As at 31 March 2016
<b>Tangible assets</b>										
Land - owned	1,419.34	-	-	1,419.34	-	-	-	-	-	1,419.34
	(1,419.34)	-	-	(1,419.34)	-	-	-	-	-	(1,419.34)
Buildings*	5,057.84	8.73	0.58	5,065.99	506.57	105.89	0.58	-	611.88	4,454.11
	(5,105.55)	-	(-47.71)	(5,057.84)	(338.53)	(171.77)	(-3.73)	-	(506.57)	(4,551.27)
Lease hold improvements	2,001.26	-	21.35	1,979.91	645.81	220.45	18.75	-	847.51	1,132.40
	(1,573.26)	(428.00)	-	(2,001.26)	(426.18)	(219.63)	-	-	(645.81)	(1,355.45)
Plant and equipment	1,886.48	124.16	64.99	1,945.65	568.37	141.80	43.54	-	666.63	1,279.02
	(1,504.76)	(381.72)	-	(1,886.48)	(363.95)	(204.42)	-	-	(568.37)	(1,318.11)
Furniture and fixtures	1,958.83	116.62	32.48	2,042.97	753.32	192.15	15.05	-	930.42	1,112.55
	(1,720.81)	(280.55)	(-42.53)	(1,958.83)	(625.52)	(153.41)	(-25.61)	-	(753.32)	(1,205.51)
Vehicles	270.25	13.57	47.49	236.33	165.28	17.31	21.87	-	160.72	75.61
	(271.85)	(14.01)	(-15.61)	(270.25)	(134.48)	(37.27)	(-6.47)	-	(165.28)	(104.97)
Computers	960.49	33.00	77.24	916.25	576.35	141.13	155.07	-	562.41	353.84
	(897.15)	(67.00)	(-3.66)	(960.49)	(436.90)	(142.20)	(-2.75)	-	(576.35)	(384.14)
<b>Sub Total</b>	<b>13,554.49</b>	<b>296.08</b>	<b>244.13</b>	<b>13,606.44</b>	<b>3,215.70</b>	<b>818.73</b>	<b>254.86</b>	<b>-</b>	<b>3,779.57</b>	<b>9,826.87</b>
	(12,492.72)	(1,171.28)	(-109.51)	(13,554.49)	(2,325.56)	(928.70)	(-38.56)	-	(3,215.70)	(10,338.79)
<b>Intangible assets</b>										
Computer software	834.02	40.01	-	874.03	642.24	51.89	(81.33)	-	775.46	98.57
	(834.02)	-	-	(834.02)	(562.43)	(79.81)	-	-	(642.24)	(191.78)
<b>Sub Total</b>	<b>834.02</b>	<b>40.01</b>	<b>-</b>	<b>874.03</b>	<b>642.24</b>	<b>51.89</b>	<b>(81.33)</b>	<b>-</b>	<b>775.46</b>	<b>98.57</b>
	(834.02)	-	-	(834.02)	(562.43)	(79.81)	-	-	(642.24)	(191.78)
<b>Total</b>	<b>14,388.51</b>	<b>336.09</b>	<b>244.13</b>	<b>14,480.47</b>	<b>3,857.94</b>	<b>870.61</b>	<b>173.53</b>	<b>-</b>	<b>4,555.03</b>	<b>9,925.44</b>
	(13,326.74)	(1,171.28)	(-109.51)	(14,388.51)	(2,887.99)	(1,008.51)	(-38.56)	-	(3,857.94)	(10,530.57)
Capital work in progress	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	182.59

\* Buildings includes net block amounting to ₹ 462.09 Lakhs (31 March 2016: ₹ 475.22 Lakhs) being the carrying value of Factory building situated at Kandivali (West), Mumbai given on operating lease rental of ₹ 108 Lakhs per annum (31 March 2016: ₹ 108 Lakhs).

Figures in brackets are the corresponding figures of the previous year.

## Notes to the Financial Statements

### for the year ended 31 March 2017 (Continued)

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>13 Non-current investments</b>		
<b>Trade Investments:</b>		
- Investments in equity instruments (Unquoted) (refer note 30.13)		
100,000 (31 March 2016: 100,000) equity shares of ₹ 10 each, fully paid up in Konfiaance Jewellery Private Limited a wholly owned subsidiary	100.18	100.18
5,020 (31 March 2016: 5,020) equity shares of ₹ 100 each, fully paid up in Tribhovandas Bhimji Zaveri (Bombay) Limited a wholly owned subsidiary	202.33	202.33
<b>Other Investments (Cost):</b>		
- Investments in mutual funds (Unquoted)		
SBI Mutual Fund Magnum Insta Cash Fund 7.721 (31 March 2016: 7.356) units of ₹ 1,675.03 each	0.13	0.12
SBI Equity Opportunities Fund - 50,000 (31 March 2016: 50,000) units of ₹ 10 each	5.00	5.00
	<b>307.64</b>	<b>307.63</b>
<b>14 Deferred tax assets (net)</b>		
<i>Arising on account of timing difference in</i>		
<b>Deferred tax liability</b>		
- Excess of depreciation/amortisation on fixed assets under income-tax law over depreciation/amortisation provided in accounts	(572.39)	(591.01)
<b>Total deferred tax liability</b>	<b>(572.39)</b>	<b>(591.01)</b>
<b>Deferred tax assets</b>		
- Provision for employee benefits	409.32	287.67
- Accrual for expenses	99.52	160.26
- Provision for doubtful debts	24.32	2.43
- Loss carried forward under tax laws	702.06	636.07
- Accrual for deferred rent liability	205.89	195.66
<b>Total deferred tax assets</b>	<b>1,441.11</b>	<b>1,282.09</b>
<b>Net deferred tax assets</b>	<b>868.72</b>	<b>691.08</b>
<b>Net deferred tax assets restricted to</b>	-	-
<b>Net changes in deferred tax assets</b>	-	(34.85)
-The Company has carry forward losses under tax laws, therefore recognition of deferred tax assets on timing differences have been restricted to the extent there exist deferred tax liabilities, in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized, in accordance with Accounting Standard 22 – 'Accounting for taxes on income.'		
<b>15 Long-term loans and advances</b>		
<i>(Unsecured, considered good)</i>		
<b>To related parties</b>		
- Security deposits (refer note 30.13)	96.00	96.00
<b>To parties other than related parties</b>		
- Security deposits	969.73	975.75
- Advances for capital expenditure (Gross)	249.17	74.00
- Less: Provision for doubtful advances	(34.87)	-
Net Advance for capital expenditure	214.30	74.00
- Balance with government authorities	484.67	274.96
- Advances tax (net of provision for tax of ₹ 169.52 Lakhs (31 March 2016: ₹ 10,445.05 Lakhs)	192.12	219.45
- MAT Credit Entitlement	165.27	-
	<b>2,122.09</b>	<b>1,640.16</b>

## Notes to the Financial Statements

### for the year ended 31 March 2017 (Continued)

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>16 Inventories</b>		
<i>(valued at the lower of cost and net realisable value)</i>		
Raw material*	14,036.44	12,825.99
Finished goods*	68,075.21	81,113.28
Stock-in-trade*	20,568.21	18,563.72
Packing material	41.73	61.03
	<b>102,721.59</b>	<b>112,564.02</b>

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

<b>17 Trade receivables</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured, considered good	57.18	1.19
- Doubtful	5.06	7.67
	62.24	8.86
Less: Provision for doubtful receivables	(5.06)	(7.67)
Other receivables	<b>57.18</b>	1.19
- Unsecured, considered good *	164.00	67.86
Total	<b>221.18</b>	<b>69.05</b>

\* Includes receivable from credit card companies amounting to ₹ 71.99 Lakhs (31 March 2016: ₹ 26.69 Lakhs)

<b>18 Cash and bank balances</b>		
<b>Cash and cash equivalent</b>		
<b>Cash on hand</b>	198.58	125.30
Balances with banks		
- on current accounts#	229.08	492.05
	427.66	617.35
<b>Other bank balances</b>		
- deposits with original maturity for more than 3 months but less than 12 months*	2,629.32	3,216.33
	<b>3,056.98</b>	<b>3,833.68</b>

# Includes restricted amounts towards Unclaimed Dividend of ₹ 0.60 Lakhs (31 March 2016: ₹ 0.61 Lakhs) and share application money due for refund of ₹ 0.34 Lakhs (31 March 2016: ₹ 0.34 Lakhs).

\* Deposits with a carrying amount of ₹ 4.78 Lakhs (31 March 2016: ₹ 3.78 Lakhs) are under lien with VAT authorities as deposits.

\* Deposits with a carrying amount of ₹ 2,617.04 Lakhs (31 March 2016: ₹ 3,205.05 Lakhs) are under lien to secure working capital facilities availed from banks.

\* Deposits with a carrying amount of ₹ 7.50 Lakhs (31 March 2016: ₹ 7.50 Lakhs) are towards Base capital given to Multi Commodity Exchange India Ltd.

Details of bank balances/deposits		
Bank balances available on demand	229.08	492.05
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	2,629.32	3,216.33
Bank deposits due to mature after 12 months of the reporting date included under 'Other noncurrent assets'	-	-
	<b>2,858.40</b>	<b>3,708.38</b>

## Notes to the Financial Statements

### for the year ended 31 March 2017 (Continued)

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>19 Short-term loans and advances</b>		
<i>(Unsecured, considered good)</i>		
- <b>To related parties</b>		
- Other loans and advances		
Tribhovandas Bhimji Zaveri (Bombay) Ltd. (refer note 30.13)	421.48	424.62
<b>To parties other than related parties</b>		
- Security deposits	171.56	60.00
<b>Other loans and advances</b>		
Advance to suppliers	171.18	88.70
Less: Provision for doubtful advances	(30.35)	-
Net Advance to suppliers	<b>140.83</b>	88.70
Advances to employees and others	11.96	15.95
Prepaid expenses	204.86	197.76
Balance with government authorities	25.18	-
	<b>975.87</b>	787.03
<b>20 Other current assets</b>		
<i>(Unsecured, considered good)</i>		
Interest accrued on bank deposits	30.28	55.91
	<b>30.28</b>	55.91
<b>21 Revenue from operations</b>		
<b>Sale of products</b>		
- Finished goods	132,483.59	134,697.60
- Traded goods	38,294.38	30,739.67
<b>Total</b>	<b>170,777.97</b>	165,437.27
<b>Details of sales</b>		
- Jewellery	<b>170,777.97</b>	165,437.27
<b>22 Other operating revenue</b>		
- Repairing revenue	42.15	46.67
<b>Total</b>	<b>42.15</b>	46.67
<b>23 Other income</b>		
Interest income on bank deposits	165.83	236.12
Rental income from property leases (refer note 30.13)	108.00	108.00
Dividend income	0.01	-
Miscellaneous Income	62.64	118.68
	<b>336.48</b>	462.80

## Notes to the Financial Statements for the year ended 31 March 2017 (Continued)

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>24 Cost of raw materials and components consumed</b>		
Inventory at the beginning of the year	12,825.99	9,976.20
Add: Purchases	102,446.38	112,370.91
	115,272.37	122,347.11
Less: Inventory at the end of the year	(14,036.44)	(12,825.99)
Cost of raw material and components consumed	<b>101,235.93</b>	109,521.12
<b>Details of raw materials and components consumed</b>		
- Precious metals	84,345.78	95,964.34
- Precious stones	16,890.15	13,554.84
- Others	-	1.94
	<b>101,235.93</b>	109,521.12
<b>Details of inventory</b>		
<b>Raw material and components</b>		
- Precious metals	6,622.23	5,293.58
- Precious stones	7,414.21	7,532.41
	<b>14,036.44</b>	12,825.99
<b>25 Purchase of traded goods</b>		
- Precious metals	27,134.95	23,625.66
- Precious stones	5,781.31	7,165.58
	<b>32,916.26</b>	30,791.24
<b>26 Changes in inventories of finished goods and traded goods</b>		
Opening inventory		
- Finished goods	81,113.28	78,857.42
- Traded goods	18,563.72	22,457.64
	<b>99,677.00</b>	101,315.06
Closing inventory		
- Finished goods	68,075.21	81,113.28
- Traded goods	20,568.21	18,563.72
	<b>88,643.42</b>	99,677.00
Decrease/ (Increase) in stock	<b>11,033.58</b>	1,638.06
<b>Details of inventory</b>		
<b>Finished goods and traded goods</b>		
- Precious metals	52,632.16	59,238.66
- Precious stones	32,699.46	36,965.96
- Others	3,311.80	3,472.38
	<b>88,643.42</b>	99,677.00
<b>27 Employee benefits</b>		
Salaries, wages and bonus	6,738.60	5,896.58
Contribution to provident and other funds (refer note 30.3)		
- Provident fund	242.33	215.27
- Other fund	40.39	36.33
Staff welfare expenses	259.76	284.48
Gratuity expenses (refer note 30.3)	114.22	157.13
Compensated absences (refer note 30.3)	39.03	6.37
	<b>7,434.33</b>	6,596.16

## Notes to the Financial Statements

### for the year ended 31 March 2017 (Continued)

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>28 Finance costs</b>		
Interest expenses	4,661.21	5,173.58
Other borrowing costs	357.67	395.90
	<b>5,018.88</b>	<b>5,569.48</b>
<b>29 Other expenses</b>		
Power and fuel	499.99	530.18
Water charges	21.48	24.23
Boxes and packing material	177.12	223.73
Repairs and maintenance		
- Plant & machinery	89.91	97.94
- Others	334.53	316.41
Jobwork charges	66.80	71.07
Rent (refer note 30.8)	2,454.26	2,526.36
Advertisement and sales promotion	3,741.47	5,086.54
Freight and forwarding charges	190.54	219.48
Commission and service charges	5.29	20.21
Insurance	88.16	68.89
Travelling and conveyance expenses	237.57	212.98
Rates and taxes	175.43	201.87
Legal and professional fees	584.95	758.45
Royalty	112.87	92.96
Postage, telegrams and telephone charges	168.21	168.04
Payment to auditors:		
- Statutory audit	25.00	28.62
- Limited review of quarterly results	21.00	23.98
- Certification Fees	1.50	2.15
- Out of pocket expenses	4.12	4.14
Security charges	240.25	247.96
Miscellaneous expenses	245.17	364.54
Foreign exchange loss (net)	0.31	0.24
Loss on sale of assets	6.96	4.27
Asset written off	50.61	47.88
Loss on commodity hedging transaction	1.16	952.69
Commodity hedging cost	-	39.39
Bank charges	507.44	526.63
Provision for doubtful debts and advances	62.60	-
Bad debts written off	4.53	19.66
Contribution towards Corporate Social Responsibility (refer note 30.7)	47.96	87.23
Directors sitting fees	6.13	6.83
<b>Commission to directors</b>	15.00	-
	<b>10,188.32</b>	<b>12,975.55</b>

## Notes to the Financial Statements for the year ended 31 March 2017 (Continued)

### 30 Notes to Accounts

#### 30.1 Contingent liabilities and commitments

##### Contingent Liabilities

Claims against the Company not acknowledged as debts

Particulars	31 March 2017	31 March 2016
Income tax matters	Nil	188.58
Sales tax matters	376.06	429.14
Local body tax matters	31.54	Nil
Custom duty matters	18.25	18.25

- (a) The Company's pending litigations comprise of claims against the Company by employees and pertaining to proceedings pending with Sales/VAT tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.
- (b) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgement / decisions pending with various forums/authorities.
- (c) The Company does not expect any reimbursements in respect of the above contingent liabilities.

##### Commitments

Contracts remaining to be executed on capital account and not provided for as at 31 March 2017 is ₹ 25.90 Lakhs (2016: ₹ NIL) (net of advances).

The Company has provided a letter of financial support upto 31 March 2018 to its wholly owned subsidiary company, Tribhovandas Bhimji Zaveri (Bombay) Limited.

#### 30.2 Employee Stock Option Plan

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

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

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

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

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

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

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

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

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

## Notes to the Financial Statements

### for the year ended 31 March 2017 (Continued)

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

##### 1) Options

Particulars	31 March 2017	31 March 2016
Outstanding at beginning of the year	Nil	12,287
Granted during the year	Nil	Nil
Forfeited during the year	Nil	Nil
Cancelled during the year	Nil	12,287
Exercised during the year	Nil	Nil
Outstanding at the end of the year	Nil	Nil
Vested and exercisable at the end of the year	Nil	Nil

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

The total (credit) / charge to the Statement of Profit and Loss on account of Options is ₹ Nil (31 March 2016 ₹ Nil)

The total carrying amount as at 31 March 2017 on account of Options is ₹ Nil (31 March 2016: ₹ Nil)

##### 2) Restricted Stock Units (RSUs)

Particulars	31 March 2017	31 March 2016
Outstanding at beginning of the year	Nil	10,720
Granted during the year	Nil	Nil
Forfeited during the year	Nil	Nil
Cancelled during the year	Nil	Nil
Exercised during the year	Nil	10,720
Outstanding at the end of the year	Nil	Nil
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 2016 ₹ Nil)

The total carrying amount as at 31 March 2017 on account of RSU is ₹ Nil (31 March 2016: ₹ Nil)

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 2017	31 March 2016
Net (loss) / income as reported	-	(2,312.98)
Add: Intrinsic value compensation cost	-	-
Less: Fair value compensation cost	-	-
Adjusted proforma income	-	(2,312.98)
Earning per share: basic (₹)		
As reported	-	(3.47)
Adjusted pro forma	-	(3.47)
<b>Earning per share: Diluted (₹)</b>		
As reported	-	(3.47)
Adjusted pro forma	-	(3.47)

## Notes to the Financial Statements

### for the year ended 31 March 2017 (Continued)

Particulars	31 March 2017		31 March 2016	
	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
- Option pricing model used	NA		Black Scholes	
- Inputs to that model including -				
weighted average share price (₹)	-	-	157.00	157.00
exercise price (₹)	-	-	149.93	10.00
expected volatility	-	-	0.00%	0.00%
option life (comprising vesting period + exercise period)	-	-	2.62	2.46
expected dividends	-	-	0.00%	0.00%
risk-free interest rate	-	-	8.03%	8.03%
any other inputs to the model including the method used and the assumptions made to incorporate the effects of expected early exercise.				
- Determination of expected volatility, including explanation to the extent expected volatility was based on historical 'volatility.	NA	NA	NA	NA
- Any other features of the option grant were incorporated into the measurement of the fair value, such as market conditions.	NA	NA	NA	NA

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

### 30.3 Employee Benefits:

#### a) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employees State Insurance, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund and other funds for the year aggregated to ₹ 282.72 Lakhs (31 March 2016: ₹ 251.60 Lakhs) which is shown under notes to financial statements 27 – 'Employee benefits'.

#### b) Defined benefit plans

	Gratuity (funded)	
	31 March 2017	31 March 2016
<b>I Change in Benefit Obligation</b>		
Liability at the beginning of the year	418.89	361.42
Interest cost	26.91	25.61
Current service cost	99.45	80.77
Benefit paid	(116.24)	(82.67)
Actuarial (gain) / loss on obligations	38.86	33.76
Liability at the end of the year	467.87	418.89

## Notes to the Financial Statements

### for the year ended 31 March 2017 (Continued)

	Gratuity (funded)	
	31 March 2017	31 March 2016
<b>II Amount recognised in the Balance Sheet</b>		
Liability at the end of the year	467.87	418.89
Fair value of plan assets at the end of the year	(123.35)	(107.44)
Amount recognised in the Balance Sheet	344.52	311.45
<b>III Expenses recognised in the Statement of Profit and Loss</b>		
Current service cost	99.45	80.77
Interest cost	26.91	25.61
Expected return on plan assets	(9.43)	(9.44)
Net actuarial (gain) / loss to be recognised	48.29	43.19
Adjustment to opening balance of plan assets	(51.00)	17.00
Expense recognised in Statement of Profit and Loss	114.22	157.13
<b>IV Balance Sheet Reconciliation</b>		
Opening net liability	311.45	198.90
Adjustment to opening balance	-	
Expense recognised in the Statement of Profit and Loss	114.22	157.13
Contribution Paid	(81.15)	(44.58)
Amount recognised in Balance Sheet	344.52	311.45
<b>V Composition of plan assets</b>		
Qualifying insurance policies*	123.35	107.44
<b>VI Movement in fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	107.44	162.53
Adjustment to opening balance of plan assets	51.00	(17.00)
Contributions paid into the plan	81.15	44.58
Benefits paid by the plan	(116.24)	(82.67)
Expected return on plan assets	9.43	9.44
Actuarial (losses) / gains	(9.43)	(9.44)
Fair value of plan assets at the end of the year	123.35	107.44
<b>VII Principal actuarial assumptions</b>		
Discount rate per annum	6.69%	7.46%
Expected rate of return on plan Assets	6.69%	7.46%
Salary escalation rate per annum	5.00%	5.00%
Mortality	Indian Assured lives Mortality (2006-08) Ultimate	Indian Assured lives Mortality (2006-08) Ultimate
Employee Turnover rate	0% - 28.00%	0% - 28.00%

\*The Company has maintained funds with Life Insurance Corporation of India and HDFC Life. The details of major category of Plan assets held by the insurance companies is not available and hence the disclosure thereof is not made. The expected long-term rate of return on plan assets is based exclusively on the historical returns, without adjustments.

## Notes to the Financial Statements for the year ended 31 March 2017 (Continued)

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 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Present value of defined benefit obligation	467.87	418.89	361.42	590.38	480.00
Fair value of plan assets	123.35	107.44	162.53	101.19	54.19
Funded status [surplus/(deficit)]	(344.52)	(311.45)	(198.90)	(489.19)	(400.00)
Net asset / (liability)	(344.52)	(311.45)	(198.90)	(489.19)	(400.00)
Experience adjustment arising on:					
a. Plan liabilities [loss/(gain)]	14.63	16.91	46.81	70.53	113.11
b. Plan assets [loss/(gain)]	9.43	9.44	11.93	-	-

### Classification into current / non-current

	Non - Current		Current	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Gratuity	260.20	222.82	84.30	88.63
<b>Total</b>	<b>260.20</b>	<b>222.82</b>	<b>84.30</b>	<b>88.63</b>

The Company expects to pay ₹ 75 Lakhs (31 March 2016 ₹ 75 Lakhs) to the fund in the following year.

### c) Other long-term employee benefits

#### Compensated absences

The liability towards compensated absences (annual and sick leave) for the year ended 31 March 2017 based on actuarial valuation carried out by using Projected unit credit method resulted in a charged of ₹ 39.03 Lakhs (31 March 2016: ₹ 6.37 Lakhs).

#### Annual and sick leave assumptions

	31 March 2017	31 March 2016
Discount rate per annum	6.69%	7.46%
Salary escalation rate per annum	5.00%	5.00%
Mortality	Indian Assured lives Mortality (2006-08) Ultimate	Indian Assured lives Mortality (2006-08) Ultimate
Employee turnover rate	0 - 28.00%	0 - 28.00%

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

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

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

Particular	31 March 2017	31 March 2016
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	-	-

## Notes to the Financial Statements for the year ended 31 March 2017 (Continued)

### 30.5 Derivative financial instruments

The Company has adopted recognition and measurement criteria relating to cash flow hedge accounting as set out in Guidance note on Accounting for Derivative Contracts issued by the ICAI in 2015 which is effective from 1 April 2016 for accounting of derivative instruments including hedge accounting. 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. Commodity forward contract of 20 kgs is outstanding as on 31 March 2017 (31 March 2016: Nil). Mark to market loss of ₹ 1.16 Lakhs as on 31 March 2017 (31 March 2016: Nil) for open exposure is accounted in other expenses.

### 30.6 Long-term contracts

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

### 30.7 Corporate social responsibility (CSR)

As per Section 135 of the Companies Act 2013, a CSR Committee has been formed by the Company. The areas of CSR activities are to eradicate hunger, poverty and malnutrition, promoting healthcare, including preventive health care and sanitation. The Company also wants to promote education, including special education and employment, enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. As part of above, the Company has undertaken CSR activities through Cancer Patient Aid Association (CPAA), Salaam Bombay Foundation, SNEHA (Society for Nutrition Education & Health Action), Stree Mukti Sanghatan, Bharatiya Street Shakti and Ladi Devi Paharia Foundation Trust which are specified in Schedule VII of the Companies Act, 2013.

Particulars	31 March 2017	31 March 2016
Gross amount required to be spent during the year	67.26	164.03
Amount spent during the year on :		
1) Construction / acquisition of assets		
a) Paid in cash	-	-
b) Yet to be paid	-	-
2) Other than (1) above		
a) Paid in cash	47.96	66.23
b) Yet to be paid	-	-
<b>Total</b>	<b>47.96</b>	<b>66.23</b>

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

### 30.8 Leases

#### Operating leases as a leasee

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 ₹ 2,454.26 Lakhs (31 March 2016: ₹ 2,526.36 Lakhs) have been included under “other expenses” in the Statement of Profit and Loss as disclosed under note 29.

The future minimum lease payments in respect of non-cancellable operating leases as at 31 March 2017 are as follows -

Particulars	31 March 2017	31 March 2016
Amount due within one year from the balance sheet date	2,075.60	2,201.91
Amount due for the period after one year and before five years	6,130.33	7,085.15
Amount due for the period after five years	660.95	812.55

## Notes to the Financial Statements

### for the year ended 31 March 2017 (Continued)

#### Operating leases as a lessor

The Company has recognized rent income on property given on operating lease to its wholly owned subsidiary on a straight line basis. The gross block of property given on lease is ₹ 576.56 Lakhs (31 March 2016: ₹ 567.11 Lakhs), the accumulated depreciation is ₹ 114.48 Lakhs (31 March 2016: ₹ 91.89 Lakhs), and the net block is ₹ 462.09 Lakhs (31 March 2016: ₹ 475.22 Lakhs), and the depreciation charged during the year is ₹ 19.99 Lakhs (31 March 2016: ₹ 17.94 Lakhs). Rent income aggregating to ₹ 108 Lakhs (31 March 2016: ₹ 108 Lakhs) have been included under "other income" in the Statement of Profit and Loss as disclosed under note 23.

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

Particulars	31 March 2017	31 March 2016
Amount receivable within one year from the balance sheet date	108.00	108.00
Amount receivable for the period after one year and before five years	297.00	405.00
Amount receivable for the period after five years	-	-

#### 30.9 Expenditure in foreign currency

Particulars	31 March 2017	31 March 2016
Travelling	26.40	32.72
Royalty	112.87	92.96
Exhibition expenses	Nil	34.61
<b>Total</b>	<b>139.27</b>	<b>160.29</b>

#### 30.10 Value of Imports calculated on CIF basis

Particulars	31 March 2017	31 March 2016
Raw material	Nil	93.54
Software	Nil	-
Purchase of jewellery	Nil	9.33
Capital goods	Nil	-
Packing material	Nil	0.80
<b>Total</b>	<b>Nil</b>	<b>103.67</b>

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

	Percentage		Value	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Where of				
Imported	-	0.09%	Nil	93.54
Indigenously	100.00%	99.91%	101,235.93	109,427.58
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>101,235.93</b>	<b>109,521.12</b>

#### 30.12 Earnings in foreign currency

Particulars	31 March 2017	31 March 2016
Export of Goods	Nil	443.42

#### 30.13 Information on related party transactions as required by the Accounting Standard (AS) - 18 for the year ended 31 March 2017

##### I. Name of related parties

##### Key Managerial Personnel

- 1 Shrikant G Zaveri, Chairman and Managing Director
- 2 Binaisha Zaveri, Whole Time Director
- 3 Raashi Zaveri, Whole Time Director
- 4 Prem Hinduja, Chief Executive Officer (Upto 10<sup>th</sup> Sep't 2015)
- 5 Saurav Banerjee, Chief Financial Officer
- 6 Niraj Oza, Company Secretary

# Notes to the Financial Statements

## for the year ended 31 March 2017 (Continued)

### Relative of Key Managerial Personnel

- 1 Bindu Zaveri

### Entities over which Key Managerial personnel and/or their relatives exercise significant influence

- 1 Tribhovandas Bhimji Zaveri Jewellers (Mumbai) Private Limited
- 2 Tribhovandas Bhimji Zaveri (TBZ) Private Limited

### Subsidiary

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

### Transactions during the year and balances as at year end with related parties:

Nature of transaction	Key Managerial Personnel	Relative of Key Managerial Personnel	Entities over which Key Managerial personnel and/or their relatives exercise significant influence	Subsidiaries
<b>Transaction during the period *</b>				
Making and Melting charges	-	-	-	1,533.87
	-	-	-	(1,320.77)
Remuneration paid**	649.00	-	-	-
	(467.76)	-	-	-
Sale of assets	-	-	-	-
	(3.32)	-	-	-
Dividend paid	-	-	-	-
	(432.60)	(35.00)	(27.00)	-
Rent received	-	-	-	108.00
	-	-	-	(108.00)
Rent paid	195.60	-	-	-
	(206.63)	-	-	-
Legal fees paid	-	3.44	-	-
	-	-	-	-
Loans and advances given	-	-	-	421.48
	-	-	-	(424.62)
Deposit paid	-	-	-	-
	(24.00)	-	-	-
Loan repaid (non interest bearing)	80.19	-	-	-
	(5.00)	-	-	-
<b>Balance as at 31 Mar 2017*</b>				
Loans payable	15.00	-	-	-
	(95.19)	-	-	-
Remuneration payable	112.38	-	-	-
	(127.22)	-	-	-
Deposit receivable	96.00	-	-	-
	(96.00)	-	-	-
Deposit payable	-	-	-	54.00
	-	-	-	(54.00)
Loans and advances receivable	-	-	-	421.48
	-	-	-	(424.62)
Trade payable	-	0.36	-	-
	-	-	-	-
Investment	-	-	-	302.51
	-	-	-	(302.51)

\* Amounts pertaining to year ended 31 March 2016 are in brackets.

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

Note: Guarantee given by the managing director ₹ 3,169.40 Lakhs (31 March 2016: ₹ 3,014)

**30.14** The management is of the opinion that the Company's domestic transactions are at an arms' length price so that the transfer pricing legislation will not have any impact on the financial statements, particularly on the tax expenses and that of provision of tax.

## Notes to the Financial Statements

### for the year ended 31 March 2017 (Continued)

#### 30.15 Earning Per Share (EPS)

Particulars	31 March 2017	31 March 2016
Profit after taxation (₹ in Lakhs)	1,853.12	(2,312.98)
Weighted Average Number of Equity Shares	66,730,620	66,728,701
Add: effect of potential issues of options	Nil	Nil
Number of shares considered as weighted average shares and potential shares outstanding	66,730,620	66,728,701
Basic earnings per share (₹)	2.78	(3.47)
Diluted earnings per share (₹)	2.78	(3.47)

#### 30.16 Segment reporting

The Company is engaged in manufacturing/ trading and selling of jewellery mainly in India, which is the primary business segment based on the nature of products manufactured/traded and sold. Thus, the Company has only one reportable business which is manufacturing/trading and selling of jewellery and only one reportable geographical segment. Accordingly the segment information as required by Accounting Standard 17 on "Segment Reporting" is not required to be disclosed.

#### 30.17 Disclosure pursuant to clause 32 of the equity listing agreement and section 186 of the Companies Act, 2013

No loans have been given by the Company to any third party or its subsidiary companies.

The details of investment in subsidiary companies are given in Note 13.

#### 30.18 The details of Specified Bank Notes (SBN) held and transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 are as follows:-

Particulars	Specified Bank Notes (SBN)	Other denomination Notes	Amount (₹ in Lakhs)
Closing cash in hand as on 08.11.2016	616.34	21.26	637.60
(+) Permitted receipts	-	2,269.03	2,269.03
(-) Permitted payments	-	114.29	114.29
(-) Amount deposited in Banks	616.34	2,047.09	2,663.43
Closing cash in hand as on 30.12.2016	-	<b>128.91</b>	<b>128.91</b>

#### 30.19 Previous year figures

The figures of the previous year have been regrouped/ recast, where necessary, to conform to the current year classification. Balance with government authorities (Sales Tax) of ₹ 274.96 as at 31 March 2016 which was grouped under Short term loans and advances has been regrouped under Long term loans and advances. Advance to suppliers of ₹ 182.85 as at 31 March 2016 which were grouped under Short term loans and advances have been netted off with corresponding accruals for expenses under Other current liabilities.

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

**Vijay Mathur**  
 Partner  
 Membership No: 046476

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

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

**Saurav Banerjee**  
 Chief Financial Officer

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

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

Place : Mumbai  
 Date : 3 May 2017

Place : Mumbai  
 Date : 3 May 2017

# 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	31.03.2017 (same as of holding Company)	31.03.2017 (same as of holding Company)
3. Reporting currency	INR	INR
4. Share capital	502,000	1,000,000
5. Reserves & Surplus	(81,516,775)	8,648,485
6. Total Assets	49,536,829	9,728,145
7. Total Liabilities	130,551,605	79,660
8. Investments	517,575	-
9. Turnover	153,387,039	-
10. Profit / (Loss) before taxation	(39,141,151)	(77,214)
11. Provision for taxation	(1,311,351)	-
12. Profit / (Loss) after taxation	(37,829,800)	(77,214)
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, 2016 to 31<sup>st</sup> March, 2017.
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 of  
**Tribhovandas Bhimji Zaveri Limited**

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

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

Date: 3rd May, 2017  
Place: Mumbai

**Saurav Banerjee**  
Chief Financial Officer

**Niraj Oza**  
Head - Legal & 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 2017, 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2017, and its consolidated profit and its consolidated cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (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 2017, taken on record by the Board of Directors of the Holding Company and its subsidiary companies, none of the directors of the Holding Company and its subsidiary companies are disqualified as on 31 March 2017 from being appointed as a director in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
1. The consolidated financial statements disclose the impact of the pending litigations on the consolidated financial position of the Group – Refer Note 30.1 to the consolidated financial statements;
  2. The Group did not have any long-term contracts including derivative contracts, requiring provisions under any Act or accounting standard for any material foreseeable losses - Refer Note 30.7 to the consolidated financial statements; and
  3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
  4. The Company has provided the requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the Management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 30.15 to the consolidated financial statements.

for **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Vijay Mathur**

Partner

Membership No: 046476

Mumbai  
3 May 2017

## Annexure "A" to the Independent Auditors' Report on the Consolidated Financial Statements

(Referred to in our report of even date)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the consolidated financial statements of Tribhovandas Bhimji Zaveri Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Tribhovandas Bhimji Zaveri Limited and its subsidiary companies (collectively referred to as "the Group") which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in

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

### Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls over Financial Reporting

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

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI

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

Mumbai  
3 May 2017

**Vijay Mathur**  
Partner  
Membership No: 046476

# Consolidated Balance Sheet

as at 31 March 2017

(₹ in Lakhs)

	Notes	31 March 2017	31 March 2016
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	6,673.06	6,673.06
(b) Reserves and Surplus	4	38,407.17	36,933.14
		<b>45,080.23</b>	<b>43,606.20</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	5	11.33	754.49
(b) Other long-term liabilities	6	549.96	570.13
(c) Long-term provisions	7	420.79	380.66
		<b>982.08</b>	<b>1,705.28</b>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	8	54,743.11	63,835.89
(b) Trade payables	9		
(A) Total outstanding Due to Micro Enterprises and Small Enterprises		-	-
(B) Total outstanding Due to Other than Micro Enterprises and Small Enterprises		7,821.08	9,152.79
(c) Other Current Liabilities	10	10,294.51	10,904.67
(d) Short-term provisions	11	410.20	437.57
		<b>73,268.90</b>	<b>84,330.92</b>
<b>TOTAL</b>		<b>119,331.21</b>	<b>129,642.40</b>
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	12		
(i) Tangible assets		10,158.30	10,682.44
(ii) Intangible assets		103.34	203.24
(iii) Capital work-in-progress		182.59	-
		<b>10,444.23</b>	<b>10,885.68</b>
(b) Non-current investments	13	10.31	10.30
(c) Deferred tax assets (net)	14	-	-
(d) Long-term loans and advances	15	2,187.34	1,747.72
		<b>2,197.65</b>	<b>1,758.02</b>
<b>(2) Current Assets</b>			
(a) Inventories	16	102,721.59	112,573.23
(b) Trade receivables	17	221.17	69.05
(c) Cash and cash equivalents	18	3,158.40	3,933.75
(d) Short-term loans and advances	19	557.89	366.76
(e) Other current assets	20	30.28	55.91
		<b>106,689.33</b>	<b>116,998.70</b>
<b>TOTAL</b>		<b>119,331.21</b>	<b>129,642.40</b>

Significant accounting policies 2  
The notes referred to above form an integral part of the financial statements

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

**Vijay Mathur**  
Partner  
Membership No: 046476

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

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

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

**Saurav Banerjee**  
Chief Financial Officer

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

Place : Mumbai  
Date : 3 May 2017

Place : Mumbai  
Date : 3 May 2017

# Consolidated Statement of Profit and Loss

for the year ended 31 March 2017

(₹ in Lakhs)

	Notes	31 March 2017	31 March 2016
<b>INCOME</b>			
<b>Revenue from operations (Gross)</b>			
Sale of products	21	170,777.97	165,437.27
Less : Excise duty		795.92	6.22
Revenue from operation (Net)		<b>169,982.05</b>	<b>165,431.05</b>
Other operating revenue	22	42.15	46.67
		<b>170,024.20</b>	<b>165,477.72</b>
Other income	23	239.00	363.87
<b>Total revenue</b>		<b>170,263.20</b>	<b>165,841.59</b>
<b>EXPENSES</b>			
Cost of materials consumed	24	99,702.06	108,200.36
Purchase of traded goods	25	32,916.26	30,791.24
Changes in inventories of finished goods and traded goods	26	11,033.58	1,638.06
Employee benefits expenses	27	7,989.82	7,171.80
Finance costs	28	5,019.00	5,583.20
Depreciation and amortisation	12	903.02	1,044.59
Other expenses	29	11,428.89	13,974.13
<b>Total expenses</b>		<b>168,992.63</b>	<b>168,403.38</b>
<b>Profit/(loss) before tax</b>		<b>1,270.57</b>	<b>(2,561.79)</b>
<b>Tax expense</b>			
- Current tax (MAT)		165.27	-
- MAT Credit		(165.27)	
- Provision for tax of earlier years		(203.46)	103.36
- Deferred tax charge	13	-	89.32
<b>Total tax expense</b>		<b>(203.46)</b>	<b>192.68</b>
<b>(Profit)/(loss) for the year</b>		<b>1,474.03</b>	<b>(2,754.47)</b>
Earnings per equity share	30.11		
(Nominal value of share ₹ 10 (31 March 2016: ₹ 10))			
Basic		2.21	-4.13
Diluted		2.21	-4.13
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements

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

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

**Vijay Mathur**  
Partner  
Membership No: 046476

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

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

**Saurav Banerjee**  
Chief Financial Officer

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

Place : Mumbai  
Date : 3 May 2017

Place : Mumbai  
Date : 3 May 2017

# Consolidated Cash Flow Statement

for the year ended 31 March 2017

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (loss)/profit before tax	1,270.57	(2,561.79)
Adjustments for:		
Depreciation and amortisation expenses	903.02	1,044.59
Finance costs	5,019.00	5,583.20
Foreign exchange loss	0.31	0.24
Interest income on bank deposits	(166.17)	(236.41)
Interest income on income tax refund	(10.16)	(5.36)
Loss on sales of fixed assets	6.96	4.27
Dividend income	(0.02)	(0.18)
Bad debts written off	4.53	19.66
Provisions for doubtful debts and advances	62.60	(29.62)
Assets written off	50.62	47.88
<b>Operating cash flow before working capital changes</b>	<b>7,141.26</b>	<b>3,866.48</b>
<b>Movements in working capital</b>		
(Increase) in trade receivables	(159.26)	(8.74)
Decrease/(Increase) in inventories	9,851.64	(1,202.76)
(Increase) in current assets and loans and advances	(399.59)	352.33
Decrease in trade payables	(1,331.40)	(1,748.92)
Decrease in current liabilities and provisions	(76.43)	217.47
<b>Cash generated from operations</b>	<b>15,026.22</b>	<b>1,475.86</b>
Income taxes refund/(paid)	107.87	(62.27)
<b>Net cash generated from operating activities</b>	<b>(A) 15,134.09</b>	<b>1,413.59</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(749.62)	(974.38)
Proceeds from sale of fixed assets	18.81	5.98
Bank deposits (having original maturity of more than three months)	587.01	(414.41)
Investments in mutual funds	(0.01)	-
Dividend received	0.02	0.18
Interest received on deposits	166.17	232.23
Interest received on income tax refund	10.16	5.36
<b>Net cash (used) in/generated from investing activities</b>	<b>(B) 32.54</b>	<b>(1,145.04)</b>

# Consolidated Cash Flow Statement

for the year ended 31 March 2017

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	(10,286.00)	6,220.41
Exercise of stock options	-	1.07
Dividend paid	-	(667.20)
Dividend distribution tax paid	-	(138.56)
Finance cost paid	(5,068.98)	(5,565.65)
<b>Net cash generated / (used) in financing activities (C)</b>	<b>(15,354.98)</b>	<b>(149.93)</b>
<b>Net decrease / (increase) in cash and cash equivalents (A+B+C)</b>	<b>(188.35)</b>	<b>118.62</b>
<b>Cash and cash equivalents at the beginning of the year (refer note below)</b>	<b>717.43</b>	<b>598.80</b>
<b>Cash and cash equivalents at end of the year (refer note below)</b>	<b>529.08</b>	<b>717.42</b>
<b>Notes to cash flow statement</b>		
1 Components of cash and cash equivalents: (refer note 18)		
Cash on hand	198.93	125.42
Balances with banks		
- on current accounts#	330.15	592.00
	<b>529.08</b>	<b>717.42</b>
#Includes restricted amounts towards Unclaimed Dividend of ₹ 0.60 Lakhs (31 March 2016: ₹ 0.61 Lakhs) and share application money due for refund of ₹ 0.34 Lakhs (31 March 2016: ₹ 0.34 Lakhs).		
2 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements".		
Significant accounting policies (refer note 2)		
The notes referred to above form an integral part of the financial statements		

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

**Vijay Mathur**  
Partner  
Membership No: 046476

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

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

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

**Saurav Banerjee**  
Chief Financial Officer

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

Place : Mumbai  
Date : 3 May 2017

Place : Mumbai  
Date : 3 May 2017

# Notes to the Consolidated Financial Statements

## for the year ended 31 March 2017

### 1 Company Overview

Tribhovandas Bhimji Zaveri Limited ('TBZ or the "the Company') known under the brand 'TBZ- the Original' was incorporated on 24 July 2007 by conversion of a partnership firm Tribhovandas Bhimji Zaveri under Part IX of the Companies Act, 1956 whereby the partners of the partnership firm became shareholders with the shareholdings as agreed amongst the partners. The Company has been converted to a public limited company w.e.f. 3 December 2010. The Company is in the business of retail sales of ornaments made of gold, diamond, silver, platinum and other precious stones through its 29 show rooms and 3 franchisee outlets located across India.

### 2 Significant Accounting Policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

#### 2.1 Basis of Preparation of financial statements

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

These consolidated financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, as ammended the provisions of the Act and other accounting principles generally accepted in India, to the extent applicable and in particular Accounting Standard 21 (AS 21) - 'Consolidated Financial Statements'.

#### 2.2 Principles of consolidation

The consolidated financial statements of Tribhovandas Bhimji Zaveri Limited together with audited financial statements of its subsidiary companies ('the Group') as described in note no. 29.2 have been prepared on the following basis:

- (i) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resultant unrealised profits or losses in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"

- (ii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.

- (iii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

#### 2.3 Use of estimates

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

#### 2.4 Current -non-current classification

All assets and liabilities are classified into current and non-current.

##### Assets

An asset is classified as current when it satisfies any of the following criteria :

- a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded ;
- c) it is expected to be realised within 12 months after reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current

##### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

## Notes to the Consolidated Financial Statements for the year ended 31 March 2017 (Continued)

- a) it is expected to be settled in the Company's normal operating cycle
- b) it is held primarily for the purpose of being traded
- c) it is due to be settled within 12 months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification

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

All other liabilities are classified as non-current

### Operating Cycle :

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

## 2.5 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.

If Significant parts of an item of property, plant and equipment have different lives, than they are accounted for as separate items (major components) of property, plant and equipment.

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

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

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

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

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

### Intangible assets

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of such assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. All costs relating to the acquisition are capitalised.

Intangible assets are amortised in the Statement of Profit or Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. The Company's intangible assets comprise of computer software which are being amortised on a straight line basis over their estimated useful life of five years.

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

## 2.6 Impairment of assets

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

# Notes to the Consolidated Financial Statements

## for the year ended 31 March 2017 (Continued)

carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### 2.7 Goodwill / Capital Reserve

Goodwill/Capital Reserve represents the excess/short cost of investment in Subsidiaries over the Company's portion of equity of the subsidiary at the date on which investment is made. Goodwill is amortised over a period of three years and tested for impairment, annually or more frequently if events or changes in circumstances indicate that its carrying value may be impaired. Any impairment loss is recognised immediately in the Statement of Profit and Loss and is not subsequently reversed.

### 2.8 Investments

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

### 2.9 Inventories

Inventories which comprise raw materials, finished goods, stock-in-trade and packing materials are carried at the lower of cost and net realizable value. Cost is determined on weighted average basis.

Cost of inventories comprises all costs of purchase and, other duties and taxes (other than those subsequently recoverable from tax authorities), costs of conversion and all other costs incurred in bringing the inventory to their present location and condition. In respect of purchase of goods at prices that are yet to be fixed at the year end, adjustments to the provisional amounts invoiced by the vendor are recognised based on the year end closing gold rate.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

### 2.10 Borrowing Costs

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

### 2.11 Revenue recognition

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

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

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

### 2.12 Foreign exchange transactions

Foreign exchange transactions are recorded at the exchange rates prevailing on the dates of the transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the Statement of Profit and Loss of that period.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the closing exchange rates. The resultant exchange differences are recognized in the Statement of Profit and Loss.

In respect of forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss of the reporting period in which the exchange rates change.

### 2.13 Employee benefits

#### Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

# Notes to the Consolidated Financial Statements

## for the year ended 31 March 2017 (Continued)

### Post-employment benefits

#### Defined contribution plans

##### Provident fund

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contribution to a Government administered scheme and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards Provident Fund, which is a defined contribution plan, at the prescribed rates. Provident fund dues are recognized when the liability to contribute to the provident fund arises. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

#### Defined benefit plans

##### Gratuity

The Company's gratuity benefit scheme is a funded defined benefit plan. Contribution to the Company's Gratuity Trust and provision towards gratuity are provided on the basis of an independent actuarial valuation carried out at the end of the year using the projected unit credit method and are debited to the Statement of Profit and Loss on an accrual basis. Actuarial gains and losses arising during the year are recognised in the Statement of Profit and Loss.

#### Other long-term employee benefits

##### Compensated absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

### 2.14 Employees Stock Option Scheme

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

### 2.15 Leases

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

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

### 2.16 Income taxes

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

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

## Notes to the Consolidated Financial Statements for the year ended 31 March 2017 (Continued)

shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

### 2.18 Provision, contingent liabilities and contingent assets

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value. These are reviewed at each year end date and adjusted to reflect the best current estimate.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may or may not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

### 2.19 Hedge accounting

The Company uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions, foreign currency fluctuations relating to certain firm commitments and foreign currency and interest rate exposures relating to foreign currency loan, if any.

The Company had 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 ('ICAI') for commodity forward contracts with effect from 1 April 2014. From 1 April 2016 the Company has adopted the Guidance Note on Accounting for Derivative Contracts issued by the ICAI in 2015 which is effective from 1 April 2016 for accounting of derivative instruments including hedge accounting. AS 30 stands withdrawn regarding matters covered under the guidance notes from 1 April 2016 and was also subsequently completely withdrawn by the ICAI in November 2016.

This change in accounting standard/policy has no significant impact on the financial statement of the Company.

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 Consolidated Financial Statements

### for the year ended 31 March 2017 (Continued)

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>3 Share capital</b>		
<b>Authorised</b>		
75,000,000 (31 March 2016: 75,000,000) equity shares of ₹ 10 each	7,500.00	7,500.00
	<b>7,500.00</b>	<b>7,500.00</b>
<b>Issued, subscribed and fully paid-up</b>		
66,730,620 (31 March 2016: 66,730,620) equity shares of ₹ 10 each fully paid-up	6,673.06	6,673.06
	<b>6,673.06</b>	<b>6,673.06</b>

**Note:-****a Employee stock options**

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company refer note 30.4.

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

	31 March 2017		31 March 2016	
Equity shares	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
At the beginning of the year	66,730,620	6,673.06	66,719,900	6,671.99
Shares issued on exercise of employee stock option (refer note 30.4)	-	-	10,720	1.07
<b>At the end of the year</b>	<b>66,730,620</b>	<b>6,673.06</b>	<b>66,730,620</b>	<b>6,673.06</b>

**c Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

	31 March 2015	
	No. of shares	₹ in Lakhs
Equity shares allotted as fully paid bonus shares by capitalization of security premium	40,000,000	4,000.00

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

	31 March 2017		31 March 2016	
	% holding in class	No. of Shares	% holding in class	No. of Shares
Equity shares of ₹ 10 each fully paid up held by:				
Shrikant Zaveri	50.06%	33,402,275	50.06%	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
Bindu Zaveri	5.24%	3,500,000	5.24%	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 his share of paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

## Notes to the Consolidated Financial Statements

### for the year ended 31 March 2017 (Continued)

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>4 Reserves and surplus</b>		
<b>i) Securities premium account</b>		
At the commencement of the year	16,791.35	16,775.59
Add: premium received on exercise of employee stock options	-	15.76
<b>Closing balance</b>	<b>16,791.35</b>	<b>16,791.35</b>
<b>ii) Employee stock options outstanding account*</b>		
At the commencement of the year	-	16.63
Less: transferred on exercise of stock options	-	(15.76)
Less: transferred on cancellation of stock options	-	(0.87)
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>iii) Capital reserves</b>		
At the commencement of the year	36.96	36.96
<b>Closing balance</b>	<b>36.96</b>	<b>36.96</b>
<b>iv) General reserves</b>		
At the commencement of the year	1,401.46	1,400.60
Add: Transfer from statement of profit and loss	-	0.86
<b>Closing balance</b>	<b>1,401.46</b>	<b>1,401.46</b>
<b>v) Cash flow hedge reserves</b>		
At the commencement of the year	-	-
Less: Transfer to hedge reserve	-	321.46
Add: Reversed from hedge reserve	-	(321.46)
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>vi) Statement of profit and loss</b>		
At the commencement of the year	18,703.37	21,457.84
(Loss)/profit for the year	1,474.03	(2,754.47)
Less: Appropriations	-	-
	<b>20,177.40</b>	<b>18,703.37</b>
<b>Total reserves and surplus</b>	<b>38,407.17</b>	<b>36,933.14</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 Consolidated Financial Statements for the year ended 31 March 2017 (Continued)

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>5 Long-term borrowings</b>		
<b>Secured</b>		
<b>Term loans</b>		
from banks	11.33	746.31
from non-banking financial companies	-	8.18
	<b>11.33</b>	<b>754.49</b>
<b>Amount disclosed as current maturities of long term borrowings under the head other current liabilities (refer note 10)</b>		
from banks	5.30	440.02
from non-banking financial companies	-	15.34
	<b>5.30</b>	<b>455.36</b>

The term loans from banks carry interest in the range of 10.00% - 11.75% p.a (31 March 2016: 10.00% - 11.75% p.a.). The loans are repayable in equated monthly installments of 60 months (31 March 2016: 60 to 72 months) with installments of ₹ 0.44 (31 March 2016: ₹ 0.23 to ₹ 32.50 Lakhs). The loans are secured by hypothecation of vehicle purchased.

The loan from non-banking financial company comprised of vehicle loan which carried interest at 10.78% p.a. The loan was repayable in 36 monthly installments of 1.62 Lakhs alongwith interest, commencing from the date of loan. The loan was secured by hypothecation of the vehicle. The loan has been fully repaid during the year.

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>6 Other long-term liabilities</b>		
<b>Others (Unsecured, considered good)</b>		
<b>From other than related parties</b>		
- Deferred rent liability	549.96	570.13
	<b>549.96</b>	<b>570.13</b>

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>7 Long-term provisions</b>		
<b>Provision for employee benefits</b>		
- Provision for gratuity (refer note 30.9)	376.49	315.63
- Provision for compensated absences (refer note 30.9)	44.30	65.03
	<b>420.79</b>	<b>380.66</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2017 (Continued)

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>8 Short-term borrowings</b>		
<b>Secured</b>		
<b>Loans repayable on demand</b>		
- Working capital demand loan from banks	29,270.01	34,379.95
- Cash credit from banks	25,453.26	29,356.14
	<b>54,723.27</b>	<b>63,736.09</b>
<b>Unsecured</b>		
<b>Loans repayable on demand</b>		
- From directors (refer note 30.12)	15.00	95.19
<b>Others</b>	4.84	4.61
	<b>19.84</b>	<b>99.80</b>
	<b>54,743.11</b>	<b>63,835.89</b>

Working capital demand loan and the Cash credit facilities are part of a consortium arrangement with banks. The above facilities carry interest ranging between 2.70% to 11.75% (31 March 2016: 2.85% - 12% p.a.) and are secured by primary security by way of hypothecation charge on the entire current assets of the Company, present and future, on first pari passu basis among the members of the consortium.

Further, the facility is secured by collateral security on first pari passu charge basis among the members of the consortium

- By way of mortgage over premises at Zaveri Bazar, Mumbai, premises at Surat, premises at Kandivali Industrial Estate, Mumbai, premises at Nariman Point, Mumbai.

- By way of hypothecation charge over fixed assets installed/erected at Surat, at Kandivali Industrial Estate, Mumbai, at Pune, and all movable and immovable assets present in all the Company's showrooms.

The facility is also secured by way of extension of mortgage charge on pari passu basis over commercial premises at Santacruz, Mumbai belonging to Shri Shrikant Zaveri (Chairman and Managing Director) and the personal guarantee of the Chairman and Managing Director to the extent of the value of the said commercial premises at Santacruz, Mumbai.

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

- By way of mortgage over land and building at Punjagutta, Hyderabad.

Further, bank deposits of ₹ 2,617.04 Lakhs (31 March 2016: ₹ 3,205.05 Lakhs) are under lien with the banks as a security for the above facilities. The facilities are also secured by stand-by Letter of credit and Bank Guarantee of ₹ 19,450 Lakhs (31 March 2016: ₹ 16,127 Lakhs) and Letter of comfort of ₹ 10,800 Lakhs (31 March 2016: ₹ 14,956 Lakhs).

Working capital demand loan taken by the subsidiary is secured by first and exclusive hypothecation charge on all existing and future receivables / current assets of the subsidiary company. Further, the loan is secured by the corporate guarantee of Tribhovandas Bhimji Zaveri Limited, the holding company.

Loan from directors is interest free and repayable on demand.

Other borrowings carry interest in the range of 5% -10% p.a (31 March 2016: 5% -10% p.a). These are repayable at the end of 361 days from the date of borrowing.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2017 (Continued)

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>9 Trade payables</b>		
Due to		
- Micro Enterprises and Small Enterprises (refer note 30.5)	-	-
- Other than Micro Enterprises and Small Enterprises	7,821.08	9,152.79
	<b>7,821.08</b>	<b>9,152.79</b>

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>10 Other current liabilities</b>		
Current maturities of long term borrowings (refer note 5)	5.30	455.36
Interest accrued but not due on borrowings	79.67	129.06
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	0.60	0.61
<b>Other payables</b>		
- Advance from customers	1,175.08	1,685.91
- Customers dues under schemes / arrangements	5,873.38	5,993.96
- Statutory liabilities#	793.48	267.75
- Book overdraft	-	8.84
- Creditors for capital expenditure	93.20	134.89
- Accrual for expenses	2,273.46	2,227.95
	<b>10,294.51</b>	<b>10,904.67</b>

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

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

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>11 Short-term provisions</b>		
<b>Provision for employee benefits</b>		
- Provision for gratuity (refer note 30.9)	88.10	95.35
- Provision for compensated absences (refer note 30.9)	322.10	342.22
	<b>410.20</b>	<b>437.57</b>



## Notes to the Consolidated Financial Statements for the year ended 31 March 2017 (Continued)

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>13 Non-current investments</b>		
<b>Other Investments (Cost):</b>		
- Investments in equity instruments (quoted)		
17,300 (31 March 2016: 17,300) equity shares of ₹ 10 each, fully paid-up of Dena Bank	5.06	5.06
- Investments in mutual funds (Unquoted)		
SBI Mutual Fund Magnum Insta Cash Fund	0.13	0.12
7.721 (31 March 2016: 7.356) units of ₹ 1,675.03 each		
SBI Equity Opportunities Fund -	5.00	5.00
50,000 (31 March 2016: 50,000) units of ₹ 10 each		
- Investments in equity instruments (Unquoted)		
1,150 (31 March 2016: 1,150) equity shares of ₹ 10 each, fully paid up of Saraswat Co-operative Bank Limited	0.12	0.12
	<b>10.31</b>	<b>10.30</b>
Aggregate Book value of quoted non-current investment (market value ₹ 6.64 Lakhs 31 March 2016 ₹ 4.97 Lakhs)	5.06	5.06
Aggregate book value of unquoted non-current investment	5.25	5.24

<b>14 Deferred tax assets (net)</b>		
<i>Arising on account of timing difference in</i>		
<b>Deferred tax liability</b>		
- Excess of depreciation/amortisation on fixed assets under income-tax law over depreciation/amortisation provided in accounts	(581.16)	(599.78)
<b>Total deferred tax liability</b>	<b>(581.16)</b>	<b>(599.78)</b>
<b>Deferred tax assets</b>		
- Provision for employee benefits	490.45	368.80
- Provision for expenses	99.52	160.26
- Provision for loss	808.23	742.23
- Provision for doubtful debts	24.40	2.43
- Provision for lease rent equalisation	205.89	195.66
<b>Total deferred tax assets</b>	<b>1,628.49</b>	<b>1,469.38</b>
<b>Net deferred tax assets</b>	<b>1,047.33</b>	<b>869.60</b>
<b>Net deferred tax assets restricted to</b>	-	-
<b>Net changes in deferred tax assets</b>	-	(89.32)

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

	31 March 2017	31 March 2016
<b>15 Long-term loans and advances</b>		
<i>(Unsecured, considered good)</i>		
<b>To related parties</b>		
- Security deposits (refer note 30.12)	96.00	96.00
<b>To parties other than related parties</b>		
- Security deposits	974.39	980.37
- Advances for capital expenditure (Gross)	249.17	74.00
- Less: Provision for doubtful advances	(34.87)	-
Net Advance for capital expenditure	214.30	74.00
- Balance with government authorities	484.67	274.96
- Advance tax (net of provision for tax of ₹ 257.70 Lakhs [31 March 2016: ₹ 10,612.24 Lakhs])	252.71	322.39
- MAT Credit Entitlement	165.27	-
	<b>2,187.34</b>	<b>1,747.72</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2017 (Continued)

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>16 Inventories</b>		
<i>(valued at the lower of cost and net realisable value)</i>		
Raw material*	14,036.44	12,825.99
Finished goods*	68,075.21	81,113.28
Stock-in-trade*	20,568.21	18,563.72
Packing material	41.73	70.24
	<b>102,721.59</b>	<b>112,573.23</b>

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

<b>17 Trade receivables</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured, considered good	57.18	1.19
- Doubtful	5.06	7.67
	<b>62.24</b>	<b>8.86</b>
Provision for doubtful receivables	(5.06)	(7.67)
Other receivables	<b>57.18</b>	1.19
- Unsecured, considered good *	163.99	67.86
Total	<b>221.17</b>	<b>69.05</b>

\* Includes receivable from credit card companies amounting to ₹ 71.99 Lakhs (31 March 2016: ₹ 26.69 Lakhs)

<b>18 Cash and bank balances</b>		
<b>Cash and cash equivalent</b>		
<b>Cash on hand</b>	198.93	125.42
Balances with banks		
- on current accounts#	330.15	592.00
	529.08	717.42
<b>Other bank balances</b>		
- deposits with original maturity for more than 3 months but less than 12 months*	2,629.32	3,216.33
	<b>3,158.40</b>	<b>3,933.75</b>

# Includes restricted amounts towards Unclaimed Dividend of ₹ 0.60 Lakhs (31 March 2016: ₹ 0.61 Lakhs) and share application money due for refund of ₹ 0.34 Lakhs (31 March 2016: ₹ 0.34 Lakhs).

\* Deposits with a carrying amount of ₹ 4.78 Lakhs (31 March 2016: ₹ 3.78 Lakhs) are under lien with VAT authorities as deposits.

\* Deposits with a carrying amount of ₹ 2,617.04 Lakhs (31 March 2016: ₹ 3,205.05 Lakhs) are under lien to secure working capital facilities availed from banks.

\* Deposits with a carrying amount of ₹ 7.50 Lakhs (31 March 2016: ₹ 7.50 Lakhs) are towards Base capital given to Multi Commodity Exchange India Ltd.

Details of bank balances/deposits		
Bank balances available on demand	330.15	592.00
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	2,629.32	3,216.33
Bank deposits due to mature after 12 months of the reporting date included under 'Other noncurrent assets'	-	-
	<b>2,959.47</b>	<b>3,808.33</b>

## Notes to the Consolidated Financial Statements

### for the year ended 31 March 2017 (Continued)

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>19 Short-term loans and advances</b>		
<i>(Unsecured, considered good)</i>		
<b>To parties other than related parties</b>		
- Security deposits	171.56	60.00
<b>Other loans and advances</b>		
Advance to suppliers	171.72	88.69
Less: Provision for doubtful advances	(30.35)	-
Net Advance to suppliers	<b>141.37</b>	88.69
Advances to others	13.05	17.76
Prepaid expenses	206.73	200.31
Balance with government authorities	25.18	-
	<b>557.89</b>	366.76
<b>20 Other current assets</b>		
<i>(Unsecured, considered good)</i>		
Interest accrued on bank deposits	30.28	55.91
	<b>30.28</b>	55.91
<b>21 Revenue from operations</b>		
<b>Sale of products</b>		
- Finished goods	132,483.59	134,697.60
- Traded goods	38,294.38	30,739.67
<b>Total</b>	<b>170,777.97</b>	165,437.27
<b>Details of sales</b>		
- Jewellery	<b>170,777.97</b>	165,437.27
<b>22 Other operating revenue</b>		
- Repairing revenue	42.15	46.67
<b>Total</b>	<b>42.15</b>	46.67
<b>23 Other income</b>		
Interest income on		
Bank deposits	166.17	236.41
Income Tax Refund	10.16	5.36
Other liabilities	-	3.25
Miscellaneous income	62.67	118.85
	<b>239.00</b>	363.87

## Notes to the Consolidated Financial Statements for the year ended 31 March 2017 (Continued)

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>24 Cost of materials consumed</b>		
Inventory at the beginning of the year	12,825.99	9,976.21
Add: Purchases	100,912.51	111,050.14
	113,738.50	121,026.35
Less: Inventory at the end of the year	(14,036.44)	(12,825.99)
Cost of raw material and components consumed	<b>99,702.06</b>	108,200.36
<b>Details of raw materials and components consumed</b>		
- Precious metals	84,345.78	95,964.34
- Precious stones	15,356.28	12,234.08
- Others	-	1.94
	<b>99,702.06</b>	108,200.36
<b>Details of inventory</b>		
<b>Raw material and components</b>		
- Precious metals	6,622.23	5,293.58
- Precious stones	7,414.21	7,532.41
	<b>14,036.44</b>	12,825.99
<b>25 Purchase of traded goods</b>		
- Precious metals	27,134.95	23,625.66
- Precious stones	5,781.31	7,165.58
	<b>32,916.26</b>	30,791.24
<b>26 Changes in inventories of finished goods and traded goods</b>		
Opening inventory		
- Finished goods	81,113.28	78,857.42
- Traded goods	18,563.72	22,457.64
	<b>99,677.00</b>	101,315.06
Closing inventory		
- Finished goods	68,075.21	81,113.28
- Traded goods	20,568.21	18,563.72
	<b>88,643.42</b>	99,677.00
Decrease/ (Increase) in stock	<b>11,033.58</b>	1,638.06
<b>Details of inventory</b>		
<b>Finished goods</b>		
- Precious metals	52,632.16	59,238.66
- Precious stones	32,699.46	36,965.96
- Others	3,311.80	3,472.38
	<b>88,643.42</b>	99,677.00
<b>27 Employee benefits</b>		
Salaries, wages and bonus	7,220.43	6,374.43
Contribution to provident and other funds (refer note 30.3)		
- Provident fund	272.89	239.02
- Other fund	40.39	42.41
Staff welfare expenses	278.99	299.83
Gratuity expenses (refer note 30.9)	137.25	201.23
Compensated absences (refer note 30.9)	39.87	14.88
	<b>7,989.82</b>	7,171.80

## Notes to the Consolidated Financial Statements

### for the year ended 31 March 2017 (Continued)

(₹ in Lakhs)

	31 March 2017	31 March 2016
<b>28 Finance costs</b>		
Interest expenses	4,661.33	5,187.30
Other borrowing costs	357.67	395.90
	<b>5,019.00</b>	<b>5,583.20</b>
<b>29 Other expenses</b>		
Power and fuel	561.91	592.58
Water charges	21.48	24.23
Boxes and packing materials	177.12	223.73
Repairs and maintenance to others		
- Plant and machinery	102.28	97.94
- Others	373.65	353.00
Jobwork charges	637.07	444.60
Stores and spares consumed	410.88	357.54
Rent (refer note 30.10)	2,454.26	2,526.36
Advertisement and sales promotion	3,741.47	5,086.54
Freight and forwarding charges	190.54	112.72
Commission and service charges	5.29	20.21
Insurance	88.56	69.57
Travelling and conveyance expenses	240.12	214.48
Rates and taxes	213.81	239.61
Legal and professional fees	628.04	821.91
Royalty	112.87	92.96
Postage, telegrams and telephone charges	172.85	278.33
Payment to auditors:		
- Statutory audit	32.50	38.39
- Limited Review of quarterly results	21.00	23.98
- Certification fees	1.50	2.15
- Out of pocket expenses	4.12	4.14
Security charges	271.43	279.24
Bank charges	507.61	526.86
Assets written off	50.62	47.88
Loss on sale of assets	6.96	4.27
Loss on commodities hedging	1.16	952.69
Commodities hedging cost	-	39.39
Foreign exchange loss (net)	0.31	0.24
Provision for doubtful debts and advances	62.60	-
Bad debts written off	4.53	19.66
Contribution towards Corporate Social Responsibility (refer note 30.8)	47.96	87.23
Directors sitting fees	6.13	6.83
Commission to directors	15.00	-
Miscellaneous expenses	263.26	384.87
	<b>11,428.89</b>	<b>13,974.13</b>

# Notes to the Consolidated Financial Statements

## for the year ended 31 March 2017 (Continued)

### 30 Notes to Accounts

#### 30.1 Contingent liabilities and commitments

##### Contingent Liabilities

Claims against the Company not acknowledged as debts

Particulars	31 March 2017	31 March 2016
Income tax matters	Nil	188.58
Sales tax matters	376.06	429.14
Local body tax matters	31.54	Nil
Custom duty matters	18.25	18.25

- (a) The Company's pending litigations comprise of claims against the Company by employees and pertaining to proceedings pending with Sales tax, VAT authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.
- (b) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgement / decisions pending with various forums/authorities.
- (c) The Company does not expect any reimbursements in respect of the above contingent liabilities.

##### Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2017 is ₹ 25.90 Lakhs (31 March 2016: ₹ NIL) (net of advances).

The Company has provided a letter of financial support upto 31 March 2018 to its wholly owned subsidiary company, Tribhovandas Bhimji Zaveri (Bombay) Limited.

#### 30.2 Entities consolidated as subsidiaries in accordance with Accounting Standard 21-Consolidated Financial Statements

Name of the Entity	Country of Incorporation	% of holding as on 31 March 2017	Accounting period
Konfiaance Jewellery Private Limited	India	100.00%	1 April 2016 to 31 March 2017
Tribhovandas Bhimji Zaveri (Bombay) Limited	India	100.00%	1 April 2016 to 31 March 2017

#### 30.3 Additional Information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as subsidiaries

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)
<b>Parent</b>				
Tribhovandas Bhimji Zaveri Limited	102.25%	46,096.43	125.72%	1,853.12
<b>Subsidiaries</b>				
Tribhovandas Bhimji Zaveri (Bombay) Limited	(1.80%)	(810.15)	(25.67%)	(378.31)
Konfiaance Jewellery Private Limited	0.21%	96.48	(0.05%)	(0.78)
Total eliminations	(0.67%)	(302.54)	0.00%	-
<b>Total</b>	<b>100.00%</b>	<b>45,080.23</b>	<b>100.00%</b>	<b>1,474.03</b>

#### 30.4 Employee Stock Option Plan

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

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

## Notes to the Consolidated Financial Statements for the year ended 31 March 2017 (Continued)

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 2017	31 March 2016
Outstanding at beginning of the year	Nil	12,287
Granted during the year	Nil	Nil
Forfeited during the year	Nil	Nil
Cancelled during the year	Nil	12,287
Exercised during the year	Nil	Nil
Outstanding at the end of the year	Nil	Nil
Vested and exercisable at the end of the year	Nil	Nil

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

The total (credit) / charge to the Statement of Profit and Loss on account of Options is ₹ Nil (31 March 2016 ₹(Nil))

The total carrying amount as at 31 March 2017 on account of Options is ₹ Nil (31 March 2016: ₹ Nil)

### 2) Restricted Stock Units (RSUs)

Particulars	31 March 2017	31 March 2016
Outstanding at beginning of the year	Nil	10,720
Granted during the year	Nil	Nil
Forfeited during the year	Nil	Nil
Cancelled during the year	Nil	Nil
Exercised during the year	Nil	10,720
Outstanding at the end of the year	Nil	Nil
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 2016 ₹- Nil)

The total carrying amount as at 31 March 2017 on account of RSU is ₹ Nil (31 March 2016: ₹ Nil)

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

## Notes to the Consolidated Financial Statements for the year ended 31 March 2017 (Continued)

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 2017	31 March 2016
Net income as reported	-	(2,754.47)
Add: Intrinsic value compensation cost	-	-
Less: Fair value compensation cost	-	-
Adjusted proforma income	-	(2,754.47)
<b>Earning per share: Basic (₹)</b>		
As reported	-	(4.13)
Adjusted pro forma	-	(4.13)
<b>Earning per share: Diluted (₹)</b>		
As reported	-	(4.13)
Adjusted pro forma	-	(4.13)

Particulars	31 March 2017		31 March 2016	
	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
- Option pricing model used	NA		Black Scholes	
- Inputs to that model including -				
weighted average share price (₹)	-	-	157.00	157.00
exercise price (₹)	-	-	149.93	10
expected volatility	-	-	0.00%	0.00%
option life (comprising vesting period + exercise period)	-	-	2.62	2.46
expected dividends	-	-	0.00%	0.00%
risk-free interest rate	-	-	8.03%	8.03%
any other inputs to the model including the method used and the assumptions made to incorporate the effects of expected early exercise.				
- Determination of expected volatility, including explanation to the extent expected volatility was based on historical 'volatility.	NA	NA	NA	NA
- Any other features of the option grant were incorporated into the measurement of the fair value, such as market conditions.	NA	NA	NA	NA

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

### 30.5 Dues to Micro and small suppliers

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

## Notes to the Consolidated Financial Statements for the year ended 31 March 2017 (Continued)

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 2017	31 March 2016
Principal amount and interest due thereon remaining unpaid to any supplier as at the year end	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

### 30.6 Derivative financial instruments

The Company has adopted recognition and measurement criteria relating to cash flow hedge accounting as set out in Guidance note on Accounting for Derivative Contracts issued by the ICAI in 2015 which is effective from 1 April 2016 for accounting of derivative instruments including hedge accounting. 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. Commodity forward contract of 20 kgs is outstanding as on 31 March 2017 (31 March 2016: Nil). Mark to market loss of ₹ 1.16 Lakhs as on 31 March 2017 (31 March 2016: Nil) is accounted in other expenses.

### 30.7 Long-term contracts

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

### 30.8 Corporate social responsibility (CSR)

As per Section 135 of the Companies Act 2013, a CSR Committee has been formed by the Company. The areas of CSR activities are to eradicate hunger, poverty and malnutrition, promoting healthcare, including preventive health care and sanitation. The Company also wants to promote education, including special education and employment, enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. As part of above, the Company has undertaken CSR activities through Cancer Patient Aid Association (CPAA), Salaam Bombay Foundation, SNEHA (Society for Nutrition Education & Health Action), Stree Mukti Sanghatan, Bharatiya Street Shakti and Ladi Devi Paharia Foundation Trust which are specified in Schedule VII of the Companies Act, 2013.

Particulars	31 March 2017	31 March 2016
Gross amount required to be spent during the year	67.26	164.03
Amount spent during the year on :		
1) Construction / acquisition of assets		
a) Paid in cash	-	-
b) Yet to be paid	-	-
2) Other than (1) above		
a) Paid in cash	47.96	66.23
b) Yet to be paid	-	-
<b>Total</b>	<b>47.96</b>	<b>66.23</b>

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

# Notes to the Consolidated Financial Statements

## for the year ended 31 March 2017 (Continued)

### 30.9 Employee Benefits:

#### a) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund and other funds for the year aggregated to ₹ 313.28 Lakhs (31 March 2016: ₹ 281.43 Lakhs) which is shown under note 27 – 'Employee benefits' to financial statements.

#### b) Defined benefit plans

##### i. Gratuity (funded)

Particulars	Gratuity (funded)	
	31 March 2017	31 March 2016
<b>I Change in Benefit Obligation</b>		
Liability at the beginning of the year	518.42	428.82
Interest cost	34.76	30.90
Current service cost	116.35	97.70
Benefit paid	(118.72)	(94.63)
Actuarial (gain) / loss on obligations	37.13	55.63
Liability at the end of the year	587.94	518.42
<b>II Amount recognised in the Balance Sheet</b>		
Liability at the end of the year	587.94	518.42
Fair value of plan assets at the end of the year	(123.35)	(107.44)
Amount recognised in the Balance Sheet	464.59	410.98
<b>III Expenses recognised in the Statement of Profit and Loss</b>		
Current service cost	116.35	97.70
Interest cost	34.76	30.90
Expected return on plan assets	(9.43)	(9.44)
Net actuarial (gain) / loss to be recognised	46.56	65.06
Adjustment to opening balance of plan assets	(51.00)	17.00
Expense recognised in Statement of Profit and Loss	137.24	201.22
<b>IV Balance Sheet Reconciliation</b>		
Opening net liability	410.98	266.30
Expense recognized in the Statement of Profit and Loss account	137.24	201.22
Contribution paid	(83.63)	(56.54)
Amount recognised in the Balance sheet	464.59	410.98
<b>V Composition of plan assets</b>		
Qualifying insurance policies*	123.35	107.44
<b>VI Movement in fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	107.44	162.53
Adjustment to opening balance of plan assets	51.00	(17.00)
Contributions paid into the plan	81.15	44.58
Benefits paid by the plan	(116.24)	(82.67)
Expected return on plan assets	9.43	9.44
Actuarial (losses) / gains	(9.43)	(9.44)
Fair value of plan assets at the end of the year	123.35	107.44
<b>VII Principal actuarial assumptions</b>		
Discount rate per annum	6.69%	7.46%-7.99%
Expected rate of return on plan Assets	6.69%	7.46%
Salary escalation rate per annum	5%-10%	5%-10%
Mortality	Indian Assured lives Mortality (2006-08) Ultimate	Indian Assured lives Mortality (2006-08) Ultimate
Employee Turnover rate	0% - 28%	0% - 28%

\*The Company has maintained funds with Life Insurance Corporation of India and HDFC Life. The details of major category of Plan assets held by the insurance companies and hence the disclosure thereof is not made. The expected long-term rate of return on plan assets is based exclusively on the historical returns, without adjustments.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2017 (Continued)

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 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Present value of defined benefit obligation	587.94	518.42	428.84	638.52	523.48
Fair value of plan assets	123.35	107.44	162.53	101.19	54.19
Funded status [surplus/(deficit)]	464.59	(410.98)	(266.31)	(537.33)	(469.29)
Net asset / (liability)	464.59	(410.98)	(266.31)	(537.33)	(469.29)
Experience adjustment arising on:					
a. Plan liabilities [loss/(gain)]	14.63	17.29	46.81	(69.27)	111.25
b. Plan assets [loss/(gain)]	9.43	9.44	11.93	0.29	-

### Classification into current / non-current

	Non - Current		Current	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Gratuity	376.49	315.63	88.10	95.35
<b>Total</b>	<b>376.49</b>	<b>315.63</b>	<b>88.10</b>	<b>95.35</b>

The Company expects to pay ₹ 75 Lakhs (31 March 2016 ₹ 75 Lakhs) to the fund in the following year.

### ii. Other long-term employee benefits

#### Compensated absences

The liability towards compensated absences (annual and sick leave) for the year ended 31 March 2017 based on actuarial valuation carried out by using Projected unit credit method resulted in a charged of ₹ 39.87 Lakhs (31 March 2016: ₹ 14.88 Lakhs).

#### Annual leave assumptions

	31 March 2017	31 March 2016
Discount rate per annum	6.69%	7.46%-7.99%
Salary escalation rate per annum	5.00%	5%-10%
Mortality	Indian Assured lives Mortality (2006-08) Ultimate	Indian Assured lives Mortality (2006-08) Ultimate
Employee turnover rate	0 - 28.00%	0 - 28.00%

### 30.10 Leases

#### Operating leases as a leasee

The Group has recognized the rent expenses in the books of accounts on a straight line basis. Rental expenses under operating leases (including cancelable and non – cancelable) aggregating ₹ 2,454.26 Lakhs (2016: ₹ 2,526.36 Lakhs) have been included under “other expenses” in the Consolidated Statement of Profit and Loss as disclosed under note 29.

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

Particulars	31 March 2017	31 March 2016
Amount due within one year from the balance sheet date	2,075.60	2,201.91
Amount due for the period after one year and before five years	6,130.33	7,085.15
Amount due for the period after five years	660.95	812.55

# Notes to the Consolidated Financial Statements

## for the year ended 31 March 2017 (Continued)

### 30.11 Earning Per Share (EPS)

Particulars	31 March 2017	31 March 2016
Profit after taxation (₹ in Lakhs)	1,474.03	(2,754.47)
Weighted average number of equity shares for calculation of basic EPS	66,730,620	66,728,701
Add: Dilutive effect of stock options outstanding	Nil	Nil
Weighted average number of equity shares for calculation of diluted EPS	66,730,620	66,728,701
Basic earnings per share (Face value ₹ 10 per share)	2.21	(4.13)
Diluted earnings per share (Face value ₹ 10 per share)	2.21	(4.13)

### 30.12 Information on related party transactions as required by the Accounting Standard (AS) - 18 for the year ended 31 March 2017

#### I. Name of related parties

##### Key Managerial Personnel

- 1 Shrikant G Zaveri, Chairman and Managing Director
- 2 Binaisha Zaveri, Whole Time Director
- 3 Raashi Zaveri, Whole Time Director
- 4 Prem Hinduja, Chief Executive Officer (upto 10 September 2015)
- 5 Saurav Banerjee, Chief Financial Officer
- 6 Niraj Oza, Company Secretary

##### Relative of Key Managerial Personnel

- 1 Bindu S Zaveri

##### Entities over which Key Managerial personnel and/or their relatives exercise significant influence

- 1 Tribhovandas Bhimji Zaveri Jewellers (Mumbai) Private Limited
- 2 Tribhovandas Bhimji Zaveri (TBZ) Private Limited

##### Transactions during the year and balances as at year end with related parties:

Nature of transaction	Key Managerial Personnel	Relative of Key Managerial Personnel	Entities over which Key Managerial personnel and/or their relatives exercise significant influence
<b>Transaction during the period *</b>			
Remuneration paid**	649.00	-	-
	(467.76)	-	-
Purchase of assets	-	-	-
	(3.32)	-	-
Dividend paid	-	-	-
	(432.60)	(35.00)	(27.00)
Rent paid	195.60	-	-
	(206.63)	-	-
Legal fees paid	-	3.44	-
	-	-	-
Deposit received	-	-	-
	(24.00)	-	-
Loan repaid (non interest bearing)	80.19	-	-
	(5.00)	-	-

## Notes to the Consolidated Financial Statements

### for the year ended 31 March 2017 (Continued)

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>Balance as at 31 Mar 2017*</b>			-
Loans payable	15.00	-	-
	(95.19)	-	-
Remuneration payable	112.38	-	-
	(127.22)	-	-
Deposit receivable	96.00	-	-
	(96.00)	-	-
Trade payable	-	0.36	-
	-	-	-

\* Amounts pertaining to year ended 31 March 2016 are in brackets.

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

Note: Gurantee given by the managing director ₹ 3,169.40 Lakhs (31 March 2016: ₹ 3,014)

#### 30.13 Segment reporting

The Group is engaged in manufacturing/ trading and selling of jewellery mainly in India, which is the primary business segment based on the nature of products manufactured/traded and sold. Thus, the Company has only one reportable business which is manufacturing/trading and selling of jewellery and only one reportable geographical segment. Accordingly the segment information as required by Accounting Standard 17 on "Segment Reporting" is not required to be disclosed.

**30.14** The management is of the opinion that the Group's domestic transactions are at an arms' length price so that the transfer pricing legislation will not have any impact on the financial statement, particularly on the tax expenses and that of provision for tax.

**30.15** The details of Specified Bank Notes (SBN) held and transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 are as follows:-

	Specified Bank Notes (SBN)	Other denomination Notes	Total (₹ in Lakhs)
Closing cash in hand as on 08.11.2016	616.56	21.43	637.99
(+) Permitted receipts	-	2,271.23	2,271.23
(-) Permitted payments	-	116.08	116.08
(-) Amount deposited in Banks	616.56	2,047.09	2,663.65
Closing cash in hand as on 30.12.2016	-	<b>129.49</b>	<b>129.49</b>

#### 30.16 Previous year figures

The figures of the previous year have been regrouped/ recast, where necessary, to conform to the current year classification. Balance with government authorities (Sales Tax) of ₹ 274.96 as at 31 March 2016 which was grouped under Short term loans and advances has been regrouped under Long term loans and advances. Advance to suppliers of ₹ 182.85 as at 31 March 2016 which were grouped under Short term loans and advances have been netted off with corresponding accruals for expenses under Other current liabilities.

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

**Vijay Mathur**  
 Partner  
 Membership No: 046476

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

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

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

**Saurav Banerjee**  
 Chief Financial Officer

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

Place : Mumbai  
 Date : 3 May 2017

Place : Mumbai  
 Date : 3 May 2017



**TRIBHOVANDAS BHIMJI ZAVERI LIMITED**

CIN: L27205MH2007PLC172598 Regd. Off.: 241/43, Zaveri Bazar, Mumbai - 400 002.  
Tel. No.: (022) 3956 5001. Fax No. (022) 3956 5056.  
Corporate Off.: 1106 to 1121, 11<sup>th</sup> Floor, West Wing, Tulsiani Chambers,  
212, Backbay Reclamation, Free Press Journal Road, Nariman Point, Mumbai – 400 021.  
Tel. No.: (022) 3073 5000. Fax No.: (022) 3073 5088.  
Website: [www.tbztheoriginal.com](http://www.tbztheoriginal.com); Email: [investors@tbzoriginal.com](mailto:investors@tbzoriginal.com)



**CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM**

Dear Shareholder,

Pursuant to Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, your Company has sent the Annual Report through electronic mode to those Shareholders whose E-mail IDs are registered. Please note that as a Shareholder you will be entitled to receive physical copies of all notices and documents free of cost, upon specific request to the Company.

The Annual Report and the Notice of General Meetings and other documents will also be available on the Company's website at [www.tbztheoriginal.com](http://www.tbztheoriginal.com).

Shareholders holding shares in physical mode and wishing to register / update their E-mail ID to receive the Annual Report and other documents in electronic mode are requested to fill the form below and send the same to our Registrar and Share Transfer Agents viz., **Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032**. The Company will not be in a position to send the documents in electronic mode unless the duly filled in form given below is received.

Shareholders holding shares in the dematerialized mode and wishing to register / update their E-mail ID to receive the Annual Report and other documents in electronic mode are requested to register / update their E-mail ID with the Depository Participants where their demat account is maintained.

Best Regards,

**Niraj Oza**

**Head - Legal & Company Secretary**

**TRIBHOVANDAS BHIMJI ZAVERI LIMITED**

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



**CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM**

I / We agree to receive documents in electronic mode pursuant to Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014. Please register / update\* the E-mail ID as mentioned below:

\*Strike out whichever is not applicable.

1. **Name(s) of Shareholder(s)  
(including joint holders, if any)** : \_\_\_\_\_
2. **No. of Shares held** : \_\_\_\_\_
3. **Registered Folio No. / DP ID &  
CLIENT ID No.** : \_\_\_\_\_
4. **E-mail ID for receipt of  
documents in electronic mode** :

Place: \_\_\_\_\_

\_\_\_\_\_  
**(Signature of First Holder)**

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

\_\_\_\_\_  
**(Name of First Holder)**

For physical share: Kindly send to Karvy Computershare Private Limited.

For Demat shares: Kindly register / update the E-mail ID with the Depository Participant where demat account is maintained.



**ATTENDANCE SLIP**

**TRIBHOVANDAS BHIMJI ZAVERI LIMITED**

CIN: L27205MH2007PLC172598 Regd. Off.: 241/43, Zaveri Bazar, Mumbai - 400 002.

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



**PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL  
AND HAND IT OVER AT THE ENTRANCE**

I/We hereby record my/our presence at the 10<sup>th</sup> Annual General Meeting of Tribhovandas Bhimji Zaveri Limited held at M. C. Ghia Hall, 4<sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001 on Tuesday, 19<sup>th</sup> September, 2017 at 3.30 p.m.

Folio No. \_\_\_\_\_

DP ID No\*. \_\_\_\_\_

Client ID No\*. \_\_\_\_\_

Name of Member \_\_\_\_\_

\_\_\_\_\_  
Signature

Name of the Proxy Holder \_\_\_\_\_

\_\_\_\_\_  
Signature

1. Only Member/ Proxy holder can attend the Meeting.
2. Member/ Proxy holder should bring his/ her copy of the Annual Report for reference at the Meeting.
3. Those Members who have multiple folios with different joint holders may use copies of this Attendance Slip.
4. If you intend to appoint a proxy, please complete the Proxy Form and deposit it at the Company's Registered Office at least 48 hours before the Meeting.

\* Applicable for investors holding shares in electronic form.



**FORM NO. MGT-11****Proxy Form****TRIBHOVANDAS BHIMJI ZAVERI LIMITED**

CIN: L27205MH2007PLC172598 Regd. Off.: 241/43, Zaveri Bazar, Mumbai - 400 002.

Tel. No.: (022) 3956 5001. Fax No. (022) 3956 5056.

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

CIN	L27205MH2007PLC172598		
Name of the Company	Tribhovandas Bhimji Zaveri Limited		
Registered Office	241/43, Zaveri Bazar, Mumbai – 400 002. 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>		
Name of the member (s)			
Registered Address			
E-mail ID			
Folio No. / Client ID		D.P. ID:	

I / We being member (s) of \_\_\_\_\_ Tribhovandas Bhimji Zaveri Limited holding \_\_\_\_\_ equity shares of the above named Company, hereby appoint

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 10<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, 19<sup>th</sup> September, 2017 at 3.30 p.m. at M. C. Ghia Hall, 4<sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	For	Against
<b>Ordinary Business</b>			
1	Adoption of Balance Sheet, Statement of Profit & Loss, Directors' Report and Auditors' Report for the year ended 31 <sup>st</sup> March, 2017.		
2	Reappointment of Ms. Binaisha Zaveri (DIN: 00263657), Whole-time Director who retires by rotation.		
3	To ratify the appointment of BSR & Co. LLP (Firm Registration No. 101248W/ W-100022), Chartered Accountants, Mumbai as Statutory Auditors.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

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.





# Notes

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TRIBHOVANDAS BHIMJI ZAVERI  
SHRIKANT ZAVERI GROUP

**Registered Office**

241/43, Zaveri Bazar,  
Mumbai - 400 002.  
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