



Tara Jewels Ltd
Plot 29 (P) & 30 (P), Sub plot A,
SEEPZ SEZ, Andheri (E),
Mumbai 400 096
O. +91 22 66774444
F. +91 22 66774464
www.tarajewels.in

Date: September 20, 2016

To
The Manager
The Department of Corporate Services
BSE Limited
Ground Floor, P. J. Towers
Dalal Street, Mumbai – 400 001

To
The Manager
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai – 400 051

Dear Sir / Madam,

Ref.: Scrip Code: 534756; Symbol: TARAJEWELS

Sub: Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- ANNUAL REPORT 2015-2016.

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed duly approved and adopted Annual Report by the Members in AGM as per the provisions of Companies Act, 2013.

Kindly take the same on record.

Yours truly,
For Tara Jewels Limited

Nivedita Nayak
Nivedita Nayak
Company Secretary

FCS: 8479.





tara™

Jewellery's
digital
MAKEOVER

TARA JEWELS LIMITED
ANNUAL REPORT 2015-16



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Jewellery's **digital** MAKEOVER

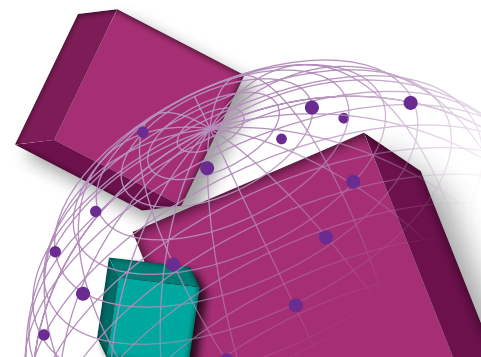
The Gems & Jewellery industry is undergoing a transformational change. There is a reconfiguration and a tectonic shift taking place within the industry, majorly driven by disruptive change agents such as the internet age, computer aided design and manufacturing, 3-D printing and the new consumption behaviour of Gen-X, Y and Z.

We now live in an age where online buying has become the norm. A technological revolution is also unfolding, which has fundamentally changed how jewellery is designed and manufactured, powered by Computer-Aided Design (CAD) software and Computer-Aided Manufacturing (CAM) hardware, such as 3D printers. The cost for making these capital expenditures have also drastically come down in the recent years. These changes are fundamentally changing how consumers behave and how the industry responds to them.

In India, we are pioneering this revolution by changing the way we do business. We are becoming the "Change Agents" by moving away from the obsolete way of brick and mortar format to Internet-based and custom jewellery – the way of the future. We are the front-runners in catalysing the change by moving towards Made-to-Order bespoke jewellery through our low-cost format "Tara My Karigar" – a revolutionary way of branded jewellery retailing. We are pioneering this revolution also through our cutting-edge manufacturing technology, resulting in low-cost manufacturing and good engineering skills. With a leading edge in design and creativity along with a vast library of IP designs, we aim to be the hub for jewellery customisation and pioneers in digitisation. We are increasingly using digitisation as a platform for conveying information, shaping brand identity and building customer relationships.

Globally, we are well placed and entrenched with jewellery sales, with a strong focus on internet and brands. Our jewellery sold through the e-commerce is growing. There is good traction in our overseas business with new customers, geographies and we are building strong brands and leveraging our relationships with customers. We are well positioned to take advantage of the transformational change with the requisite investment and capital. We have signed up more manufacturing and supply agreements with independent, specialty and online retailers in the overseas markets, catering to jewellery retailers across US, UK and Europe and also added design cells in Hong Kong, China and America.

We are excited and optimistic for a glittering future. Deriving strength from the experience of our promoters, a presence across the value chain and our established clientele, we are performing today while transforming for tomorrow. With major transitions happening simultaneously, we are industry pioneers. With an early-mover advantage, we are not only prepared for the big shift, but driving it forward.



AT A GLANCE

*We are an integrated player in the jewellery industry with experience ranging from
Designing to Manufacturing and Retailing of jewellery.*

*With internationally acclaimed celebrity designers, we have a well spread
portfolio of products that includes studded gold, platinum and silver jewellery.*

We have been a pioneer in jewellery manufacturing with known patented technologies which have revolutionised jewellery manufacturing to maximise productivity. We currently operate through showrooms and shop-in-shop format outlets across metros, Tier I, Tier II and Tier III cities in India. We have a range of over 55,000 designs catering to a diverse audience across 20 countries in five continents, with long standing relationships with leading global retailers.

We are one of the world's few manufacturers with an indigenously developed manufacturing capability in precision-oriented jewellery.

15

Format Stores

7

Brands Promoted
Internationally

39

Designers

5

Shop-in-Shop

1,000

Craftsmen

Combined Order Book
₹9,479 Million

20 Years
Experience in
Jewellery Industry

3

Manufacturing Units

7,000
Doors
through Brands
promoted Worldwide

90% Contribution
of Exports to
Total
Revenue

55,000+

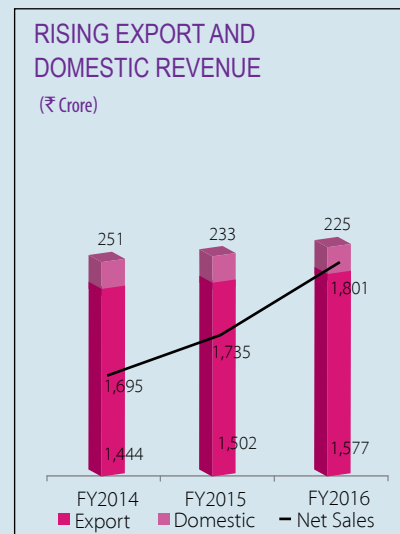
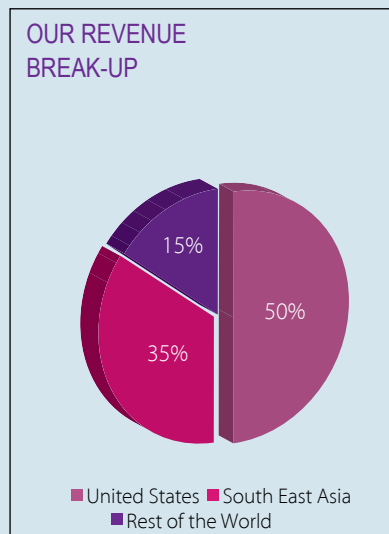
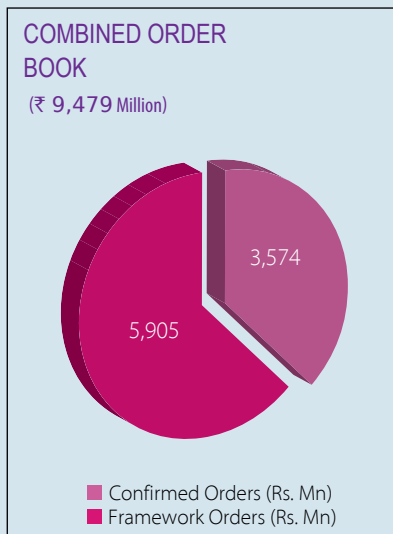
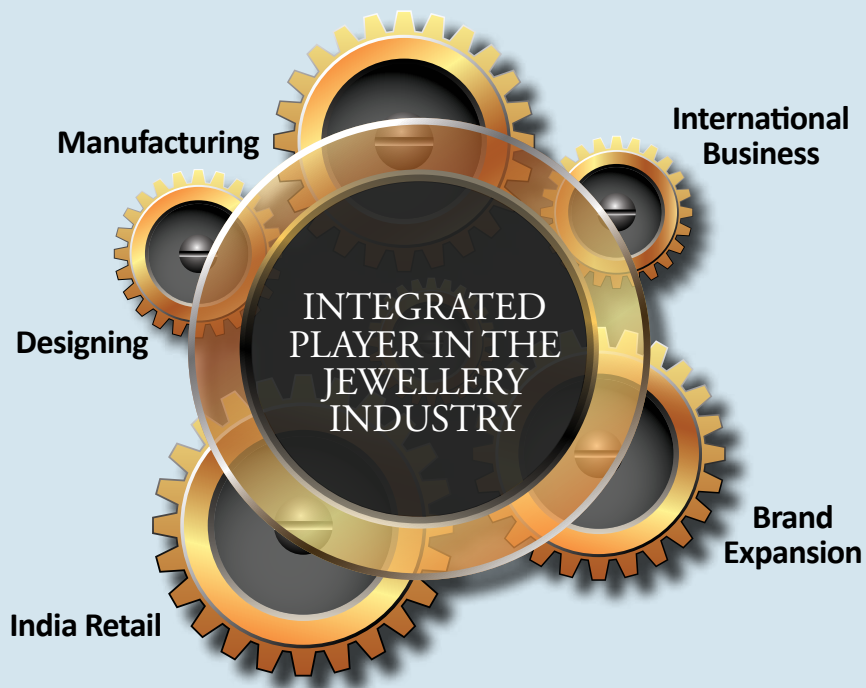
Designs

Present in
20
Countries



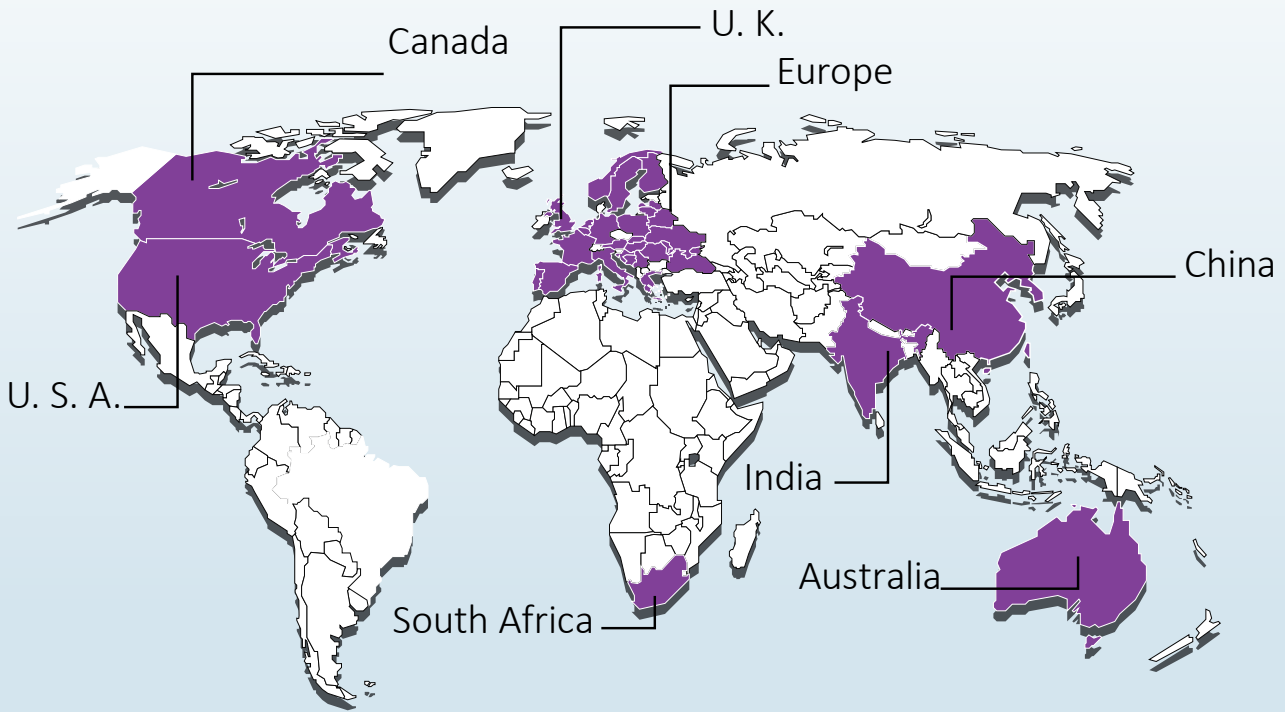
OUR KEY DRIVERS OF SUCCESS

- Strong promoter/management background in Retailing and Branding
- Experienced supplier to large Global Retailers
- High precision jewellery manufacturing technology



OUR PRESENCE

GLOBAL PRESENCE



PRESENCE ACROSS THE JEWELLERY VALUE CHAIN



OUR KEY DIFFERENTIATORS

Strong leadership background in manufacturing and branding

Presence across all retailing models

Experienced supplier to large global retailers

Global branding initiatives

High precision jewellery manufacturing technology

Asset light jewellery retail model in India

OUR MISSION VISION AND VALUES

OUR VISION

To be the preferred jeweller to the world

OUR MISSION

To delight our customers, stakeholders and employees through excellence in service and design, transparent and clear communication, accountable commitments and assured rewards.

OUR VALUES

- Exceed Expectations – Always over deliver.
- “Service before Self” – Remain customer centric. Educate & Respect the customer.
- Clear and effective communication – Minimize the gap between reality and perception, through transparency and clarity.
- Reliable and sustainable – Through responsible sourcing, consistent delivery, product quality and service.
- Delight – Customer delight, employee delight and stake holder delight.
- Honour and pride in everything we do.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Rajeev Sheth
Chairman and Managing Director

Mr. Vishnu Prakash Garg
Executive Director & CFO

Mr. Ravindran M. P.
Executive Director

Mr. Nikkhil Vaidya
Independent Director

Mr. Rakesh Kalra
Independent Director

Mr. Rajiv Jain
Independent Director

Mr. Shanti Saroop Khindria
Independent Director

Ms. Fern Mallis
Independent Director

Mr. Mariano De la Torre
Nominee Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Nivedita Nayak

STATUTORY AUDITORS

M/S C. B Chhajed & Co,
Chartered Accountants,
DGP House,
Ground Floor, 88-C,
Old Prabhadevi Road,
Mumbai- 400025

INTERNAL AUDITORS

BDO INDIA LLP,
Level 9, The Ruby,
Senapati Bapat Road,
Dadar (West),
Mumbai- 400028

SECRETARIAL AUDITORS

K. C. Nevatia & Associates
J-2 Jolly Highrise Apartments,
10th Floor, 241-A, Pali Mala Road,
Bandra (West), Mumbai- 400050

REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Pvt. Limited,
C-13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (West),
Mumbai- 400078

BANKERS

- State Bank of India
- Punjab National Bank
- Union Bank of India
- State Bank of Patiala
- Central Bank of India
- Bank of India
- Axis Bank
- IDBI Bank
- Exim Bank
- Corporation Bank
- Canara Bank
- Vijaya Bank

REGISTERED OFFICE

Plot No. 122, 15th Road, Near IDBI
Bank, M.I.D.C, Andheri (East), Mumbai-400093

CORPORATE OFFICE

Plot No. 29 (P), & 30 (P), Sub Plot A,
SEEPZ SEZ, Andheri (East),
Mumbai- 400096

CIN NO: L52393MH2001PLC 131252

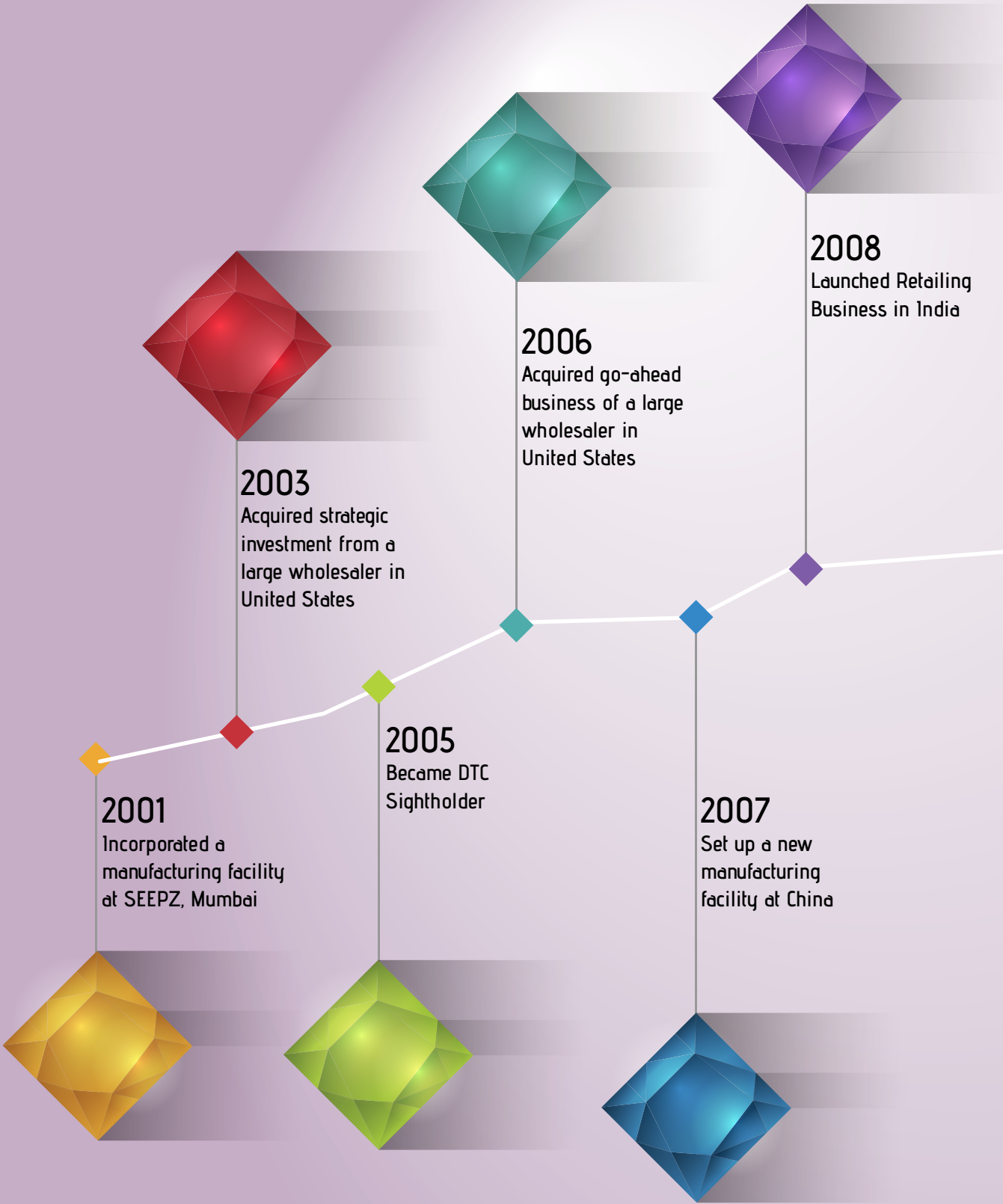
OUR MANUFACTURING PLANTS:

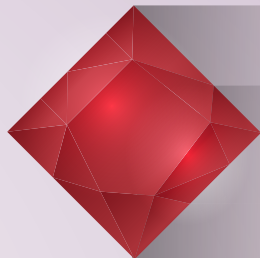
a. Plot No. 122, 15th Road,
Near IDBI Bank, M.I.D.C, Andheri (East),
Mumbai- 400093

b. Plot No. 29(P), & 30 (P), Sub Plot
A, SEEPZ SEZ, Andheri (East),
Mumbai- 400096

c. Unit No. GJ-7, SDF Vii, SEEPZ SEZ,
Andheri (East), Mumbai- 400096

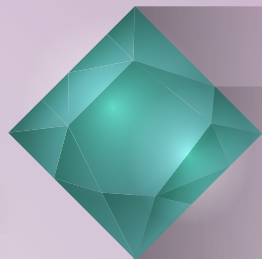
OUR JOURNEY OVER THE YEARS





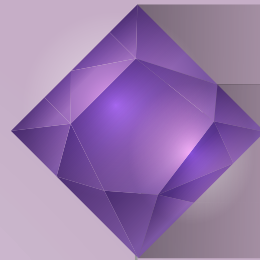
2012

Swarovski joins as strategic investor



2014

- Co-branded Bridal and Fashion Jewellery with Zac Posen and Michael Beaudry
- Expanded into branded jewellery with Michael Beaudry, Monique Lhuillier, Zac Posen



2016

- Launched Zac Posen Bridal Coloured Jewellery in the international market
- Launched 'Alina by Tara Jewellers', a jewellery sub-brand, in the domestic market
- Set up Tara My Kariqar model of business to deliver customised jewellery to customers

2009

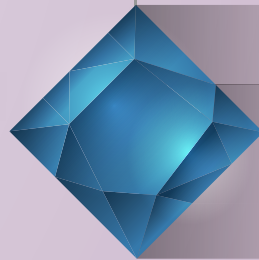
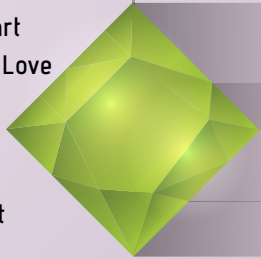
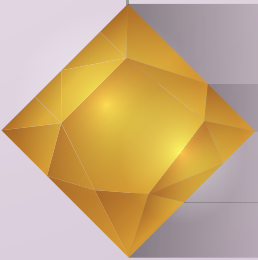
- Launched labels 'Facets of Love' and 'Candy Hearts' with H. Samuels (Part of Signet Group, UK)
- Launched Walmart's co-branded fashion initiative Heart2Heart
- Launched Facets of Love and Candy Heart with H. Samuel, Heart2Heart - Co-brand with Walmart

2013

- Launched Michael Beaudry branded Jewellery
- Launched Monique Lhuillier branded Jewellery

2015

Our Jewellery Collection, Angel Sanchez, considered by one of the largest jeweller in United States



OUR ESTEEMED CLIENTELE



The largest
Global Retailer



No. 1 Off-mall
Destination Jeweller
in the US



Largest Online
Retailer of
Diamonds



Specialty Retail
Jewellery chain
in US



No. 1
Specialty Jeweller
in UK



Leading Regional
Departmental Store
in South Africa



Leading Chain Store
Group in South
Africa



Largest Specialty
Jewellery Retailer in the
US, UK and Canada



One of the biggest
Mid-Range
Departmental
Stores in US



A Warren
Buffett company

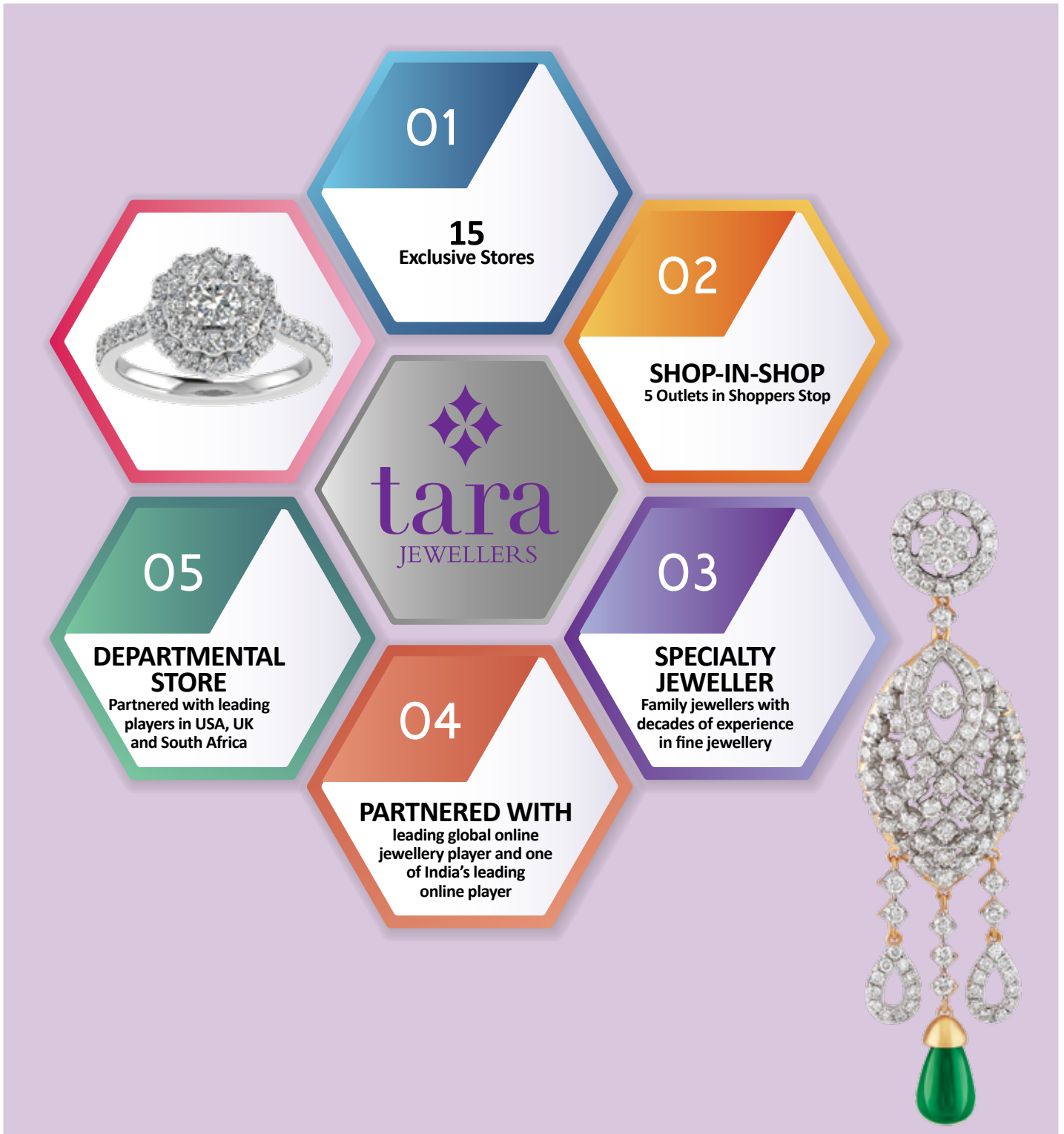


No.1 Specialty
Jeweller in the US

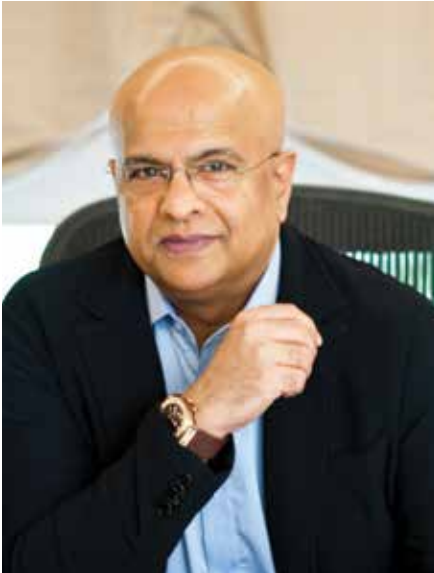


Switzerland

OUR PRESENCE ACROSS RETAILING MODELS



CHAIRMAN'S STATEMENT



Rajeev Sheth
Chairman & Managing Director

“Our perseverance towards our goals makes us an enduring company – an enterprise that aims at consistent wealth creation for its share owners.”

Dear Shareholders,

FY2016 was another successful year for Tara Jewels. We grew our domestic and international businesses, increased our profitability and advanced key strategic initiatives. This enabled us to improve our competitiveness and create value for our shareholders.

Led by our long-term vision to become the preferred jeweller to the world and guided by our values, we continued to implement our strategy. Our clear focus on our business strategies and the dedication of our employees around the world were critical to delivering strong performance – despite a highly volatile and challenging business environment.

OUR FINANCIAL SCORECARD

We recorded net consolidate sales of Rs 1,801.31 crore, as compared with Rs 1,735.30 crore in FY2015. Our Net Profit stood at Rs 25.44 crore, as against Rs 43.6 crore. On the other hand, EBITDA grew nominally to Rs 124.37 crore, in comparison with Rs 158.6 crore a year ago. At the end of FY2016, our combined order book position was healthy at Rs 9,479 million, which included confirmed orders of Rs 3,574 million and framework orders of Rs 5,905 million. Despite a tough market situation in US and Europe, we derived strength from our domain expertise and experience in the gems and jewellery industry, presence across the jewellery value chain and our globally established clientele.

During the year, we witnessed good traction in our export business with addition of several new brands, customers and geographies. As we well understand the needs of consumers across the globe, we serve diverse markets and brands across multiple continents. With most of our business in exports today, we have a long history of successfully servicing these markets. We are also making steady progress into the large and lucrative Indian retail market.

JEWELLERY'S DIGITAL MAKEOVER

Change agents such as the internet age, computer aided design and manufacturing, 3-D printing and the new consumption behaviour of Gen-X, Y and Z is bringing about a transformational and tectonic shift in the way jewellery is being designed and manufactured by companies and purchased by customers. The technological revolution unfolding has been powered by Computer-Aided Design (CAD) software and Computer-Aided Manufacturing (CAM) hardware, such as 3D printers, which have drastically cut down the cost of manufacturing jewellery. The cost for making these capital expenditures has drastically reduced.

In India, we are pioneering the revolution by changing the way we do business. By moving away from the obsolete way of brick-and-mortar format to Internet-based and custom jewellery, we are essentially becoming the “Change Agents”. With digitisation in design manufacturing through our CAD/CAM and 3D printing machines, we are able to produce customised jewellery at competitive rates.

FRONT-RUNNERS IN THE TRANSFORMATIONAL CHANGE

Globally, we are well placed and entrenched with jewellery sales, with a strong focus on internet and brands. With good traction in our overseas business with new customers, geographies and brands, we are well positioned to take advantage of the transformational change. We take pride in having signed up more manufacturing and supply agreements with independent, specialty and online retailers in the overseas markets, catering to jewellery retailers across US, UK and Europe.

We will continue our focus on branded jewellery to gain more leeway in the international jewellery market. We aim to gain 40% of our total revenues from the branded jewellery segment. In the domestic market too, we are also scaling higher by way of an established presence in the online jewellery market through the e-commerce model. After all, we now live in an age where on-line buying has become the norm. We are also simultaneously expanding our retail footprint through the asset light franchise model to speed up capital expansion and cut capital allocation.

TARA MY KARIGAR

With a leading edge in design and creativity and a vast inventory of IP designs, we aim to be the hub for jewellery customisation and pioneers in digitisation. We are increasingly using digitisation as a platform for conveying information, shaping brand identity and building customer relationships. We are the front-runners in catalysing the industry change. Leveraging our strengths in creating Made-to-Order bespoke jewellery, we set up our low-cost format “Tara My Karigar” (TMK), which is a revolutionary way of branded jewellery retailing. We are pioneering this revolution through our cutting-edge manufacturing technology, resulting in low-cost manufacturing and good engineering skills. With Made-to-Order jewellery constituting 30% of our India Retail Business, we see TMK as the way of the future and are exploring this model in jewellery stores and shopping malls. TMK is in line with our business strategy of an asset light model which will help deliver accelerated returns to shareholders. This is also a good way to gain brand visibility.

ACCELERATING WITH MANUFACTURING EXCELLENCE

Experience in designing, manufacturing excellence and efficient logistics and retailing of jewellery are our key market differentiators. While also being masters of volume production, we are also artisans of high-grade, customised jewellery for special occasions. Our quality and consistency are second to none, making us highly appreciated by global branded jewellery retailers. Our standard operating procedures in manufacturing aid us in catering to orders of all sizes with equal ease and finesse. We have established ourselves as a vertically integrated unit, serving customers across the value chain – right from design ideation to customisation.

Through initiatives such as Tara My Karigar, we place value creation as a top priority, optimising our cost structures and further enhancing the appeal of our brands and finding innovative ways to reach our customers. Through the sum of these multiple actions, we aim to further bolster our bottom line and return on equity. Our perseverance towards our goals is what is making us an enduring company – an enterprise that aims at consistent wealth creation for its share owners.

GOING FORWARD

We live by our mission of delighting our customers, stakeholders and employees through excellence in service and design, transparent and clear communication and assured rewards. We are excited and optimistic for a glittering future. Deriving strength from the experience of our promoters, a presence across the value chain and our established clientele, we are performing today while transforming for tomorrow. And with an early-mover advantage, we are not only prepared for the big shift, but driving it forward.

I would like to take this opportunity to sincerely thank our board members, management team, and most of our customers for their support in shaping Tara Jewels to what it is today. Finally, I would like to express my deepest thanks to you, our shareholders, for having trust and belief in our Company.

I am confident that with your support, the Company will achieve greater heights of success in times to come.

Sincerely,

Mr. Rajeev Sheth
Chairman & Managing Director

OUR BOARD OF DIRECTORS



Mr. Rajeev Sheth

Mr. Rajeev Sheth is the Chairman and Managing Director. He holds a graduate degree in Commerce from Mumbai University. He also holds a Diploma in Gemology from Gemological Institute of America. He has approximately 34 years of experience in the jewellery business. He started his career by promoting Rose International and thereafter became the Promoter and Managing Director of Intergold India Limited from 1989 to 1999.



Mr. Vishnu Prakash Garg

Mr. Vishnu Prakash Garg is the Executive Director and CFO. He is a Chartered Accountant with over 31 years of experience of Managing overall Finance Function, Strategic planning, Budgeting, and MIS, among others. He has worked with a well-renowned Steel Company in India, managing International Finance, and acquisition of coal mines in Indonesia and South Africa.



Mr. Ravindran M. P.

Mr. Ravindran M. P. is the Executive Director and Chief Operating Officer. He holds a Post Graduate degree in Computer Science and Masters in Business Administration in Systems Management from Mumbai University. He is in charge of customer service, trading and outsourcing operations in our Company. He has approximately 25 years of experience in the areas of jewellery and engineering. Prior to joining the Company, he was working with RB Jewellery Corporation.



Ms. Fern Mallis

Ms. Fern Mallis is a Non-Executive Independent Director. She holds a Bachelors Degree of Fine Arts from the University of Buffalo. Ms. Mallis has more than four decades of experience in architecture, design and fashion industries. She has worked with Conde Nast Publications (Mademoiselle Magazine), Fashion Director Gimbel's East Department Store and Pres Fern Mallis Public Relations. She was the Senior Vice President of International Design Center, New York, the Executive Director of Council of Fashion Designers of America from 1991 to 2001 and the Senior Vice President of IMG Fashion from 2001 to 2010.



Mr. Nikkhil Vaidya

Mr. Nikkhil Vaidya is a Non-Executive Independent Director. He is a practising Chartered Accountant with over 29 years of experience in managing overall Finance Function, Strategic Planning, Budgeting & MIS, Statutory Compliances, Taxation, Systems Implementation and Process Improvements. He has worked with various MNCs and foreign banks such as BNP Paribas, Mashreqbank Plc, Ciba Geigy Ltd, CCI, Bennett Coleman & Co, Ltd, besides heading the Direct Tax division of Deloitte Haskins & Sells, Hyderabad.



Mr. Rajiv Lochan Jain

Mr. Rajiv Lochan Jain is a Non-Executive Independent Director. He holds a Graduate Degree in Chemical Engineering from the Indian Institute of Technology, Kharagpur, and the Master of Business Administration from the Whittemore School of Business and Economics. He has approximately 39 years of experience in the fast moving consumer goods, chemical and finance industries. He was a member of the board of ICI India Limited for over 12 years and was also the Managing Director of the Company for over six years. He was the Chairman of both ICI's Research Company in India and the joint venture company of ICI and Orica, Australia. He is an Independent Director on the board of Goodyear India Limited and the Chairman of Performance Capital Partners LLP.



Mr. Rakesh Kalra

Mr. Rakesh Kalra is a Non-Executive Independent Director. He holds a Graduate Degree in Mechanical Engineering from Birla Institute of Technology and Science, Pilani. He has approximately 34 years of experience in the automobile industry. He has worked with Bharat Electronics Limited, Bangalore and Eicher Motors Limited. He joined Mahindra Navistar Automotives Limited, a joint venture company promoted by Mahindra & Mahindra and International Truck and Engine Corporation of United States of America in 2006 as a Chief Executive Officer and was soon re-designated as the Managing Director of the company.



Mr. Shanti Saroop Khindria

Mr. Shanti Saroop Khindria is a Non-Executive Independent Director. He holds a Graduate Degree in Law from Kent University. He has approximately three decades of experience in the legal profession. He is the founder of Lexindia, a law firm with offices in London, Paris and New Delhi. He is admitted as a Solicitor in England and Wales, Solicitor Incorporated Law Society, Mumbai and Avocat à la Cour de Paris. His practice areas are company, commercial, litigation, joint ventures, telecommunications, infrastructure, and technology transfers. He has published books titled 'Khindria on Business law: 2003: An Indian Perspective' and 'Foreign Direct Investment in India'.



Mr. Mariano de la Torre

Mr. Mariano de la Torre is a Nominee Director- Non Executive Non Independent. He has more than 14 years of experience in private equity, M & A, and corporate development with emphasis on financial, credit, commercial and strategic analysis, investment decisions, restructurings, and deal execution across a range of industries (luxury goods, retail, healthcare, business services and telecom) and geographies (Europe, Latin America, and Emerging Markets). Mariano holds an MBA from the University of Chicago Booth School of Business, where he graduated with honours. He is fluent in Spanish, English and German.

MANAGEMENT TEAM

Mr. Tateos Tateossian

is the group Senior Vice President – Operations. He holds bachelor's Degree in Electronics Engineering from KlimentOhridski, Bulgaria. He joined the Company on July 13, 2009. He is responsible for planning, production and quality assurance. He has approximately 39 years of experience in the field of jewellery manufacturing.

Mr. Sajid Salim Sakarwalla

is the Vice President – Diamond Procurement. A Graduate Diamond from Gemological Institute of America, he is also certified as an Accredited Jewellery Professional from GIA. He holds a Graduation Degree in Commerce from Mumbai University and a Master's Degree in Management Studies (MMS-Finance) from Narsee Monjee Institute of Management Studies, Mumbai University. He joined the Company on October 11, 2002 and is in charge of the overall diamond division.

Ms. Aarti Sheth Cooper

is the Vice President- Business Development (exports division) of our Company. She holds a Bachelor of Science degree in International Business and Marketing from Drexel University; Masters of Science degree in international employment relations; and Human Resource Management from London School of Economics. She is responsible for overall sales review, business development and strategic alliances management of the institutional retail clients in U.S. She also plays an active role in managing product development for all the US markets.

Mr. Rajesh Kumar Gupta

is the General Manager Accounts and Costing. He is a qualified Chartered Accountant and ICWA. He has approximately 22 years of experience in the field of accounts and costing. He is responsible for handling accounts/costing of the Company.

Mr. Chander Gurnani

is the General Manager-Finance. He is a qualified Chartered Accountant, responsible for managing finance and tax matters of the Company. He has approximately 16 years of experience in the field of accounts and finance.

Mr. Pravin Patil

is the General Manager-Human Resources and Administration. He holds a Master's Degree in Labour Studies and Graduation in Law from Mumbai University. He is responsible for human resources and administrative division of the Company. Mr. Patil has approximately 24 years of experience in the area of human resource and administration in hospitality and jewellery industry.

Mr. Vishal Adhyapak

is the General Manager-Information Technology of the Company. He holds a Diploma in Mechanical Engineering from Mumbai University. He is in charge of information technology division of the Company. He has approximately 15 years of experience in the field.

Mrs. Nivedita Nayak

is the Company Secretary and Compliance Officer. She is Fellow Member of the Institute of Company Secretaries of India. She also holds a degree in Bachelor of Law and Bachelor of Commerce from Mumbai University. She is responsible for handling all the Company Secretarial and Legal matters. She has around seven years of experience in the field of Secretarial and Legal.

RETAIL BUSINESS

Ms. Sunayana Vora

is the Vice President- Sales of the Company. She holds a Graduate Degree in Commerce from Mumbai University. She is responsible for sales and product development for the retail division. She has approximately 19 years of experience in the area of jewellery product development and sales.

Mr. Yogesh Sharma

is the General Manager- Materials of our company. He holds a Bachelor's Degree in Industrial Engineering from Pune University and a Diploma in Marketing Management from Welinkar Institute, Mumbai. He has also completed a certificate course in ISO 9000 quality systems. He is responsible for materials, inventory and supply chain management. Mr. Sharma has over 24 years of experience in the jewellery and automotive industry sectors.

INTERNATIONAL BUSINESS:

Mr. Jeffrey Shlakman

is the President-Merchandising and product development of our Company. He holds a Degree in Architecture and graduated from The Cooper Union. He is responsible for providing creative direction to the design and merchandising team. He also has direct sales responsibilities. He has 34 years of experience in diamond and jewellery manufacturing business.

Mr. Leonard Meyer

is the President-Sales for South Africa, Australia and United Kingdom region. He holds an Honours degree in Economics from University of Cape Town, South Africa. He is responsible for sales and marketing in the Australasian, United Kingdom and South African markets. He has 32 years of experience in the field of mail order, direct marketing and the jewellery industry in manufacturing and retail.

SUBSIDIARY COMPANY

Mr. Nilesh J. Agashiwala

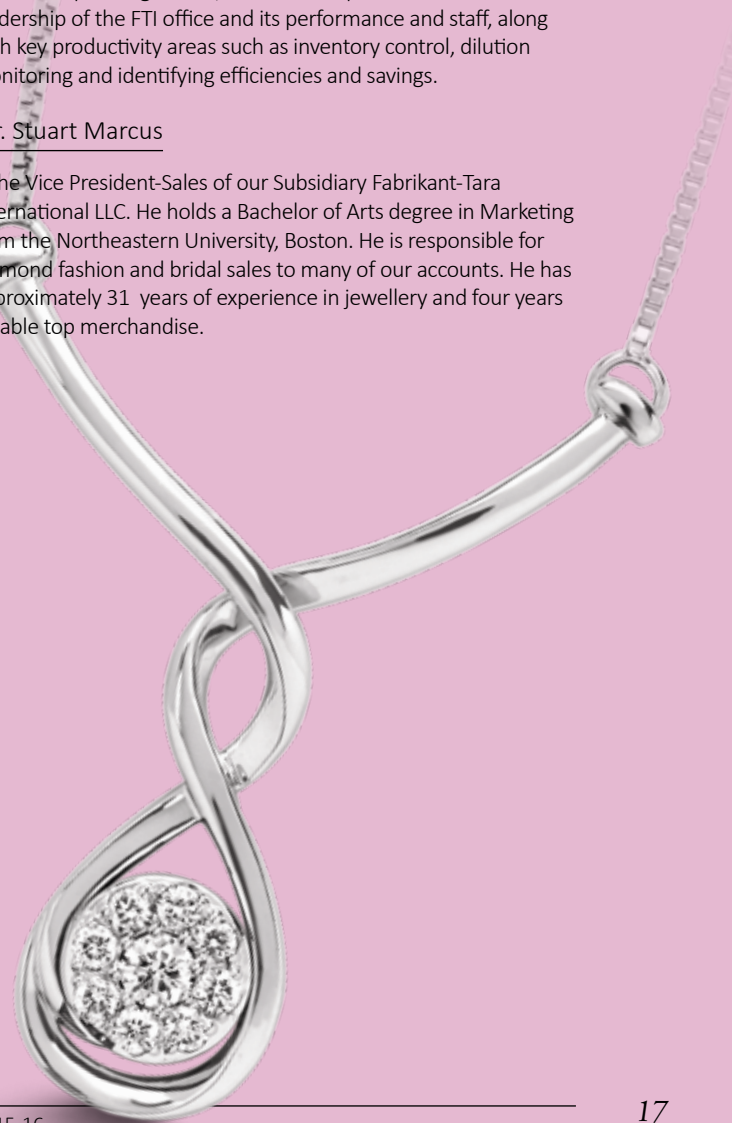
joined Fabrikant-Tara International LLC, Tara's USA division, as their Chief Financial Officer in 2015. Mr. Agashiwala has over 26 years of experience working with variety of companies, including jewelry wholesaler, private equity and public accounting firms. Mr. Agashiwala holds a Bachelor's degree in Finance and Economics from the University of Mumbai, India, and is currently pursuing his CPA designation.

Ms. Ambica Singh

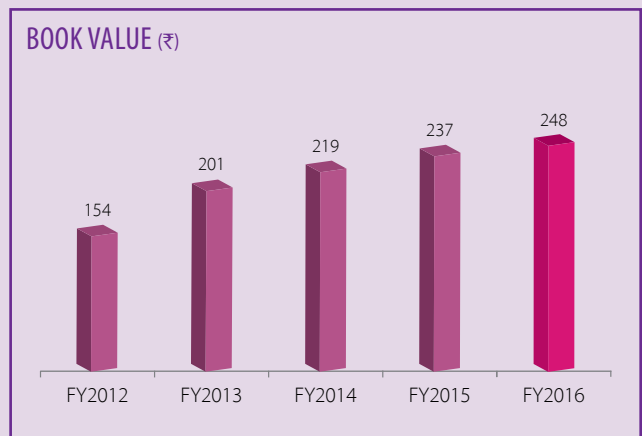
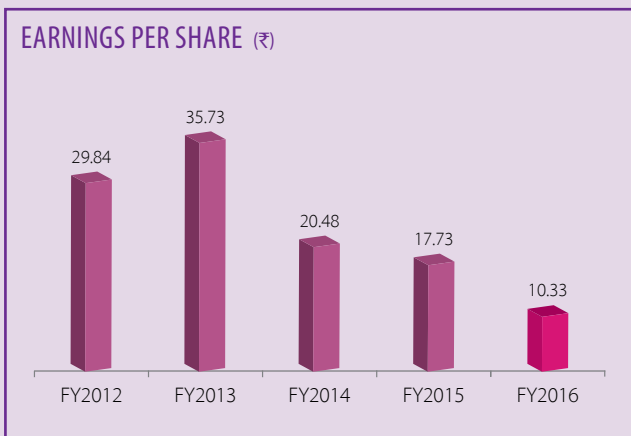
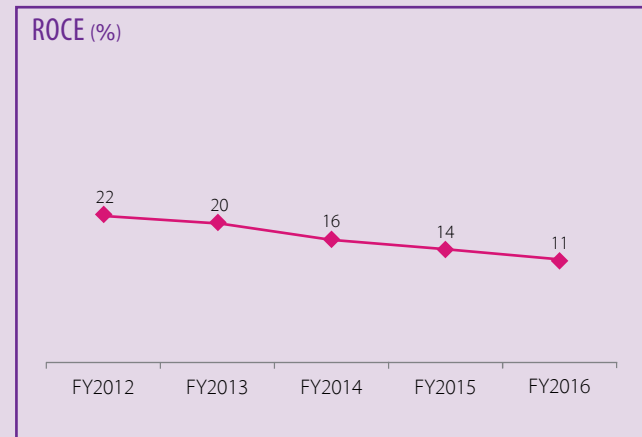
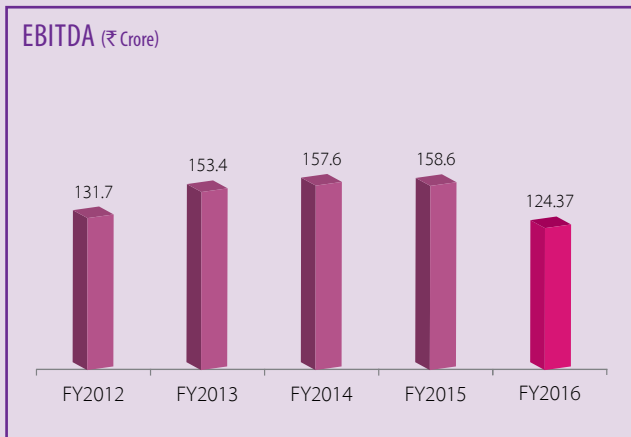
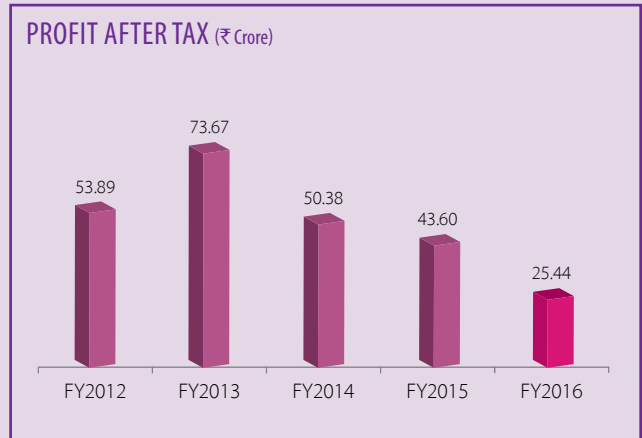
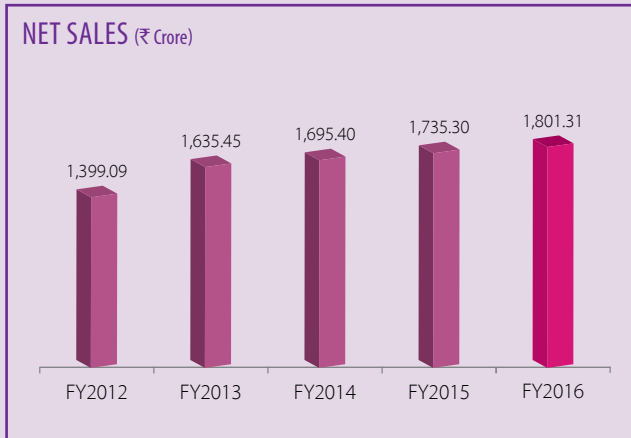
is the Chief Operating Officer of our subsidiary Fabrikant Tara International LLC. She has over 30 years of experience in increasingly responsible roles within the jewellery industry. As the Chief Operating Officer, Ambica is responsible for the overall leadership of the FTI office and its performance and staff, along with key productivity areas such as inventory control, dilution monitoring and identifying efficiencies and savings.

Mr. Stuart Marcus

is the Vice President-Sales of our Subsidiary Fabrikant-Tara International LLC. He holds a Bachelor of Arts degree in Marketing from the Northeastern University, Boston. He is responsible for diamond fashion and bridal sales to many of our accounts. He has approximately 31 years of experience in jewellery and four years in table top merchandise.



OUR FINANCIAL SCORECARD



KEY OPERATIONAL HIGHLIGHTS

1. Bagged an order from Sterling Jewellers Inc., a part of the Signet Group, for the designer brand Angel Sanchez.
2. Secured an order from the American multinational retail company Walmart for supply of diamond studded jewellery.
3. Fabrikant-Tara International, our subsidiary, launched a new collection of handcrafted fine jewellery, in partnership with Zac Posen, a globally recognised and leading designer of women's fashion. The collection has been infused with signature Zac Posen modern American glamour and detailed craftsmanship and will focus on fashion, bridal and bespoke luxury pieces.
4. During the year, we launched a unique jewellery collection “Alina by Tara Jewellers”, with a wide range of rings and earrings.
5. Order Book stands at Rs 9,479 Million as on March 31st 2016, with Confirmed Order Book of Rs 3,574 million and Framework Order Book of Rs 5,905 Million.
6. Launched Tara My Karigar (TMK) model of business and setting up TMK Kiosks with jewellery retailers. The model enables customers to select from a combination of gemstones and diamonds to the preferred metal, helping Tara to deliver across the value chain – from idea to creation.



AWARDS & RECOGNITION

Highest Export Performance Award for 2009 - 2010



Highest Export Performance Award for 2008 - 2009



Highest Export Performance Award for 2007- 2008



Highest Net Foreign Exchange Earner” Award for 2009-2010



Second Highest Net Foreign Exchange Earner” Award for 2008-2009



“Second Highest Net Foreign Exchange Earner” Award for 2007-2008



INTERNATIONAL BUSINESS

- Global Supplier of the Year – Twice Awarded by Walmart
- Overall Excellence Award– Second highest exporter in the category of studded precious metal jewellery exports in EPZ, by The Gem and Jewellery Export Promotion Council in year 2007, 2008 and 2009
- Conferred with “Star Trading House” status – By the Ministry of Commerce & Industry and have been the highest exporter in gems and jewellery sector for the years FY2009 and FY2010

The second highest exporter of studded jewellery for the year 2008 - 2009



The second highest exporter of studded jewellery for the year 2007 - 2008



The “Global Supplier of the Year” Award for 2007 from Walmart.



Awarded “LUXURY RETAILER OF THE YEAR” at the Star Retailer Awards 2013



Nominated for the Best 360 Marketing of the Year 2012



The Best Store Design of the Year - Single Brand category at the ET Retail Awards 2013



Awarded “Print Campaign of the Year 2012”





Building a Global **Luxury Jewellery Brand**

We continue to strengthen our position in the international jewellery market with our **7 brands** accessing **7,000 doors worldwide**. Our partnerships with well renowned and leading branded jewellery retailers make us the preferred supplier to international chains across the world and opens up various new market segments.

BUILDING A GLOBAL LUXURY JEWELLERY BRAND

We have become an outsourcing hub for jewellery designing and manufacturing for global jewellery retail participants. A major percentage of our revenue comes from exporting diamond and diamond-studded jewellery to large international retailers. We have 20 years of experience in the international market with global retailers for the direct selling of studded jewellery and branded merchandise. We co-brand our merchandise with reputed retailers to enhance brand recognition and repeat orders.

We have established our presence in the Branded Jewellery segment of the value chain through our diversified product mix of studded jewellery and diamond studded jewellery, as well as products of Gold, Platinum and Silver. Our significant dependence on the international business has enabled us to register growth despite turmoil in the domestic market.

STRATEGIC TIE-UPS

We have partnerships with reputed international chains such as Walmart, JC Penny, Signet UK, Kay Jewellers, Zales, Jared and Blue Nile, among others. We have promoted 7 brands globally through 7,000 doors worldwide across different segments and geographies. Some of our brands in the international markets include: Monique Lhuillier Collection, Heart Essence, The Zac Posen Collection, The Angel Sanchez Collection, Cherished Hearts and Heart2Heart. We have also launched a new sub brand, Alina by Tara Jewellers, in the domestic market which includes light-weight diamond jewellery with contemporary designs for a minimalistic look perfect for daily wear. The range offers diamond studded pendants, rings and earrings in 18kt gold with unique designs and international quality.

OUR KEY EXPORT MARKETS

We export our products to key branded jewellery markets of United States, Canada, Europe, South Africa, Australia and China/HongKong. We have a combined order book of Rs 9,479 million in the international market, which includes framework orders of Rs 5,905 million and confirmed orders of Rs 3,574 million.

REPUTED RETAILERS

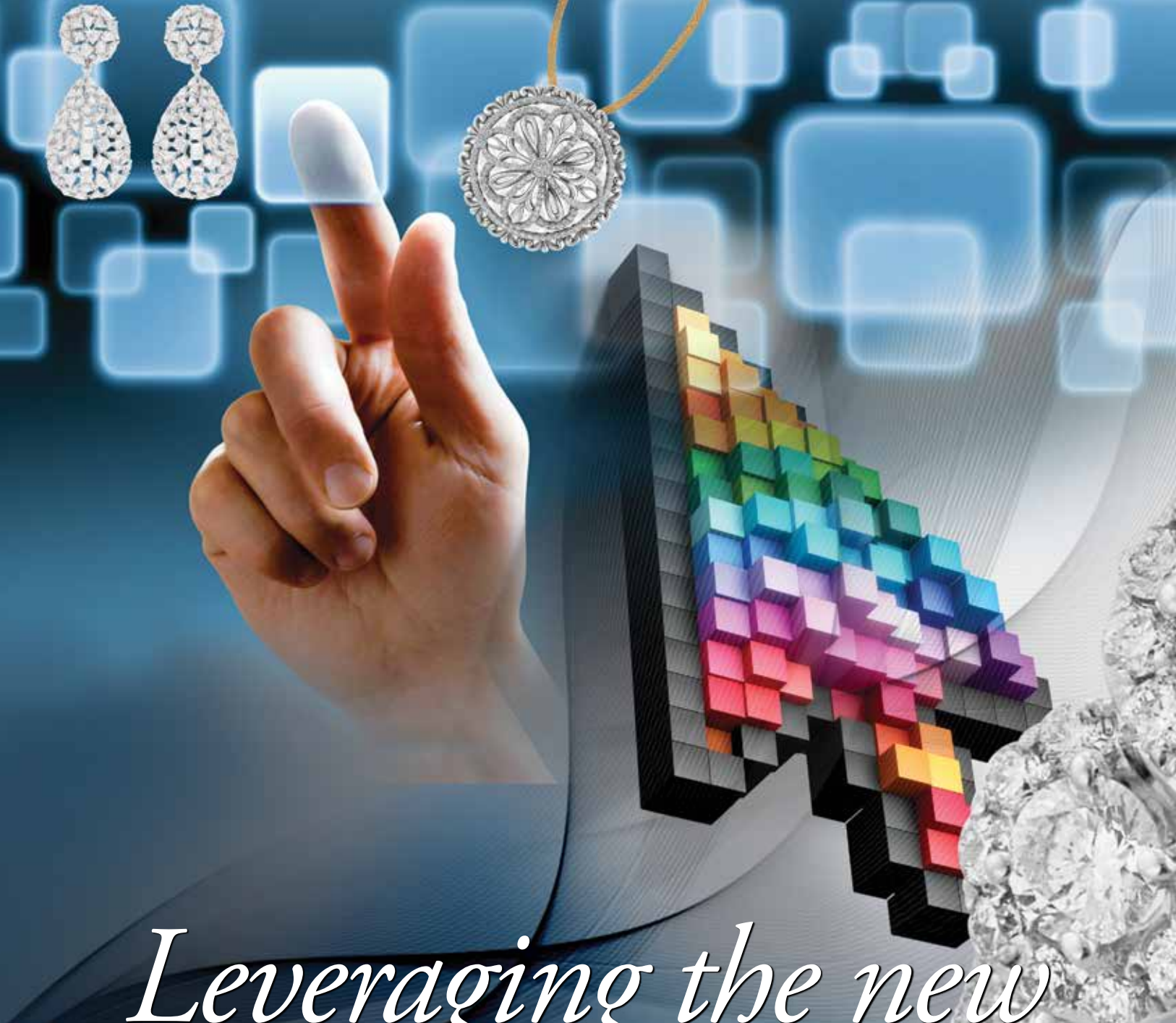
Some of our retailers are Kay Jewelers, Helzberg Diamonds, Walmart and JC Penny. We have also tied up with renowned retailers in US – Blue Nile, the largest online specialty retailer of fine jewellery; Chryst in Switzerland; H Samuel and Earnest Jones, popular jewellery chains in UK; Foschini, a leading retailer in South Africa; Zale Corporation, a leading jewellery retailer in Canada; and Bevilles, a leading jewellery retailer in Australia and its chain of shops, among others.

ACHIEVEMENTS IN FY2016

During FY2016, we launched the bridal coloured jewellery in Zac Posen collection in the United States. Our deal with Foschini, a leading retailer in South Africa places us in an advantageous position. We expanded our brands to other retailers by adding second and a third line of sales. We also raked in new designers to cater to the growing export market. Setting up specialised cells in China, Hong Kong and America for specialised jewellery has also been a priority. During FY2017, we aim to launch other signature collection to cater to our customers.

OUR KEY BRANDS ACROSS SEGMENTS AND GEOGRAPHIES

The Monique Lhuillier Collection	Being sold through one of the largest online retailers Considering sale through high-end jewellery chain stores
Heart Essence	Currently being sold in speciality jewellery stores in US
The Zac Posen Collection	Being sold by one of the largest online retailers and high-end jewellery chain stores ZAC Zac Posen – Fashion jewellery Truly Zac Posen – Bridal Wear
The Angel Sanchez Collection	Being sold by the one of the largest specialty fine jewellery companies in United States and UK
Cherished Hearts	Being sold by one of the biggest mid-range departmental stores in United States
Heart2Heart	Being sold by one of the largest departmental store in United States



Leveraging the new **Gen-Y Market**

We are reaching out to **new-age web customers** by also making our **jewellery available online**, in addition to our brick-and-mortar outlets. Through our **partnerships with leading e-Commerce channel partners**, such as Amazon, Snapdeal, Velvetcase and Shoppers Stop Online, we wish to be the “go-to-platform” for online jewellery shoppers and earn incremental sales.

LEVERAGING THE SHIFTING FACE OF DOMESTIC JEWELLERY MARKET BY SERVING GEN-Y

The way the world is buying its jewellery is changing. Instead of brick-and-mortar outlets, we find our customers more inclined to purchase jewellery online. The exponential growth in the e-commerce jewellery market presents us with an interesting opportunity.

In the face of this paradigm shift, at Tara Jewels, we are well equipped. Our distribution network for retailing jewellery in the domestic market is unparalleled. In addition to being highly accessible through our extensive distribution network and strong logistics support, we are also available online. We wish to be the world's preferred jeweller by servicing our loyal customers to the best of our ability and beyond. With online jewellery sales clocking 25-30% year on year growth, we hope to leverage this platform optimally. We are pushing our brands to greater heights by increasing access to the varied global customer preferences.

TIE-UP WITH E-COMMERCE PORTALS

In our strategy to reach out to new-age customers, we have established an online presence on reputed online jewellery marketplaces. This is in line with our strategy to expand our retail presence through the asset light business model, thereby driving better profit margins. During the year, we launched our unique collection Alina, which caters to daily wear jewellery with a range of rings, earrings and pendants.

Our motive behind having an online presence is to replicate the comfort, convenience and brilliance associated with shopping in our large-format showrooms. The deep data analytics by our channel partners and online cataloguing assistance done in-house further refines the online experience.

OUR ONLINE COLLECTION

Our curated collection online ranges from daily-wear jewellery such as light weight necklace sets, rings, pendants, earrings and bangles, to fashion and bridal jewellery. The jewellery is designed and manufactured with diamonds of 0.5-2.00 carats studded in platinum or 18K gold. The collection also includes occasion-related exclusive designs targeting the young consumers at festive gift stores looking for wedding favours. These are either sold through one of the largest online retailers or through high-end jewellery chain stores. Being a preferred supplier to these chains provides many advantages such as de-risking our portfolio and assuring timely receivables.

LEVERAGING THE ONLINE ADVANTAGE

No establishment and limited operating cost

Easily adaptable to changing buying behaviour

Wide spread penetration

Strong logistics capabilities of online retailers and e-commerce platforms





DYNAMICS OF TARA MY KARIGAR

The customer can either bring his own design or select from our exhaustive design bank or inventory of jewellery designs that can be customised, modified to make a unique piece. He can also create a design of his own.

Customer can also give his own diamonds, coloured stones and gold to be converted into a bespoke piece of his choice. All he needs to pay is the Karigar charges.

The designer gives customers a 3D CAD drawing, which drastically brings down the costs of production. These are made to size with actual delivery in a short time.

Tara's expertise, commitment to quality and customer service ensures the creation of the finest bespoke jewellery that one is proud to wear.

Tara My Karigar From Idea to Creation

Custom made jewellery is our specialty. With the world moving towards catalogue-based purchases, we started on a new journey during the year – one that places **value creation as our top priority**. Our **Tara My Karigar (TMK)** service helps customers to design and create a unique piece of jewellery **custom made to their preference**.

Our greatest asset is **craftsmanship and customisation**. Our expertise lies in creating unique designs from any picture, drawing or an idea. Through our new service of Tara My Karigar (TMK) offering a library of innumerable designs, we assist customers and deliver beyond. With made-to-order jewellery constituting 30% of our India Retail Business, we see TMK as the way of the future. With this, we will explore the asset light model in jewellery stores and malls.

What enables jewellery customisation is our auto CAD/CAM 3D printing machines.

TARA MY KARIGAR FROM IDEA TO CREATION

The TMK service will not only be offered at our outlets and on our website, but also to other jewellery retailers through TMK Kiosks. Independent jewellers often face issues in sourcing and stocking high quality certified diamond jewellery.

Keeping this in mind, we have designed a program for jewellers to install a Tara kiosk in their stores by becoming our TMK Partners. These partners will enjoy the benefits of a high quality - low investment silver and cz line, along with Tara's support of state-of-the-art design software (CAD + CAM + Matrix), best-in-class machinery, international standard craftsmanship, and a vast, never-before-seen, digital library.

These partners are also offered the additional benefits of marketing, display, and training, among others, to set up TMK Kiosks at their stores. Even retailers with a business in women's fashion or a wedding planner can benefit as a TMK partner by becoming a "one stop shop" for custom-designed fine jewellery, without the risk and investment usually associated with large jewellery stocks.

We will, thus, utilise our manufacturing capacity to supply bespoke solutions in India and globally. We are, thus, moving towards a juncture with stores having less finished and more customised jewellery to sell, with a shorter lead time for delivery.

OPTIMISING RETURNS

Being asset light, the TMK model is accretive to our balance sheet and aims to better our return per sq. ft. Our asset-light expansion plan of TMK will strengthen Tara's global and domestic footprint. The low-cost outlets will be in line with our business strategy, aiming to deliver accelerated returns to our shareholders. We aim to leverage the asset light model to further bolster our bottom line and ROI. Our perseverance towards this goal is what will make us an enduring company – an enterprise that consistently creates wealth for its share-owners.

Having so far launched the concept to provide "custom designed jewellery" at all our outlets, we intend to execute the concept online through our e-commerce site and a smart phone app. Once this gets successfully launched in India, we aim to spread this to independent jewellers in Tier II cities in India, and eventually, to the global market. Being a low-cost model, TMK has the capability to optimise cost structures and to find innovative ways to reach the customers.

FORGING A NEW PATH

We are pioneering and catalysing a transformative change by leveraging the synergies of our twin competitive advantages of design and manufacturing capability to manufacture and deliver high quality products. While being masters of volume production, we are the artisans of high-grade, customised jewellery for special occasions. Our quality and consistency in customisation are second to none, making us highly appreciated by global branded jewellery retailers.

SERVING THE CUSTOMER

Through TMK, we will give our customers the opportunity to have a unique, custom made jewellery piece, designed especially for them. We'll work with the customer to design that perfect piece, whether one would like to recreate a piece, re-design existing jewellery utilizing their own diamonds to create something new and exciting in the process. From allowing the customer to select the combination of gemstones and diamonds to the preferred metal, Tara will assist and deliver beyond – from idea to creation.

FROM CONCEPT TO CREATION

STEP 1: Get design of your choice, select from the catalogue or the sample line; create a design of your own.

STEP 2: Using 3D computer aided design; we show the design that looks almost real. Customer can tailor this design as per his choice of precious metal and stones.

STEP 3: We consult the customer extensively to develop and create exactly what he has in mind.

STEP 4: A wax model of the product is shared with the customer to give him an accurate feel of what the finished piece will look like. Post his approval, we can process the order.

STEP 5: The product is then ready to be delivered.



*Across the
Manufacturing
Chain*

Designing
Large design bank

CAD
*CAD shown to
customers in 48 hours*

Resin Prototype
*Resin Prototype
through CAM*

Wax Mould
*Wax replica provided
to customer*

Final Product
Delivered in 14 days

Manufacturing Excellence

Manufacturing is our core advantage. With a truly international manufacturing quality standard, we exhibit the highest form of excellence while producing customised and mass-produced jewellery, enabling us to reduce the production cost.

We have been the pioneers in cutting-edge jewellery manufacturing with well-known patented technologies, which have revolutionised jewellery manufacturing to maximise productivity. Our vast skill-sets give us the capability to produce large volumes of work, in addition to making “one-of-a-kind”, customised jewellery made to order. Manufacturing each piece of jewellery involves meticulous procedures, engaging state-of-the-art technology and dedicated research, to achieve perfection.

LEVERAGING OUR CORE COMPETENCE IN JEWELLERY MANUFACTURING

Our well thought-out manufacturing SOPs aid us in catering to orders of all sizes with equal ease and finesse. Our unparalleled speed to deliver customised products gives us a competitive advantage in the marketplace. We also possess the expertise in quality craftsmanship using modern technology and state-of-the-art machinery to create bespoke jewellery for the customer.

Computer Aided Design (CAD) and Computer Aided Manufacturing (CAM) facilities are revolutionising the world. They are helping us manufacture jewellery at more affordable prices. CAM software connects CAD in such a way that the output from CAD is carried out directly by machines connected to the system in a production line. The CAM system is classified into two types Additive Prototyping and Subtractive Prototyping. Additive Prototyping is the process used in jewellery production. In this technique, the jewellery design part is built up by attaching layers of material on each other directly connected with a 3D model (CAD). The process is called 3D Printing.

MANUFACTURING COST-EFFECTIVE JEWELLERY

Digitisation in design manufacturing and 3D printing machines are changing the way business is being done in India, increasing the advantage of lower cost. Our CAD/CAM printing machines help us reduce production cost and make us a viable outsourcing model catering to customers all across the value chain – from design to manufacturing and to delivering high-quality jewellery. This not only reduces the amount of required capital equipment, it also helps us scale it further.

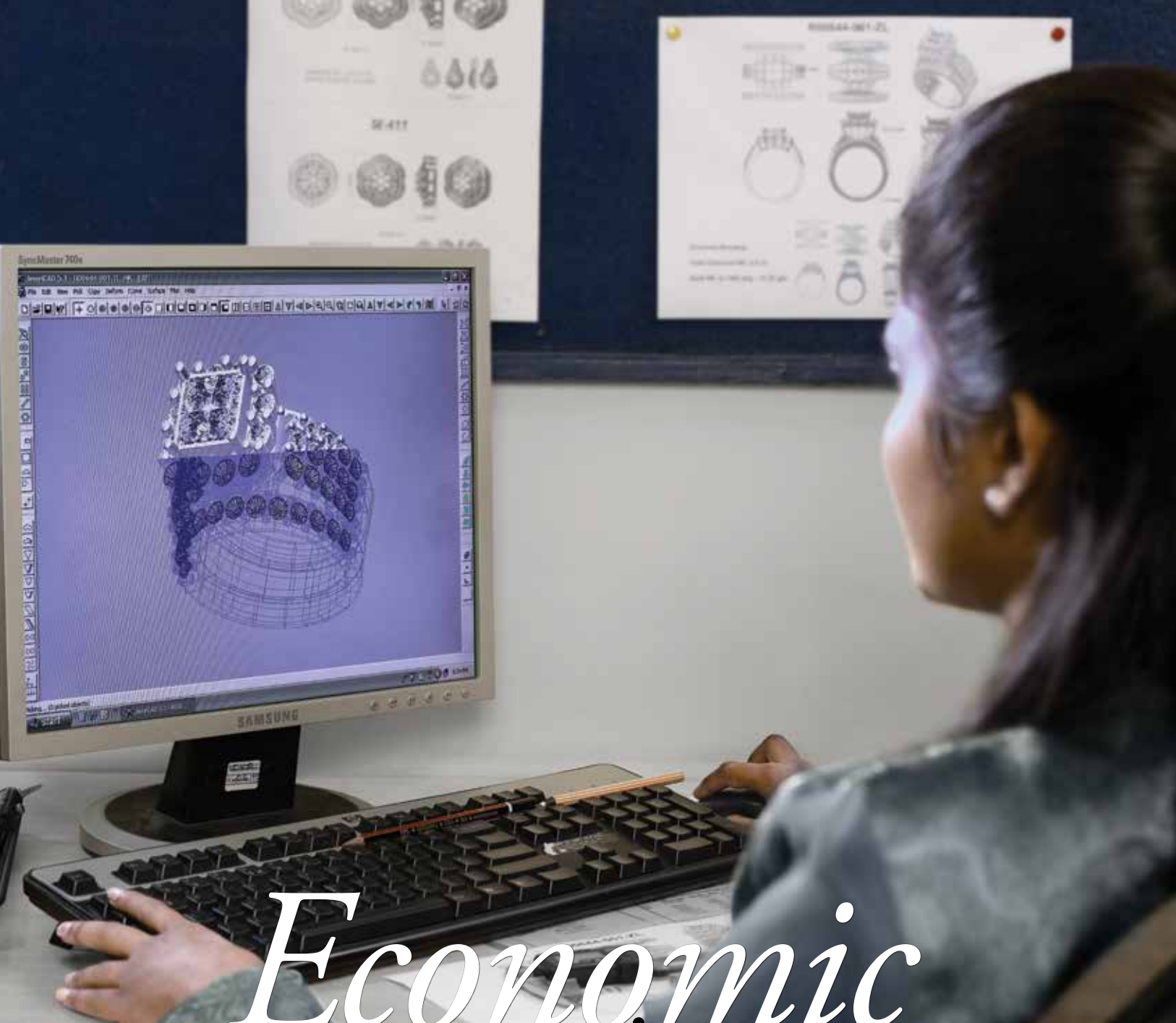
We want to be the hub for customisation of jewellery for the world. Our model is not only adaptable to small runs, it can also produce mid-range jewellery and mass volume runs catering to both ends of the value chain, enabling us cater to independent jewellers. Our jewellery making charges are the lowest – unique to the industry out of India. We, therefore, utilise our manufacturing capabilities to offer bespoke solutions for India and the global market. It enables us to participate in all segments of the market – be it affordable jewellery appealing to Gen Y, or big ticket one-offs bought for special occasions.

At Tara, we go beyond the usual four Cs of diamonds: colour, carat, cut and clarity. We give the customer the assurance of the 5th C, Certification. All our diamonds are certified by the international party Gem Labs, which enables our customers to make purchases without any worry. Through our 3 manufacturing units in MIDC and SEEPZ, and a cost-effective huge talent pool of 39 designers and 1,000 craftsmen, we serve the customers. Our vast manufacturing infrastructure is capable of generating 2.5 lakh units of jewellery each month. We also have a 35-40-strong global design team located in Hong Kong, USA and India. Our craftsmen are at par with the best of the world, with the understanding of quality and craftsmanship being reflected in every piece of jewellery created.

HOW WE SERVE OUR CUSTOMERS

YOU DREAM	WE DESIGN
<i>Using a seamless consumer application</i>	<i>State-of-the-art design software</i>
<i>Interactive decision making process</i>	<i>Best-in-class machinery</i>
<i>Virtual reality 3D imaging capability</i>	<i>International standard craftsmanship</i>
<i>Offered across outlets</i>	<i>Vast design library</i>





Economic overview

The Indian economy remained resilient and **grew by 7.6%** in fiscal year 2015-16, making it the world's fastest growing economy among the large economies. This was higher than 7.2% economic growth recorded in FY2015, buoyed by improved agricultural performance and growth in consumption.

MANAGEMENT DISCUSSION & ANALYSIS

India's growth momentum is expected to be underpinned by private consumption, which has benefited from lower energy prices and higher real incomes. Robust reforms, push for Make in India and a better external environment indicate a double-digit growth trajectory.

ECONOMIC OVERVIEW

GLOBAL ECONOMY

The Calendar Year 2015 has been challenging and difficult years for the global economy. Global growth is said to pick up after a number of weak years (global economic activity remained subdued in 2015). Global growth, estimated at 3.1% in 2015, is projected to improve to 3.4% in 2016 and 3.7% in 2017. The pick-up in global activity is projected to be more gradual, especially in the emerging market and the developing economies. In its semi-annual World Economic Outlook, the International Monetary Fund (IMF) stated that the world economy is facing the threat of a synchronised slowdown and mounting risks including another bout of financial market turmoil, and a political backlash against globalisation.

Worldwide, demand remained weak and the recent volatility in financial markets highlighted an uncertain international outlook, especially in China. "The emerging economies are slowing down, apart from India which is "doing pretty well", Christine Lagarde, the chief of the International Monetary Fund stated. The pace of global GDP growth remained slow, driven by a collusion of multiple factors such as volatility and rebalancing in the Chinese economy. A drop in oil and other commodity prices, slowdown in emerging economies, and slow pick-up in major developed economies also contributed to the slow growth.

Slowdown in Asian Markets

There has been a slowdown in growth across the Asian markets. The Chinese economy has been weighed down by significant oversupply in its manufacturing sector. Its year-on-year growth dropped to 6.7% in the first quarter, averting fears of a more brutal slowdown. China being the second largest economy and the second largest importer of goods and commercial services, there was a ripple effect of its slowdown across major markets. The deepening concern over China's economic health has inevitably affected the rest of the world in general, and the Asia-Pacific markets in particular, which had pinned their economic hopes on the country's continued growth.

INDIAN ECONOMY

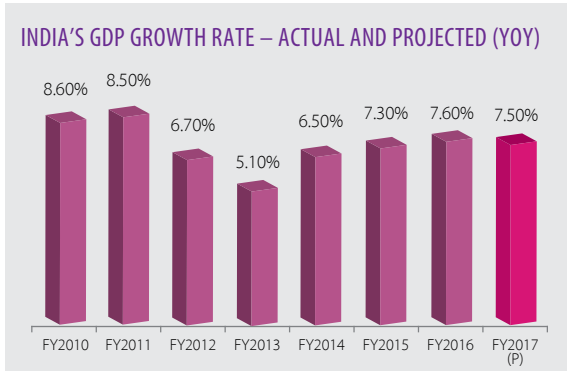
The Indian economy remained resilient and grew by 7.6% in fiscal year 2015-16, making it the world's fastest growing economy among the large economies. This was higher than 7.2% economic growth recorded in FY2015, buoyed by improved agricultural performance and growth in consumption. The economy outgrew most major economies

on the back of strong domestic demand, coupled with a drop in crude and commodity prices. The Central Statistics Office (CSO) had estimated the Indian economy to record a five-year high growth rate of 7.6% on the back of improved performance in manufacturing and farm sectors.

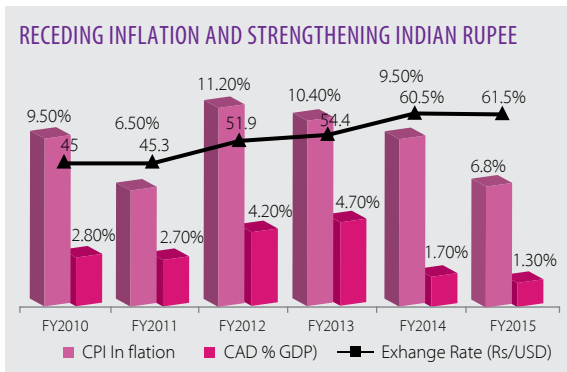
The International Monetary Fund (IMF) retained its growth forecast for India in FY2016-17 at 7.5%, largely driven by private consumption even as weak exports and sluggish credit growth continue to weigh on the economy. India's growth momentum is expected to be underpinned by private consumption, which has benefited from lower energy prices and higher real incomes. Robust reforms, push for Make in India and a better external environment indicate a double-digit growth trajectory.

India climbed 12 notches on the World Bank's Ease of Doing Business indicator and is a "haven of stability amid a turbulent global economy". The Government has taken several steps to improve the country's economic environment – including simplifying approval procedures, repealing obsolete laws, putting in place a non-adversarial tax regime and addressing the issue of subsidy leakage. Foreign investment inflow into the country has increased by 39% in 2015.





Source: Central Statistics Organisation



Source: RBI Website

Growth Drivers of the Indian Economy

Strong macro-economic fundamentals, favourable business sentiments and a downward trend in interest rates are significant positives for the economy. According to the estimates of the Confederation of Indian Industry (CII), government infrastructure investments and increased investments from the private sector will boost GDP growth. India has benefited from lower oil prices and remains on a strong recovery path, being the fastest-growing large economy in the world. An incipient recovery of private investment is expected to help broaden the recovery. Moreover, higher levels of public infrastructure investment and government measures to re-ignite investment projects should help crowd-in private investment.

An integrated set of initiatives – including Make in India, Start-Up India, Mudra Yojana and Skill India – will help create a large number of jobs. A series of reforms is being initiated to help convert job seekers into job creators. The Government has launched the Start-Up India campaign, which will deepen, expand and support the innovation ecosystem in the country. However, economists unanimously feel there is an urgent need to strengthen India's domestic capex cycle, and it is also imperative to give a thrust to investments in the infrastructure sector. Expanding the revenue base, lowering the tax burden on the middle class and adding more disposable income in the hands of the middle class remains vital and will push domestic demand.

The task of striking a balance between growth, fiscal consolidation and inflation is challenging, but is imperative to give a thrust to growth.

INDUSTRY OVERVIEW

GEMS & JEWELLERY SECTOR: GLOBAL OVERVIEW

The global market is now witnessing an improvement in the jewellery sales overall. With the rising disposable incomes and changing lifestyles, the global jewellery market is set to experience a strong growth over the coming years. The market for gems and jewellery worldwide has grown steadily over the last few years but slowed down during the global economic recession in 2011-2012. The global market for jewellery is expected to surpass US\$ 257 billion revenues by 2017, according to the "Global Gems and Jewellery Market Forecast & Opportunities, 2018" by TechSci Research. The value of world's jewellery market is expected to grow at the CAGR of over 5% over the next five years. A McKinsey Report on "The Jewellery Industry in 2020" predicts annual global sales of €148 billion to grow at a healthy clip of 5% to 6% each year, totaling €250 billion by 2020. Consumer appetite for jewellery, which was dampened by global recession, appears more voracious than ever, according to the report.

There has been a significant increase in demand for jewellery in all parts of the world. Regionally, Asia Pacific holds the largest jewellery market in the world with more than half of the share being contributed by India and China alone. India and China are also the two largest gold consumers in the world followed by the Middle Eastern region. Other countries in Asia Pacific such as Thailand and Vietnam are also large consumers of gold and thereby driving the regional growth of the market. India and China together account for almost 60% of jewellery demand and around 50% of total bar and coin demand of the world.



A Dynamic Industry

Consequential changes are under way – both in consumer behaviour and in the industry itself. The changing lifestyles and evolving consumer preferences have driven the growth of this market. Jewellery manufacturing is globally dominated by a handful of countries such as India, Italy, China, Thailand and the USA. A handful of thriving national or regional jewellery brands will join the ranks of top global brands by 2020. In addition, some local brands will almost certainly become known globally as a result of industry consolidation: international retail groups will acquire small, local jewelers. Some industry observers project that the ten largest jewellery houses will double their market share by 2020, primarily by acquiring local players.

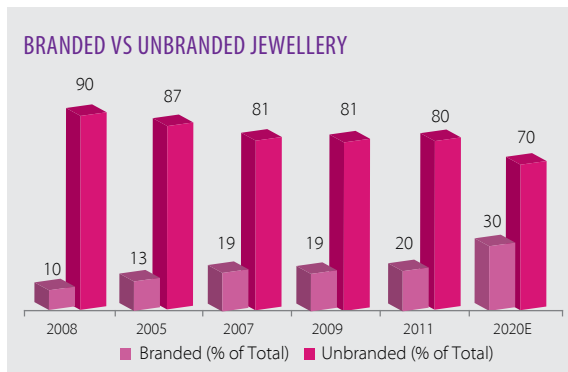
Trends in the Global Jewellery Industry

- Internationalization and consolidation
- Growth of branded products
- Reconfigured channel landscape
- Hybrid consumption
- Fast fashion

Source: McKinsey Research

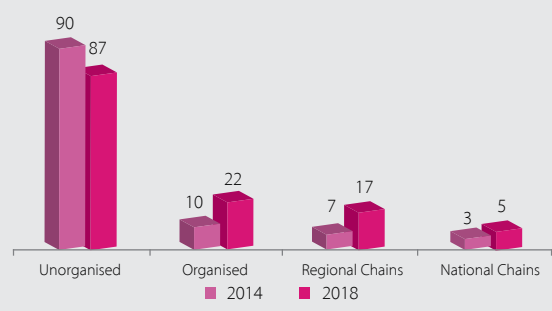
Branded Jewellery Market

Branded jewellery accounts for only 20% of the overall jewellery market today, with its share having been doubled since 2003. Branded jewellery is seen claiming a higher share of the market by 2020. The branded jewellery segment will account for 30% to 40% of the market by 2020. The total global expenditure on luxury goods stood at US\$ 1.1 trillion in 2014, which included personal luxury goods and branded jewellery. A reason why consumers prefer branded jewellery is that emerging market consumers trust brands more than privately owned jewellery shops, according to a report by Technavio, the independent tech-focused global research firm, on the global jewellery industry.



Source: McKinsey Analysis

BRANDED JEWELLERY: CHANNEL-WISE MARKET SHARE (%)



Branded Jewellery: Key Market Drivers

- Rise in demand from emerging countries
- Increase in demand for jewellery with small sized diamonds
- Preference for giving jewellery as a gift
- Pre-touch points have increased the sales of diamond jewellery

Branded Jewellery: Key Market Trends

- Rising preference for branded jewellery
- Emerging market for men's diamond jewellery
- Rise in online sales of diamond jewellery
- Rising demand for vintage diamond jewellery

Innovation in type

Source: Technavio Report on Jewellery Sector

Reconfiguration of Channel Landscape

Online jewellery sales account for 4% to 5% of the total market sales currently, with substantial variations across regions, brands and types of jewellery. However, the number is rising and is expected to touch 10% by 2020. The McKinsey Report predicts a slightly higher online share of sales for fashion jewellery – in the region of 10% to 20%. Bulk of these sales is expected to come from affordable branded jewellery. Manufacturers are using digital media as a platform for conveying information, shaping brand identity and building customer relationships. The offline landscape is also evolving. Jewellery players might consider focusing on mono-brand retail, which gives them more control over their brands, closer contact with consumers, and higher margin potential. Another potentially promising channel is the multi-brand boutique chains that provide a carefully curated assortment of brands and products as well as a unique shopping experience.

GEMS & JEWELLERY SECTOR: INDIAN OVERVIEW

The size of the Indian Gems and Jewellery industry is about US\$ 40 billion. Projections indicate the industry will double in size by 2018. With jewellery being a focus area

→ *The Gems & Jewellery sector contributes around 6.5% to 7% of its GDP. India is deemed to be the hub of the global jewellery market due to its low costs and availability of high-skilled labour.*

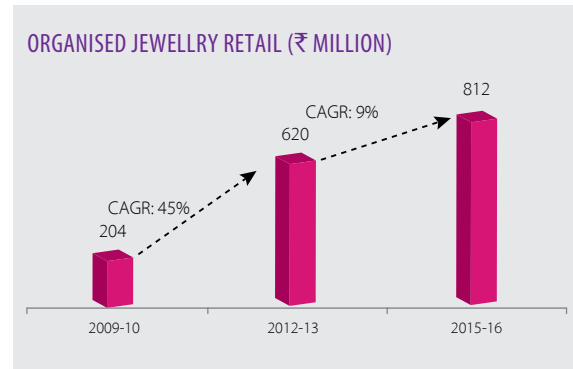
in the Government's 'Make in India' push, manufacturing in this sector is expected to get a fillip. Where India enjoys an advantage is in skilled craftsmanship and uniqueness of design. The Gems & Jewellery sector plays a significant role in the Indian economy, contributing around 6.5% to 7% of the country's GDP. One of the fastest growing sectors, it is extremely export oriented and labour intensive. India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. India is the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by government policies.

Moreover, India exports 95% of the world's diamonds, as per statistics from the Gems & Jewellery Export Promotion Council (GJEPC). The industry has generated US\$ 38.6 billion of revenue from exports in FY2015-16, making it the second-largest exporter after petrochemicals. The sector has contributed in a big way to India's foreign exchange earnings and the Government views the sector as a thrust area for export promotion. Based on its potential for growth and value addition, the sector has been declared as a focus area for export promotion. The Government has undertaken various measures to promote investments and to upgrade technology and skills to promote 'Brand India' in the international market.

Industry Structure

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

expansion across India. The organised jewellery retailers are expected to continue to grow faster than the unorganised players, thereby gaining incremental market share. (Source: A Crisil Report)



India – A Jewellery Export Hub

India is today the outsourcing hub for jewellery designing and manufacturing for global jewellery retail participants. The country is one of the largest exporters of gems and jewellery and the industry is considered to play a vital role in the Indian economy, as it contributes a major chunk to the total foreign reserves of the country. UAE, US, Russia, Singapore, Hong Kong, Latin America and China are the biggest importers of Indian jewellery.

The gems & jewellery market in India is home to more than 500,000 players, with the majority being small players. The overall gross exports of Gems & Jewellery in April 2016 stood at US\$ 3.23 billion, whereas exports of cut and polished diamonds stood at US\$ 1.78 billion. Exports of gold coins and medallions stood at US\$ 302.67 million and silver jewellery export stood at US\$ 299.69 million in April 2016. The overall gross imports of Gems & Jewellery in April 2016 stood at US\$ 2.90 billion.

According to a report by Research and Markets, the jewellery market in India is expected to grow at a Compound Annual Growth Rate (CAGR) of 15.95% over the period 2014-2019. The cumulative Foreign Direct Investment (FDI) inflows in diamond and gold ornaments in the period April 2000-December 2015 were US\$ 751.37 million, according to Department of Industrial Policy and Promotion (DIPP). During April-December 2015, India imported US\$ 17.33 billion worth of raw material for gems and jewellery. With an 8% share in polished diamonds, India has become the world's third largest diamond consumer.

Indian Jewellery Market



Source: Gems & Jewellery Export Promotion Council

Key Strengths of India's Jewellery Industry

- Highly skilled, yet low-cost labour
- Established manufacturing excellence in jewellery and diamond polishing
- India is the most technologically advanced diamond cutting centre in the world
- Opportunity to address one of the world's largest and fastest-growing gems and jewellery markets
- Opportunity to leverage India's strengths to address the global market

Outlook for Retail Sector

The 10% duty on gold imports is hurting the industry as this has only resulted in the strengthening of the grey market and the parallel economy. The best way forward for the government is to do away with the import duty of 10% on gold. The government has already done away with the 80:20 rule and it must now take the logical step forward by removing the import duty on gold. Having said that, what is positive is that India has regained the No 1 slot again as the highest consumer of gold globally. Consumer sentiment and demand is buoyant. The recent festive season has seen good business and the overall sentiment is positive.

GST and its Impact on Gems & Jewellery sector

The implementation of the Goods and Services Tax (GST) will have an impact on the gems & jewellery sector. The GST Committee Report has recommended 6% GST on precious metals. The industry was affected by the nationwide strike by jewellers against imposition of 1% excise duty on gold and diamond jewellery. However, the imposition of this duty, mandatory hallmarking of jewellery and mandatory disclosure of PAN for transaction above Rs 0.2 million is likely to accelerate the shift of the Indian jewellery industry to the organised market. While the imposition of excise duty on gold jewellery will require organised players to increase their portfolio pricing by about 0.7%, companies selling branded jewellery products can absorb the increase in excise duty more easily than the local players.

Regulatory Scenario - Government Initiatives

The Reserve Bank of India has announced norms for gold monetisation scheme, which allows individuals, trusts and mutual funds to deposit gold with banks in return for interest, to help reduce gold imports and alleviate pressure on trade balance. The Reserve Bank of India (RBI) has liberalised gold import norms. With this, star and premier export houses can import the commodity, while banks and nominated agencies can offer gold for domestic use as loans to bullion traders and jewellers. Also, India has signed a Memorandum of Understanding (MoU) with Russia to source data on diamond trade between the two countries. India is the top global processor of diamonds, while Russia is the largest rough diamond producer.

The Government of India is planning to establish a special zone with tax benefits for diamond import and trading in Mumbai, in an effort to develop the city as a rival to

Antwerp and Dubai, which are currently the top trading hubs for diamond. Due to shortage of skilled manpower, the Gems and Jewellery Skill Council of India is planning to train over four million people till 2022. The council aims to train, skill and enhance 4.07 million people by 2022. The council will tie-up with the existing training institutes including Gemological Institute of America (GIA) and Indian Gemological Institute (IGI), along with setting up of new institutes in major diamond cutting and processing centres, Gems & Jewellery Export Promotion Council (GJEPC) said in a statement here.

In September 2015, the Government of India approved the gold monetisation plan in the form of revamped Gold Deposit Scheme (GDS) and the Gold Metal Loan (GML) Scheme to mobilise tonnes of gold stored in households and temples across the country. The Union Cabinet also approved the introduction of Sovereign Gold Bond Scheme, under which gold bonds denominated in grams of gold will be issued to individuals by the Reserve Bank of India (RBI), in consultation with Ministry of Finance.

Emergence of E-commerce

With increasing acceptance of online retail, buyers are more comfortable buying even high-ticket items online, as has been evident with the success of Caratlane & Blue Stone portals selling jewellery. The total online retail market in India is expected to reach US\$ 6 billion in 2015, as per Gartner estimates, and will further treble to reach a size of US\$22 billion by 2018, as per CLSA estimates. The online jewellery market in India is still in its nascent stage, as Indian consumers prefer to touch and feel the jewellery before buying, but the change in consumer behaviour is happening fast. Online retailing offers advantages such as convenience of buying within the comforts of an individual's home and provides other incentives such as giving them enough time to decide and not making it obligatory for customers to purchase at their very first visit. The offline brands recognize the potential this new channel has to offer and are now actively looking at developing an online presence.

Brand Retailing

One of the most encouraging trends visible in the Indian gems and jewellery market is that the country is now beginning to move towards branded jewellery and consumers are increasingly accepting modern retail formats. In the coming years, growth in Gems and Jewellery sector would be largely contributed by the development of large retailers/brands. Established brands are guiding the organised market and are opening opportunities to grow. According to the FICCI-Technopak report, this will act as a catalyst for change and may impact traditional players, who would need to upgrade to keep pace with changing market trends. It is expected that, going forward, traditional players will coexist with modern players — this is, in fact, the trend in international markets where independent jewellers still hold significant market share.

Increasing penetration of organised players provides variety in terms of products and designs. Also, the relaxation of

restrictions of gold import is likely to provide a fillip to the industry. The improvement in availability along with the reintroduction of low cost gold metal loans and likely stabilisation of gold prices at lower levels is expected to drive volume growth for jewellers over short to medium term. The demand for jewellery is expected to be significantly supported by the recent positive developments in the industry.

INDUSTRY GROWTH DRIVERS

a. Secure Investment Avenue

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

b. Per Capita Income and Affluence

India's per capita GDP at current market price is expected to almost double reaching close to Rs 1.9 lakh by FY2020 (Source: DNB). Another major driver is the emergence of a strong middle class, more than one-third of the population is likely to reach the 'aspire' class (annual income of US\$ 7.4k – US\$ 18.5K) by 2020, compared to 20% in 2010 and 9% in 2000. Also the number of affluent households in India is expected to increase from 5% in 2010 to 13% by 2020 (Source: India Retail Report 2013). Rising affluence and purchasing power will fuel strong demand for jewellery in the future.

c. Rise in Number of Working Women

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



→ *The Indian Gems & Jewellery industry, the domestic jewellery market has the potential to grow from Rs 2,535 billion in 2014 to Rs 5,000 - Rs 5,300 billion by 2018.*

d. Easing of Working Capital Funding Issues

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

e. Increasing Share of Studded Jewellery

India has traditionally been a gold jewellery market with a preference for the conventional yellow metal heavy gold jewellery. However, now with increasing consumer preference for diamond-studded and gems studded gold

jewellery, the jewellery retailers are quickly adapting their product mix. As the studded jewellery attract higher gross margins, rising share of studded jewellery would help the jewellery retailers to improve their overall operating margins over a medium to long-term period.

INDUSTRY OUTLOOK

The jewellery market will be highly dynamic, truly globalised and intensely competitive by 2020. Jewellery companies that can best anticipate and capitalize on industry-changing trends — particularly the five described above — will shine brighter. Segments will increasingly be defined by price points and brand positions, rather than purchase and wearing occasions. In light of this trend, fine jewellers may consider introducing new product lines at affordable prices to entice younger or less affluent consumers, giving them an entry point into the brand. Alternatively, fine-jewellery players may decide to play exclusively in the high-end and communicate that message strongly through its advertising, in-store experience and customer service.

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



COMPANY OVERVIEW

We, at Tara Jewels Limited, are an integrated player in the global jewellery industry catering to a diverse audience across 20 countries in five continents. We have close to two decades of experience in the international market with leading retailers across the globe. Our presence spans across the value chain – from designing to manufacturing and retailing of jewellery. We are predominantly an exporter and retailer of studded diamond jewellery and over 55,000 designs in over 20 countries and five continents, including US, UK and Europe. We also have an online presence through Amazon, Snapdeal, Velvet case and Shoppers Stop Online.

We offer an extensive range of fine jewellery catering to consumers across regions through a chain of 15 retail stores, 5 shop-in-shop format outlets in Shoppers Stop and a state-of-the-art gold refinery. Our portfolio of products includes studded gold, platinum and silver jewellery. We currently operate company-owned stores across Metros, Tier I, Tier II and Tier III Indian cities. We are operating in the Branded Jewellery segment of the jewellery value chain through our diversified product mix of studded jewellery and diamond studded jewellery. Our basket includes products of Gold, Platinum and Silver.

Our Channels of Sale:

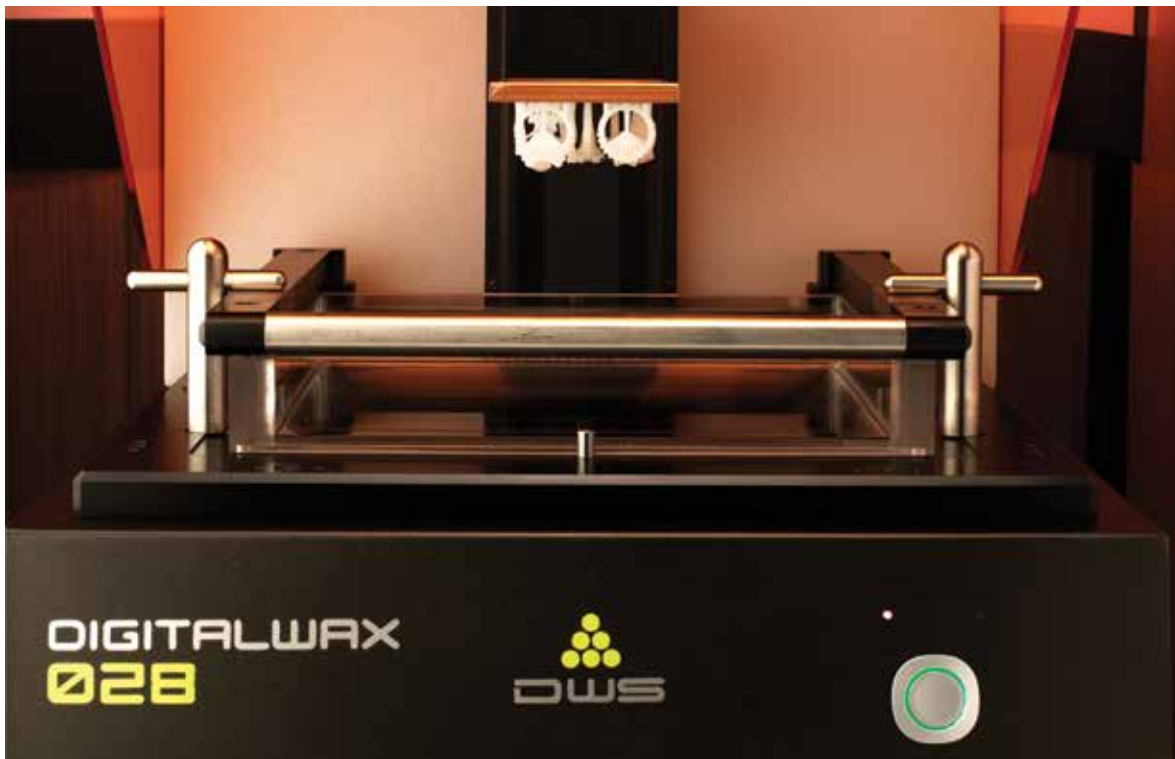
- ◆ Brick & Mortar
- ◆ Shop in Shop
- ◆ E-Commerce
- ◆ Retail Partner Model

Our Esteemed Clientele:

- Walmart
- Kay Jewelers
- Zales
- Jared
- Ernest Jones
- H Samuels
- Helzberg
- JC Penney
- Blue Nile
- American Swiss
- Chyrst Switzerland

Core Capabilities

- Strong promoter/management background in Retail and Branding
- Experienced supplier to large global retailers
- High precision jewellery manufacturing technology

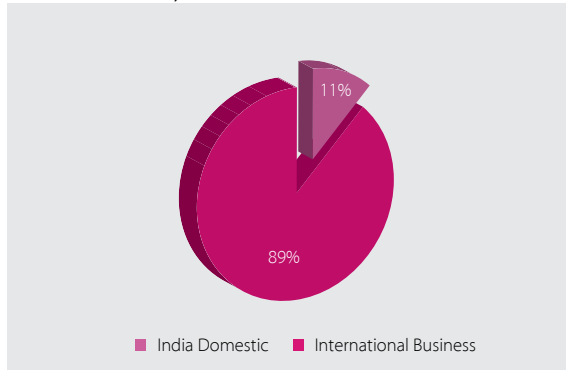


Current Order Book (₹ Million)

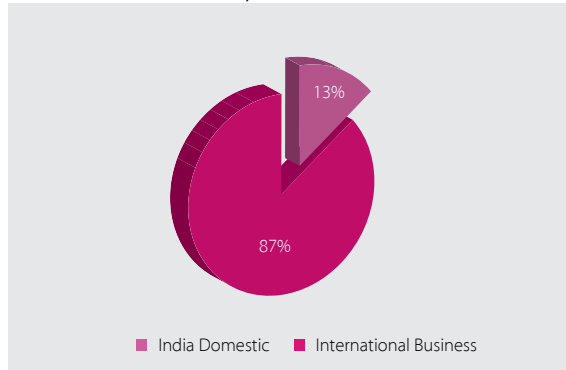
Confirmed Orders	Framework Orders	Combined Orders
3,574	5,905	9,479

OUR SEGMENTAL BREAK-UP*

FY2016 Sales: ₹ 17,661 Million



FY2016 Gross Profit[^]: ₹ 2,235 Million



Notes:

*Excluding Bullion & Others ^Gross Profit = Sales – (Consumption + Direct Expenses)

OUR MANUFACTURING FACILITIES & PROCESSES

We have three manufacturing facilities spread across approximately 53,000 sq. ft. – one outside SEEPZ, Andheri; and the other two within the SEEPZ premises. We have a team of 39 designers and 1,000 craftsmen (Karigars) and have implemented SAP across all the manufacturing units. To maximise our productivity, we manufacture our jewellery using patented technologies, revolutionizing jewellery manufacturing across the world. We have also applied for the grant of patents for invisible plate setting technology for setting princess diamonds in wax. In addition, we have applied for grant of patents on resizable ring technology, enabling resizing of rings without disturbing the shape or falling of stones in studded rings.

Our Competencies in Manufacturing

- State-of-the-art equipment at manufacturing facilities
- Advanced technologies such as wax-setting
- Owning the patented turntable technology
- Multi-skilled workforce
- Use of robotics technology for stone setting in studs

OUR CORE ADVANTAGES

3 manufacturing units	39 designers 1,000 craftsmen	SAP implemented across all units	High precision jewellery manufacturing technology
Fully automated jewellery casting plant	State-of-the-art technology	Laser lithography	Microscopic precision setting
Machine made bands	Invisible settings	Machined graving	CAD/CAM

→ *We have a combined order book of Rs 9,479 million in the international market, which includes framework orders of Rs 5,905 million and confirmed orders of Rs 3,574 million.*

OUR RETAIL BUSINESS MODEL

A. International Retail

We are engaged in direct selling of studded jewellery to global retailers. Our products are exported to the world's key branded jewellery markets in United States, Canada, Europe, South Africa, Australia and China. We have a combined order book of Rs 9,479 million in the international market, which includes framework orders of Rs 5,905 million and confirmed orders of Rs 3,574 million.

We promote a total of 7 brands globally, across 7,000 doors worldwide across different segments and geographies. In the branded category, we co-brand our merchandise with reputed retailers to enhance brand recognition and repeat orders. We also leverage the e-commerce platform to sell our brands. In the overseas market, we have strategic tie-ups with reputed global branded jewellery retailers and

international chains such as Blue Nile, Helzberg and Kay Jewellers. In the domestic market, we have tie-ups with Amazon, Snapdeal, Velvetcase and Shoppers Stop online to tap new-age customers making online jewellery purchases.

B. India Retail

We are an integrated player in the jewellery industry. We have a presence across varied segments of jewellery, which includes manufacturing, exporting, designing and retailing of jewellery. We have a pan-India presence with our network comprising 20 stores, which comprises 5 Shop-in-Shop format outlets in Shoppers Stop and 15 company-owned stores. Our presence spans across the suburban areas of metro cities, mini metros and Tier 1, 2 and 3 cities. We have a scalable format of small full-service stores of 1,000 sq. ft. area designed by Fitch, an international brand & design consultancy. Our jewellery displayed on Browse Walls, Collection Walls and Consultation Tables reduces the inventory requirement and results in limited operating cost. We are present in the affordable luxury segment with our jewellery ranging in the average ticket size of Rs 50,000.

Our Network:

- ◆ 5 Shop-in-Shop format outlets in Shoppers Stop
- ◆ 15 Operating Format Stores
- ◆ Online sales with Amazon, Snapdeal, Velvetcase and Shoppers Stop Online

The Retail Business Model

- Pan India presence
- Scalable format of small full service stores
- Targeting the untapped "Aspiring Indians" at base of the pyramid
- In tune with changing consumer behaviour

TIE-UPS WITH BRANDED JEWELLERY RETAILERS

WalMart Inc	Sterns
JC Penny	American Swiss
Zale	Blue Nile
Kay Jewellers	H. Samuel
Jared	Helzberg
Ernest Jones	Chyrst Switzerland

OUR INTERNATIONAL BRANDS



30%

Share of Made-to-Order Jewellery in India Retail Business

Re-Strategising the India Retail Business

We are leveraging an asset light strategy for expanding our retail footprint. We have only 5 outlets under the Shop-in-Shop format at the outlets of Shoppers Stop. This enables us lower our inventory requirement and limit our operating costs, yet capture footfalls of malls and large stores and drive higher margins. The strategy enables us streamline the store operations and manage the unit economics, while we enjoy the benefits of store advertising & promotions and keep staffing cost low. We are widening our presence in Tier 2, 3, 4 & 5 cities of India through small-format stores. In addition to this, we have tied up with Amazon, Snapdeal, Velvetcase and Shoppers Stop Online to sell our brands through the e-commerce route. To achieve faster expansion and optimise our returns, we continue to focus on high-margin products such as Diamond, Kundan and Made-to-Order jewellery, besides reducing the sale of plain gold jewellery.

E-Retailing

In our strategy to reach out to new-age customers, we have established a significant presence on online platforms. Through our distributors, we have associated with online retailing portals where we sell our daily wear to signature collection. We are also collaborating with wedding planners to participate in bridal events and wedding magazines. During the year, we launched a unique jewellery collection “Anisa”, with a wide range of rings and earrings.

Advantages of an Asset Light Expansion Strategy:

- No establishment cost
- Limited operating cost
- Easily adaptable to changing consumer behaviour
- Widespread penetration
- Strong logistics capabilities of online platforms

Creating High-end Jewellery Retailing Experiences

Our presence in the retail jewellery business in India and overseas has helped create a strong brand recall for being a jeweller whom people trust. Our track record reflects consumers’ trust in quality, purity and uniqueness of our products. We are creating high-end customer experiences and reshaping the way jewellery is sold across channels. We are redefining the jewellery shopping experience for our customers through the below initiatives:

a. Redefining Jewellery Purchase Experience:

by making purchases more transparent and credible. This enables our customers to browse through our collection and order customised and personalised jewellery, leveraging the Made-to-Order model.

b. Re-engineering Store Format:

by adopting best practices from international markets. We have also introduced smaller, full-service format stores for stocks to reflect customer preferences. We have also introduced the concept of in-store workshops for jewellery servicing.

c. Building Customer Confidence:

by providing adequate knowledge about diamond jewellery, often making customers upgrade from gold to diamond jewellery.

OUR EXPORTS BUSINESS

We have a long history of successfully servicing the global markets. With 90% of our revenues coming from export of diamond and diamond studded jewellery to large international retailers. In fact, we are the only domestic jewellery company that is largely exposed to the international market, with an extensive distribution network for retailing jewellery. We understand the needs of global consumers and serve diverse markets and brands across multiple continents.

Combined Order Book Rs 9,479 Million	Confirmed Order Book Rs 3,574 Million	Framework Order Book Rs 5,905 Million
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We have strategic tie-ups with reputed international chains such as Walmart, JC Penny, Signet, Kay Jewellers, Zales, Jared and Blue Nile, among various others. We have promoted 7 brands globally through 7,000 doors worldwide. We launched our Monique Lhuillier and Zac Posen collection in United States during FY2016. During the year FY2016, we launched other signature collection, catering to the likes of our customers.

TARA MY KARIGAR – OUR BUSINESS MODEL FOR CUSTOM-DESIGNED JEWELLERY

Custom-made jewellery is our speciality. Our expertise lies in creating unique designs from any picture, drawing or idea. Leveraging this expertise, we launched Tara My Karigar (TMK), our new business model. It is our endeavour to bring our craftsman and state-of-the-art machinery and synergies to the doorstep of our customers – with their choice of design. From allowing the customer to select from a combination of gemstones and diamonds to the preferred metal, TML aims to assist and deliver across the value chain – from idea to creation. We are in the process of setting up TMK Kiosks with jewellery retailers. At TMK, we elevate jewellery designs to inimitable craftsmanship with the result of a happy blend of usefulness, investment and aesthetics. We will continue to build on these skills and our knowledge repertoire to create jewellery that excites and elevates.

Dynamics of the TMK Model

TMK provides an opportunity to the customer to have a unique, custom-made ring or jewellery piece, designed exclusively as per his preference. The format facilitates the customer to either get a readymade design or select from TMK's library or create a design of his own. TMK works with the customer to design the perfect piece – whether it comprises recreating a piece, re-designing the existing jewellery utilising his own diamonds to creating something new and exciting. The customer also has the option of choosing from TMK's exhaustive design bank of several thousand jewellery designs. These can be customised, modified and changed to make a unique, one-of-a-kind piece.

Benefits to the Customer

- Access to latest jewellery trends and newest collection
- Competitive Pricing and Fair Policies
- Power to modify an existing design or design a bespoke piece
- Better customer experience by understanding needs and deliver beyond

OUR SERVICE PORTFOLIO

a. Personalised Jewellery

The Company has the inherent advantage of manufacturing jewellery in-house and customers are a vital part in designing jewellery. Customer personalisation has been of utmost importance to Tara Jewels and for this personalisation process, the Company has more than 55,000 designs available in its inventory. The Company has a unique process which enables customers to view the wax settings of the jewellery personalised by them. Seeing the making of their precious possession is what satisfies customers at Tara. This wax setting process has helped the customers to touch and feel the piece before placing their final order. Tara also customizes jewellery as per the various local Indian festivals like Raksha Bandhan, Ganesh Chaturthi and Diwali.

b. Recycling of Jewellery

Recycling of jewellery is another service that the company offers to their clients. Now their customers can refresh their collection by melting their jewellery and create an entirely new piece of design out of it.

c. Customised Jewellery

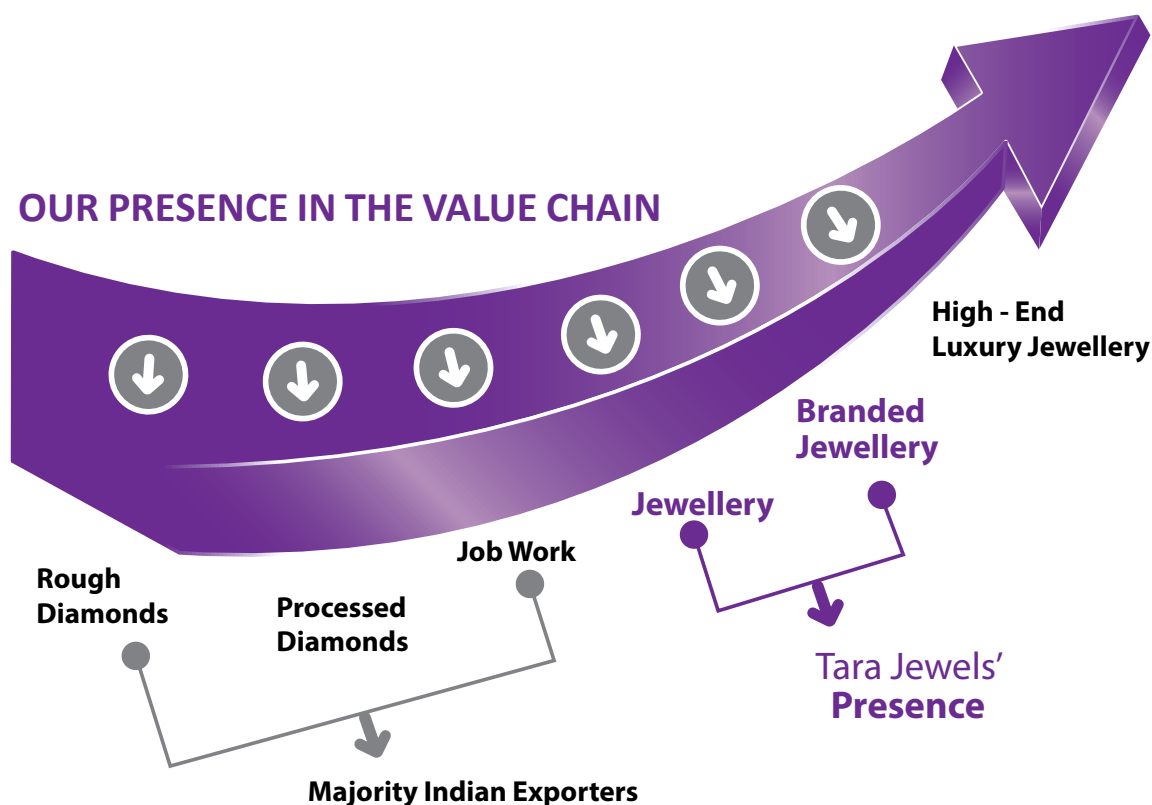
We are present in the high-value and high-margin business of customisation which constitutes 30% of our Indian retail business. We follow a mantra of “design your own, unique piece and watch us create it according to your budget and taste” as jewellery is tailored to a customer's need. The computer-aided designs are shown to a customer, the resin prototype is made, wax replica is provided, and once approved, the final product is delivered. We have trained staff offering complimentary cleaning and polishing of jewellery to make it look sparkling and new at all times.

d. Purity Testing

Gold purity check is done for free in the showrooms. Jewellery buying can be a major investment and testing its purity is crucial for anyone involved in buying or selling gold.



OUR PRESENCE IN THE VALUE CHAIN



PARAMETERS	INDIAN EXPORT INDUSTRY	WHERE WE ARE POSITIONED
Products	Dominated by Diamond processing & polishing, followed by Gold Jewellery	Diamond studded jewellery, studded jewellery
Customers	Wholesalers	Large Retailers - Wal-Mart Inc, JC Penny, Zale, Ernest Jones, H. Samuel, Helzberg etc.
Branding		Co-brand merchandise to increase brand recognition & repeat orders

BUSINESS STRATEGY FOR FY2017

Growing urbanisation and rising income levels are resulting in changing consumer tastes towards branded jewellery. Increased jewellery consumption over the past decade and changing industry dynamics is leading to higher purchases. We see a glittering future ahead with the jewellery market projected to register a CAGR of 16.26% during FY2012-17. We wish to leverage most of this opportunity and gain market share through contemporary designs and our asset light business model. Higher quality and design standards and greater transparency are drawing more people to our brand. Our approach to creating value and achieving profitable growth has clearly met with approval. Looking back on our history, we draw inspiration from the past as we chart a new path for the future.

Going forward, we are focussed on leveraging our expertise to drive innovation. In the coming year, we will continue to expand our collection and enhance our footprint. As we progress into FY2017, we have embarked on an exciting journey with a commitment to delight our customer. We wish to do this by setting industry benchmarks through best-in-class products and a pan-India footprint.

Moving forward, we aim to leverage a combination of asset-light model of expansion to increase market share and cater to rising demand for branded jewellery. We aim to reach out to our customers across generations during their entire life-cycle – right from their first-time jewellery purchase to further stages of life, including wedding and other important occasions. On the bottom line front, we are aiming to optimise margins further, enhance retailing space and regain market share. From the juncture where we currently stand, we are expanding horizons large enough to witness purposeful and meaningful growth.

AWARDS & ACCOLADES

International Business:

- Global Supplier of the Year: Twice Awarded by WalMart
- Overall Excellence Award: Second-highest exporter in the category of studded precious metal jewellery exports in EPZ, by The Gem and Jewellery Export Promotion Council in the year 2007, 2008 and 2009
- Conferred with the status of a "Star Trading House" by the Ministry of Commerce & Industry and have been the highest exporter in gems and jewellery sector for the years FY2009 and FY2010

→ *The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems are adequate and operating effectively.*

India Business:

- Awarded “LUXURY RETAILER OF THE YEAR” at the Star Retailer Awards 2013
- The Best Store Design of the Year – Single Brand category at the ET Retail Awards 2013
- Nominated for the Best 360 Marketing of the year 2012
- Print Campaign of the Year 2012

FINANCIAL OVERVIEW

Income from Operations

On a consolidated basis, which includes operations of Tara Jewels Ltd., Mumbai, the Revenue income has increased by 4% YoY to Rs18,013 Million (Exports Sale of Rs 15,767 Million, Domestic Sale of Rs 2,246 Million) in FY2016 from Rs17,353Million (Exports Sale of Rs 15,024 Million, Domestic Sale of Rs 2,329 Million) in FY2015.

Earnings Before Interest, Depreciation and Taxes (EBITDA)

Consolidated EBITDA has of Rs 1,303 Million; EBITDA Margin of 7.2% in FY2016 from Rs 1,586 Million; and EBITDA Margin of 9.1% in FY2015.

Profit after Tax and Cash Profit

The Consolidated Net Profit after Tax of Rs 254 Million; Cash Profit of Rs 475 Million on FY2016 from Net Profit after Tax Rs 437 Million; Cash Profit of Rs 718 Million in FY2015.

RESEARCH & DEVELOPMENT

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

Focus Areas in R&D:

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

INTERNAL CONTROLS & COMPLIANCE FRAMEWORK

The Company has an Internal Control System, commensurate with size, scale and complexity of its operations. The internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations. The Company has appointed M/s BDO India LLP as Internal Auditors of the Company. The Audit Committee in consultation with the internal auditors formulates the scope, functioning, periodicity and methodology for conducting the internal audit. The internal auditors carry out audit, covering inter-alia, monitoring and evaluating the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations and submit their periodical internal audit reports to the Audit Committee. Based on the internal audit report and review by the Audit Committee, process owners undertake necessary actions in their respective areas. The internal auditors have expressed that the internal control system in the Company is robust and effective. The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems are adequate and operating effectively.



HUMAN RESOURCES

At Tara Jewels Limited, we have strong strategic planning and decision making skills achieved through a highly capable and committed leadership team that is geared to build the finest and most unique properties across India. Over the years, we have rapidly expanded our intellectual capacity to handle our diverse businesses, aimed at becoming one of the largest entertainment studios of India. From an HR perspective, our emphasis is always on attracting the right talent to help the organisation achieve its vision.

We are strong believers of developing and retaining talent by treating our employees with dignity, honesty and respect. We have a continued philosophy of hiring high performance individuals. To accomplish our goals, we are always on the look-out for talented, creative, ambitious individuals, driven by a passion to excel. We hire some of the most talented and experienced individuals in their respective fields. Being a performance driven company, we have introduced several performance-driven tools. We are driven by principles of empowerment as we believe in inculcating a winning attitude among our employees by encouraging learning, self-development and by building effective leadership. A well-structured career path is created for each employee within the organisation with a progression and succession plan made for each of them.

CAUTIONARY STATEMENT

This document contains statements about expected future events, financial and operating results of Tara Jewels Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Tara Jewels Limited's Annual Report, 2015-16.



BOARD'S REPORT

To
The Members,
Tara Jewels Limited

Your Directors take pleasure in presenting their 15th Annual Report on the business and operations of the Company together with audited financial statements for the year ended March 31, 2016.

FINANCIAL RESULTS

(₹ in Crore)

Particulars	Standalone		Consolidated	
	FY 2015-16	FY 2014-15	FY 2015-16	FY 2014-15
Total Income	1367.70	1418.94	1813.25	1740.59
Less: Expenditure	1324.93	1345.21	1754.97	1648.24
Profit Before Tax and Depreciation	42.77	73.73	58.28	92.35
Less: Depreciation	21.36	27.07	22.09	28.09
Profit Before Tax	21.41	46.66	36.19	64.26
Less: Tax	8.47	17.46	10.75	20.61
Net Profit After Tax	12.94	29.20	25.44	43.65
Earnings Per Share (EPS)	5.25	11.86	10.33	17.73

PERFORMANCE REVIEW

Standalone:

During the year under review, the Company earned a total revenue of ₹ 1367.70 crores against ₹1418.94 crores in the Previous Year. The net Profit after Tax achieved by the Company for the year under review was ₹ 12.94 against the Profit After Tax of ₹29.20 crores achieved by the Company in the previous Financial Year.

Consolidated:

During the year under review, the Company earned a total revenue of ₹1813.25 crores against ₹1740.59 crores in the Previous Year. The net Profit after Tax achieved by the Company for the year under review was ₹ 25.44 crores against the Profit After Tax of ₹43.65 crores achieved by the Company in the previous Financial Year ended.

MANAGEMENT DISCUSSION AND ANALYSIS

As per SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, a detailed Management Discussion and Analysis Report is presented in a separate section as part of this annual report.

DIVIDEND & RESERVES

The Company has achieved a Profit after tax of ₹12.94 crores and consolidated Profit after tax of ₹25.44 crores. Further, with a view to conserve the financial resources of the Company for future expansion of the business, the Directors do not recommend dividend on the Equity Share Capital of the Company for the Financial Year ended March 31, 2016. No amount has been transferred to reserve during the financial year under review.

SHARE CAPITAL

The paid up share capital of the Company as on March 31, 2016 stood at ₹246,228,500/- During the year under review the Company has not issued any shares nor has granted any stock option or sweat equity. None of the directors of the company hold instruments convertible into equity shares of the company.

EMPLOYEES STOCK OPTION SCHEME

Particulars of Employee Stock Options are given in “Annexure A” to this report.

SUBSIDIARY COMPANIES AND THEIR PERFORMANCE / FINANCIAL POSITION

The Subsidiaries and Step down Subsidiaries of the Company as on March 31, 2016 are as follows:

Subsidiary Companies:

Tara (Hong Kong) Limited

Tara Jewels Holdings Inc

Step Down Subsidiaries:

Tara China Jewelry Limited- Subsidiary of Tara (Hong Kong) Limited

Fabrikant Tara International, LLC- Subsidiary of Tara Jewels Holdings Inc

In accordance with Section 129 (3) of the Companies Act, 2013 and Accounting Standard (AS) 21, the Company has prepared the Consolidated Financial Statements of the Company and all its subsidiaries, which forms part of this Annual Report.

The Statement in form **AOC-1 (Annexure B)** containing salient features of the financial statements of Company's Subsidiaries is attached to this report.

DIRECTORS

a. The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. The Board consists of 9 members, 3 of whom are executive or whole-time directors, and 5 are independent directors and 1 is Nominee Director. The Board periodically evaluates the need for change in its composition and size.

Declaration by Independent Directors

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Changes in Constitution of Board

The following changes have taken place in the Board of Directors/Key Managerial Personnel of the Company during the year 2015-16:

SRNO	NAME	DESIGNATION	APPOINTMENT	RESIGNATION	DATE OF APPOINTMENT/ RESIGNATION
1	Mr. Ravindran M.P	Executive Director	YES	NA	May 25, 2015
2	Mr. Sanjay Sethi	Executive Director	NA	YES	February 11, 2016
3	Mr. Francois Arpels	Director	NA	YES	February 11, 2016
4.	Mr. Bimal Desai	Chief Financial Officer	YES	NA	November 10, 2015
5.	Mr. Bimal Desai	Chief Financial Officer	NA	YES	May 11, 2016
6.	Mr. Vishnu Prakash Garg	Chief Financial Officer and Executive Director	YES	NA	May 23, 2016

b. Board/ Committee Meetings:

During the year under review, four meetings of the Board took place. Details of Board Meetings and Committee Meetings have been provided in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two Board Meetings was within the period prescribed by the Companies Act, 2013.

Board Meeting dates are finalized in consultation with all directors and agenda papers backed up by comprehensive notes and detailed background information are circulated well in advance before the date of the meeting thereby enabling the Board to take informed decisions. A detailed presentation is also made to apprise the Board of important developments in industry, segments, business operations, marketing, products etc.

BOARD'S REPORT

c. Familization Programme with Independent Directors:

Pursuant to provisions of SEBI (Listing and Disclosures Requirements) Regulations, 2015, during the year under review the Company prepared and pursued the Familiarization Programme for Independent Directors as hosted on Company's website at www.tarajewels.in (weblink:www.tarajewels.in/investorrelations/corporategovernance/policies)

d. Performance Evaluation:

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The performance of the board was evaluated by the board after seeking inputs from all the directors and senior managerial personnel.

The performance of the Committees and effectiveness of Committee Meetings was evaluated by the board after taking into consideration the inputs provided by the Committee Members.

The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of Nomination and Remuneration Policy laid down by the said committee and approved by the Board.

In a separate meeting of Independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated taking into account the views of executive directors and non-executive directors. The same was considered by the board of directors at its meeting.

e. Policy for Selection, Appointment and Remuneration of Directors/Key Managerial Personnel/Senior Management Personnel including Criteria for their performance evaluation:

The Company has adopted a policy titled as "Nomination & Remuneration Policy" which interalia includes Company's policy on Board Diversity, selection, appointment and remuneration of directors/Key Managerial Personnel/Senior Management Personnel, criteria for determining qualifications, positive attributes, independence of a director and criteria for performance evaluation of the Directors.

The Nomination & Remuneration Policy as approved by the Board is attached as **Annexure C** to the Board's Report and also uploaded on the Company's website www.tarajewels.in and details of criteria laid down and the Remuneration Policy are given in the Corporate Governance Report.

AUDIT COMMITTEE

a. Pursuant to the provisions of Sections 177 (8) of the Companies Act, 2013, read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013, and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Audit Committee consists of the following Members under:

SR. No.	Name	Designation
1	Mr. Nikkhil Vaidya	Chairman (Independent Director)
2	Mr. Rakesh Kalra	Member (Independent Director)
3	Mr. Ravindran M.P	Member (Whole-Time Director)

During the year 2015-16, there were no instances, where the Board of Directors did not accept the recommendations of the Audit Committee.

VIGIL MECHANISM

The Company has established a vigil mechanism/Whistle Blower Policy and oversees through the committee for expressing genuine concerns by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided to any complainant to have direct access to the Chairman of the Audit Committee via e-mail ID nikkhil.ca@gmail.com. The Vigil Mechanism Policy of the Company is placed on Company's website i.e. www.tarajewels.in.

(weblink:www.tarajewels.in/investorrelations/corporategovernance/policies)

AUDITORS

a. Statutory Auditors

M/s C.B Chajjed and Co, Chartered Accountants, have been appointed as Statutory Auditor of the Company for a period of three years at the Annual General Meeting of the Company held on September 18, 2014. However, the appointment of Statutory Auditors needs to be ratified every year by the shareholders in the Annual General Meeting of the Company. M/s C.B Chajjed and Co, Chartered Accountants, have intimated their consent and furnished a certificate to the effect that their appointment if made shall be in accordance with the conditions prescribed under section 139(1) and they also satisfies the criteria provided in section 141 of the Act for the financial year 2016-2017. On the recommendation of the Audit Committee, the Board proposes the ratification of their appointment for the Financial Year 2016-17 and to fix their remuneration by the members at the ensuing Annual General Meeting of the Company.

There are no qualifications, reservations or adverse remarks in the Auditor's Report.

b. Secretarial Auditor

M/s Sunil Agrawal & Co, Practicing Company Secretaries, was appointed to conduct the Secretarial Audit of the Company for the financial year 2015-16, as required under Section 204 of the Companies Act, 2013 and rules made thereunder.

The Secretarial Audit report for Financial year 2015-16 forms part of Annual Report as **Annexure D** to the Board's Report.

There are no qualifications, reservations or adverse remarks in the Secretarial Auditor's Report.

c. Cost Auditor

Cost Auditor is not required to be appointed by the Company since it is located in a SEZ Zone, as per the circular issued by the Ministry in this regard.

INTERNAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK

The Company has strong internal control framework which includes level controls, whistle blower policy, rigorous management reviews and MIS and strong internal audit mechanism. There are robust financial control processes with appropriate checks and balances, defined policies and procedures to ensure reasonable assurance with regard to financial information. Process controls deployed ensure adherence to policies and procedures, efficiency in operations and reduce risk of frauds.

The rigorous internal controls, management overseas results, thorough review of internal audit reports by the Audit Committee and implementation of action plans makes the internal financial controls strong in the Company.

RISK MANAGEMENT

The Board of Directors has constituted Risk Management Committee constituting directors and non-director members. The Board based on the recommendations of the Risk Management Committee has also adopted "Risk Management Policy" of the Company which is hosted on Company's website at www.tarajewels.in

The Committee through its Risk Council shall assess critical and non-critical risks, viz., Strategic, Operational, Financial, Regulatory etc. and risk register would be prepared for identifying and mitigating risks in each identified area. Your Company continues to attach a high degree of importance to this area and shall ensure that necessary Risk Mitigation Process is in place for each identified risk area at all times.

RELATED PARTY TRANSACTIONS:

All the transactions with related parties are in the ordinary course of business and on arm's length basis; and there are no material related party transactions or arrangement.

The disclosure in from **AOC-2 (Annexure E)** is attached to this report. All the Related Party Transactions entered during the year under review are set out under Notes to the Financial Statements. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at [Weblink:www.tarajewels.in/investorrelations/corporategovernance/policies](http://www.tarajewels.in/investorrelations/corporategovernance/policies)

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company except by way of remuneration paid to the Managing Director and sitting fees and Commission paid to other Non-Executive Directors.

BOARD'S REPORT

MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES:

INFORMATION AS REQUIRED UNDER RULE 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report.

i) The following details are given hereunder in respect of employees employed throughout the year and were in receipt of remuneration not less than ₹ 60 Lakhs p.a.

Name	Designation	Remuneration	Nature of Employment	Qualification/ Experience	Date of Commencement of Employment	Age of Employee	Last Employment held before joining the company	Percentage of shares held	Whether any Employee is a relative of any director or manager of the Company
Mr. Rajeev Sheth	Chairman and Managing Director	₹ 12,000,000/- p.a	Contractual	Graduate from Mumbai University and Diploma in Gemology and has around 34 years of experience.	Since Incorporation	58	Intergold India	58.98%	NIL

ii) The following details are given hereunder in respect of employees employed part of the year and were in receipt of remuneration not less than ₹ 5 Lakhs p.m.

Name	Designation	Remuneration	Nature of Employment	Qualification/ Experience	Date of Commencement of Employment	Age of Employee	Last Employment held before joining the company	Percentage of shares held	Whether any Employee is a relative of any director or manager of the Company
Mr. Sanjay Sethi	Executive Director (Finance) and CFO	₹ 5,136,207/-	Non Contractual	Chartered Accountant by profession and has around 25 years of experience.	Resigned as a Director of Company w.e.f February 11, 2016	50	Bhatia Group as Group CFO	NIL	NIL

However the information 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 is not sent along with this Report to the Members of the Company as per the provision of Section 136 of the Companies Act, 2013. Members who are interested obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before the 15th Annual General Meeting during the business hours on working days.

LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments, if any covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Act, read with CSR Rules, the Company has constituted CSR Committee and formulated CSR Policy.

A Board level committee has been constituted consisting of the following members:

Name	Designation
Mr. Rajeev Sheth	Chairman and Member
Mr. Ravindran M.P	Member
Ms. Fern Mallis	Member

Initiative Taken:

The Company has not made any expenditure on CSR as the Company is still in the process of identifying the eligible project. The Company intends to contribute the money for CSR activities as soon as the project is identified.

DEPOSITS

During the year 2015-16, the Company did not accept any deposit from public.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 prepared in form MGT 9 is annexed herewith as **"Annexure F"**.

DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). There are no material departures from prescribed accounting standards in the adoption of these standards.

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

- a) in the preparation of the annual accounts for the financial year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the directors 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 the company at the end of the financial year and of the profit of the company for that period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls, to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

BOARD'S REPORT

CORPORATE GOVERNANCE

As per SEBI (Listing and Disclosures Requirements) Regulations, 2015 a separate section on Corporate Governance practices followed by the Company is provided in the Corporate Governance section of the Annual Report. The certificate from practising Company Secretary on compliance with the condition of corporate governance of Listing Regulation is given in **Annexure G** of this Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company is giving due consideration for the conservation of energy and all efforts are being made to properly utilize the energy resources.

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as **"Annexure H"**.

MATERIAL CHANGES AND COMMITMENT IF ANY EFFECTING THE FINANCIAL POSITION OF COMPANY WHICH HAVE OCCURRED BETWEEN THE FINANCIAL YEAR END OF THE COMPANY TO WHICH FINANCIAL RESULTS RELATE:

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

CHANGES IN NATURE OF BUSINESS AND REVISION IN THE BOARD'S REPORT:

There are no changes in nature of business and also revision in the Board's Report during the year.

HUMAN RESOURCE:

Your Company firmly believes that employees are the most valuable assets and key players of business success and sustained growth. Various employee benefits, recreational and team building programmes are conducted to enhance employee skills, motivation as also to foster team spirit. Company also conducts in house training programmes to develop leadership as well as technical/functional capabilities in order to meet future talent requirements. Industrial relations were cordial throughout the year.

POLICY ON PREVENTION OF SEXUAL HARASSMENT:

The Company has a policy on prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Harassment, Redressal) Act, 2013. The Committee has been set up to redress complaints received regarding Sexual Harassment. All Employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2015-2016 no complaints were received regarding sexual harassment.

APPRECIATION:

Your Directors place on record their sincere thanks and appreciation for the confidence reposed and continued support extended by Central and State Governments, Bankers, Customers, Suppliers and Shareholders. Your Board would like to place on record its sincere appreciation to the employees at all levels for the dedicated efforts and contribution in playing a very significant part in the Company's operations.

For and on behalf of the Board of Directors

**Sd/-
RAJEEV SHETH
Chairman (DIN: 00266460)**

**Place : Mumbai
Date : May 23, 2016**

ANNEXTURE- A TO BOARD'S REPORT

EMPLOYEE STOCK OPTION PLAN

The company implemented ESOP scheme as approved by the shareholders of the company. Details of the options granted under the plan are as under:

ESOP Scheme	Grant Date	No of Options	Exercise Price ₹	Vesting Period
ESOP 2013- Grant C	25.07.2013	2,42,956	230	25.07.2013 to 25.07.2017

The options are granted at an exercise price. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹10/- each. The options have vesting periods as stated above in accordance with the vesting schedule as per the said plans.

The particulars of options granted and lapsed under the plan are as below:

Particulars	Grant C	
	Year ended March 31, 2016	Year ended March 31, 2015
Options outstanding as at the beginning of the year	1,11,678	2,42,956
Add: Options granted during the year	-	-
Less: Options lapsed during the year	-	1,31,278
Less: Options exercised during the year	-	-
Less: Options Surrendered during the year	-	-
Options outstanding as at the end of the year	1,11,678	1,11,678

The Company has followed the intrinsic value-based method of accounting for stock options based on Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. Had the compensation cost for the Company's stock based compensation plans been determined in the manner consistent with the fair value approach as described in the said Guidance Note, (a) the Company's net income would be lower by ₹895,107 (previous year : ₹ 231,911), and (b) earnings per share as reported would be lower as indicated below:

Particulars	As at March 31, 2016	As at March 31, 2015
Net profit after tax, as reported	2,54,416,874	4,36,554,624
Less: Total stock-based employee compensation expense determined under fair value based method	8,95,107	2,31,911
Adjusted net profit after tax	2,53,521,767	4,36,322,713
Basic earning per share		
- As reported	10.33	17.73
- Adjusted	10.30	17.72
Diluted earning per share		
- As reported	10.33	17.73
- Adjusted	10.30	17.72

The fair value of option is estimated on the date of grant based on the following assumptions:

Particulars	" ESOP 2013 Grant C dated 25.07.2013 "
Dividend yield (%)	0.00%
Expected life (years)	4.00 Yrs
Risk free interest rate(%)	9.10%
Volatility (%)	46.10%

ANNEXTURE -B TO BOARD'S REPORT

AOC 1

Salient Features of Financial Statements of Subsidiary / Associates / Joint Ventures as per Companies Act , 2013

Part "A": Subsidiaries

1. Sl. No.	I	II	III
2. Name of the subsidiary	Tara Jewels Holdings, Inc. *	Tara (Hong Kong) Limited	Tara China Jewelry Limited **
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD***	USD***	USD***
5. Share capital	11,32,99,500	4,64,117	41,34,035
6. Reserves & surplus	17,81,66,089	36,83,59,869	7,88,738
7. Total assets	1,99,18,88,866	2,67,83,19,968	1,29,02,272
8. Total Liabilities	1,70,04,23,277	2,30,94,95,982	79,79,499
9. Investments	-	41,35,007	-
10. Turnover	4,44,65,48,224	6,92,10,67,275	1,41,14,485
11. Profit before taxation	4,58,25,255	8,19,15,726	(18,92,962)
12. Provision for taxation	1,07,03,233	1,21,10,133	-
13. Profit after taxation	3,51,22,022	6,98,05,593	(18,92,962)
14. Proposed Dividend	-	-	-
15. % of shareholding	100	100	100

* Based on Consolidated figures with Fabricant-Tara International LLC

** Wholly owned subsidiary of Tara (Hong Kong) Limited.

*** Exchange rate as at end of the year USD 1 = ₹66.33

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures is not applicable to the company since, there are no associates or joint ventures of the Company.

As Per Our Attached Report of Even Date

For **C. B. Chhajer & Co.**
Chartered Accountants

C. B. Chhajer
Partner

Place : Mumbai
Dated : May 23, 2016

For and on Behalf of Board of Directors

Rajeev Sheth
Managing Director
(DIN NO:00266460)

Nivedita Nayak
Company Secretary
[FCS:8479]

Ravindran M. P.
Executive Director
(DIN NO: 07188069)

Vishnu Prakash Garg
Executive Director & CFO
(DIN NO: 00024991)

ANNEXTURE -C TO BOARD'S REPORT

NOMINATION AND REMUNERATION POLICY

Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

Objective and purpose of the Policy:

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the media industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on February 10, 2015.

Effective Date:

This policy shall be effective from 1st April, 2014.

Constitution of the Nomination and Remuneration Committee:

The Board has changed the nomenclature of Remuneration Committee by renaming it as Nomination and Remuneration Committee on Board Meeting held on May 28, 2014. The Nomination and Remuneration Committee comprises of following Directors:

1. Mr. Rakesh Kalra- Chairman
2. Mr. Nikkhil Vaidya- Member
3. Mr. Rajiv Jain- Member

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement. Definitions:

- Board means Board of Directors of the Company.
 - Directors means Directors of the Company.
 - Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
 - Company means Tara Jewels Limited.
 - Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
 - Key Managerial Personnel (KMP) means-
- (i) Executive Chairman and/or Managing Director;
 - (ii) Whole-time Director;
 - (iii) Chief Financial Officer;
 - (iv) Company Secretary;
 - (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- Senior Management means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President including Vice President of any unit / division of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act,

ANNEXTURE -C TO BOARD'S REPORT

NOMINATION AND REMUNERATION POLICY

2013 as may be amended from time to time shall have them earning respectively assigned to them therein.

Applicability:

The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

General:

- This Policy is divided in three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and nomination and Part–C covers remuneration and perquisites etc.
- The key features of this Company's policy shall be included in the Board's Report.

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE:

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 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.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

PART–B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- Appointment criteria and qualifications:
 1. 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.
 2. 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.
 3. The Company shall not appoint or continue the employment of any person as Wholetime 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.
- **Term/Tenure:**
 1. 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.
 2. 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

ANNEXTURE -C TO BOARD'S REPORT

NOMINATION AND REMUNERATION POLICY

in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

- 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.

- **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly). Criteria for evaluation of Board and Committee as a whole is attached on last page of policy. Performance evaluation will be done by grading the performance as Poor, Good, Excellent or NA (No Opportunity to Observe).

- **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Board Diversity:

The Board of the Company may consciously be drawn in a manner that at least one director from each of the following field is on the Board of the Company.

Human Resource,
Banking and finance,
Legal and general administration,

Any other field as may be decided by the Nomination and Remuneration Committee of the Company.

PART-C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

- **General:**

1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. 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 and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
3. 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.
4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary 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.

ANNEXTURE -C TO BOARD'S REPORT

NOMINATION AND REMUNERATION POLICY

- **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

1. **Fixed pay:**

The Whole-time Director / 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 break up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. **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/Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. **Provisions for excess remuneration:**

If any Whole-time Director/Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 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.

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

1. **Remuneration/Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

2. **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 Central Government from time to time.

3. **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 Companies Act,2013.

4. **Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding unless the same is duly approved and notified by the Committee and Board of Directors of the Company.

ANNEXTURE -D TO BOARD'S REPORT

SECRETARIAL AUDIT REPORT

To ,
The Members,
Tara Jewels Limited
Plot No. 29(P) & 30(P)
Sub- Plot- 'A', SEEPZ (SEZ),
Andheri (E)
Mumbai- 400096

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

1. Maintenance of Secretarial Records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records, we believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company. I relied on the statutory report provided by the Statutory Auditor as well as Internal Auditor of the company for the financial year ending 31 March, 2016
4. Wherever required I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit reports neither an assurance as to the future liability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For SUNIL AGARWAL & CO.
Company Secretaries

Place: MUMBAI
Date: May 23, 2016

SUNIL AGARWAL
(Proprietor)
ACS No. 10736
C.P. No. 3286

ANNEXTURE -D TO BOARD'S REPORT

SECRETARIAL AUDIT REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

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

To,
The Members,
Tara Jewels Limited
Plot No. 29(P) & 30(P),
Sub- Plot- 'A', SEEPZ (SEZ),
Andheri (E),
Mumbai- 400096.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TARA JEWELS LIMITED (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') as amended Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the rules made there under as amended from time to time.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment (There were no instances of Foreign Direct Investment and Overseas Direct Investments during the year. However, the company has complied with the requirements of filing required forms with Reserve Bank of India for providing Bank Guarantee to the Foreign Subsidiaries, and there were no External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:
 - (a) The Securities and Exchange Board of India (Substantial acquisition of Shares and Takeovers) Regulations, 2015 as amended from time to time;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure (Requirements) Regulations, 2009 as amended as Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time;

ANNEXTURE -D TO BOARD'S REPORT

SECRETARIAL AUDIT REPORT

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended as Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable, as the company has not issued any Debt instruments;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and as amended as Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended as Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable, as the company has not applied for Delisting of shares from any stock exchanges and;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as amended from time to time are not applicable, as the company has not bought back any securities during the year under audit.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii). The Listing Agreements entered into by the Company with:
 - (a.) Bombay Stock Exchange Stock Exchange Limited
 - (b.) National Stock Exchange of India Limited

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards as mentioned above.

I further report that,

Based on the information provided by the company, its officers and authorized representative during the conduct of audit, and also on the review of compliances report by the respective Department Heads /Company Secretary /CEO /KMP taken on record by the board of directors of the company, in my opinion, adequate systems and process and control mechanism exists in the company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines detailed as under:

LABOUR LAWS

- (a) Factories Act, 1948
- (b) Payment of Gratuity Act 1972
- (c) Payment of Wages Act, 1936
- (d) Minimum Wages Act, 1947
- (e) Employee's Provident Funds & Miscellaneous Provisions Act, 1952 and Rules made there under
- (f) Payment of Bonus Act, 1965
- (g) Employee's State Insurance Act, 1948
- (h) Contract labour (Regulations & Abolition) Act, 1970
- (i) The Equal Remuneration Act, 1976
- (j) The Maternity Benefits Act, 1961
- (k) Industrial disputes Act, 1947
- (l) The Bombay Shops & Establishment Act, 1948
- (m) Customs Act 1952
- (n) The Maharashtra Value Added Tax Act, 2002
- (o) The Central Sales Tax Act, 1956
- (p) Provisions of Finance Act, 2015 read with Service Tax Rules, 1994 and CENVAT Credit Rules, 2004
- (q) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

ENVIRONMENTAL LAWS

- (a) Air (Prevention & Control of Pollution) Act, 1981
- (b) Water (Prevention & Control of Pollution) Act, 1974
- (c) Hazardous Waste (Management & Handling) Rules, 1989
- (d) Environment (Protection) Act, 1986

ANNEXTURE -D TO BOARD'S REPORT

SECRETARIAL AUDIT REPORT

SEEPZ (SEZ) RELATED COMPLAINES

The Company has complied with the requirements of the applicable Laws and Rules and Guidelines as required for establishment of the manufacturing units in SEZ .

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 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.

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

I further report that, during the audit period the company has forfeited 3,05,000 convertible warrants issued to Bennett Coleman & Company Limited (BCCL) issued on preferential basis on 2nd April 2014 due to non exercise of right of conversion by BCCL as per clause 4.4.6 of the Agreement dated March 27, 2014.

Place: MUMBAI
Date: May 23, 2016

For SUNIL AGARWAL & CO.
Company Secretaries

SUNIL AGARWAL
(Proprietor)
ACS No. 10736
C.P. No. 3286

ANNEXTURE -E TO BOARD'S REPORT

FORM NO. AOC - 2

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto. [Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014].

- 1 No contracts or arrangements or transactions were entered into by the Company with related parties during the year ended March 31, 2016, which were not at arm's length basis.
- 2 Details of material contracts or arrangement or transactions at arm's length basis

SR. No.	Name of the related Party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or the arrangements or transactions including the value	Date of approval by the Audit Committee/ Board	Amount paid as advances
1	Fabrikant Tara International LLC.U.S.A (Wholly owned subsidiary of Tara Jewels Holding Inc., a wholly owned subsidiary)	Sale of Goods	Ongoing	transactional net margin method ₹2,065,262,615/-	25-May-15	Nil
2	Tara (Hong Kong) Ltd. Hong Kong (Wholly owned subsidiary)	Sale of Goods	Ongoing	transactional net margin method ₹ 2,554,223,829/-	25-May-15	Nil
3	Fabrikant Tara International LLC.U.S.A (Wholly owned subsidiary of Tara Jewels Holding Inc., a wholly owned subsidiary)	Purchase of Goods	Ongoing	transactional net margin method ₹ 769,887,182/-	25-May-15	Nil
4	Tara (Hong Kong) Ltd. Hong Kong (Wholly owned subsidiary)	Purchase of Goods	Ongoing	transactional net margin method ₹ 1,110,764,555/-	25-May-15	Nil
5	Tara (Hong Kong) Ltd. Hong Kong (Wholly owned subsidiary)	Labour Charges Paid	Ongoing	transactional net margin method ₹ 437,489/-	25-May-15	Nil
6	Tara (Hong Kong) Ltd. Hong Kong (Wholly owned subsidiary)	Purchase of Fixed Assets	Ongoing	transactional net margin method ₹ 252,497/-	25-May-15	Nil
7	Fabrikant Tara International LLC.U.S.A (Wholly owned subsidiary of Tara Jewels Holding Inc., a wholly owned subsidiary)	Labour Charges Received	Ongoing	transactional net margin method ₹ 4,577,880/-	25-May-15	Nil
8	Tara (Hong Kong) Ltd. Hong Kong (Wholly owned subsidiary)	Labour Charges Received	Ongoing	transactional net margin method ₹ 163,342/-	25-May-15	Nil

ANNEXTURE-F TO BOARD'S REPORT

FORM NO. MGT 9

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.
EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON MARCH 31, 2016**

I REGISTRATION & OTHER DETAILS:

i	CIN	L52393MH2001PLC131252
ii	Registration Date	March 16, 2001
iii	Name of the Company	Tara Jewels Limited
iv	Category of the Company	Company Limited by shares/Indian Non-Government Company
v	Address of the Registered office & contact details	
	Address :	Plot No.122, 15 th Road, Near IDBI Bank, MIDC
	Town / City :	Andheri (East), Mumbai- 400093
	State :	Maharashtra
	Country Name :	India
	Telephone (with STD Code) :	022-66774444
	Fax Number :	022-66774464
	Email Address :	nivedita.nayak@tarajewels.co.in
	Website, if any:	www.tarajewels.in
vi	Whether listed company	YES
vii	Name and Address of Registrar & Transfer Agents (RTA):-	
	Name of RTA:	LINK INTIME INDIA PVT LIMITED
	Address :	C-13, Pannalal Silk Mills Compound, L.B.S Marg,
	Town / City :	Bhandup (West), Mumbai- 400078
	State :	Maharashtra
	Pin Code:	400078
	Telephone :	022-25963838
	Fax Number :	022-25946969
	Email Address :	rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

"All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-"

Sl. No.	Name and Description of main products / NIC Code of the Product / service	% to total turnover of the company
1	Jewellery	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	Tara Jewels Holdings Inc	N.A	Subsidiary	100%	2(87)
2	Fabrikant Tara International LLC *	N.A	Subsidiary		2(87)
3	Tara Hong Kong Limited	N.A	Subsidiary	100%	2(87)
4	Tara China Jewelry Limited *	N.A	Subsidiary		2(87)

* Both the Companies are Step Down Subsidiaries of our Wholly Owned Subsidiary

ANNEXTURE-F TO BOARD'S REPORT

FORM NO. MGT 9

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 i.e As on March 31, 2015				No. of Shares held at the end of the year i.e As on March 31, 2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	14726398	0	14726398	59.81%	14766398	0	14766398	59.97%	0.17%
b) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Bodies Corp.	33600	0	33600	0.14%	33600	0	33600	0.14%	0.00%
e) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Any other	0	0	0	0.00%	0	0	0	0.00%	0.00%
(2) Foreign									
a) NRI- Individual/	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Other- Individual/	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Any Others	0	0	0	0.00%	0	0	0	0.00%	0.00%
Total shareholding of Promoter (A)	14759998	0	14759998	59.94%	14799998	0	14799998	60.11%	0.17%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	2762103	0	2762103	11.22%	0	0	0	0.00%	-100.00%
b) Banks / FI	571872	0	571872	2.32%	0	0	0	0.00%	-100.00%
c) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
g) FIs	0	0	0	0.00%	0	0	0	0.00%	0.00%
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Others (specify)									
Foreign Institutional Investor	2061696	0	2061696	8.37%	0	0	0	0.00%	-100.00%
Foreign Portfolio Investor	0	0	0	0.00%	225080	0	225080	0.91%	100.00%
Sub-total (B)(1):-	5395671	0	5395671	21.91%	225080	0	225080	0.91%	-21.00%
a) Bodies Corp.	421338	0	421338	1.71%	1105288	0	1105288	4.49%	2.78%
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	1141528	2	1141530	4.64%	3888100	3	3888103	15.79%	11.15%
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	544718	196521	741239	3.01%	1760765	196521	1957286	7.95%	4.94%
c) Others (specify)									
Clearing Member	54655	0	54655	0.22%	282351	0	282351	1.15%	0.93%
Foreign Portfolio Investor (Corporate)	266248	0	266248	1.08%	0	0	0	0.00%	-100.00%

ANNEXTURE-F TO BOARD'S REPORT

FORM NO. MGT 9

Category of Shareholders	No. of Shares held at the beginning of the year i.e As on March 31, 2015				No. of Shares held at the end of the year i.e As on March 31, 2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Non-Resident Indian (Repat)	35394	0	35394	0.14%	251610	0	251610	1.02%	0.88%
Non-Resident Indian (Non-Repat)	3477	0	3477	0.01%	35548	0	35548	0.14%	0.13%
Foreign Companies	1800000	0	1800000	7.31%	1800000	0	1800000	7.31%	0.00%
Directors- Others	3300	0	3300	0.01%	3300	0	3300	0.01%	0.00%
Hindu Undivided Family	0	0	0	0.00%	274286	0	274286	1.11%	100.00%
Sub-total (B)(2):-	4270658	196523	4467181	18.14%	9401248	1956524	9597772	38.98%	20.84%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	9666329	196523	9862852	40.06%	9626328	1956524	9822852	39.89%	-0.16%
C. Shares held by Custodian for GDRs & ADRs		0	0	0.00%	0	0	0	0.00%	0.00%
Grand Total (A+B+C)	24426327	196523	24622850	100.00%	24426327	196523	24622850	100.00%	0.00%

ii Shareholding of Promoters

Sl No.	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	
1	Mr. Rajeev Sheth	14482893	58.92%	NIL	14522893	58.98%	22.96%	0.06%
2	Ms. Aarti Sheth	114440	0.46%	NIL	114440	0.46%	NIL	NIL
3	Ms. Divya Sheth	114440	0.46%	NIL	114440	0.46%	NIL	NIL
4	Divya Jewels International Limited	33600	0.14%	NIL	33600	0.14%	NIL	NIL
5	Purnima Rajeev Sheth	14625	0.06%	NIL	14625	0.06%	NIL	NIL
	TOTAL	14791998	60.07%	NIL	14799998	60.11%	NIL	0.04%

iii Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No. I - Mr.Rajeev Sheth	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
Mr. Rajeev Sheth	14482893	#58.82%		
Increase				
Date	Reason for Increase			
	MARKET PURCHASE	32000 *	0.13%	14514893 #58.95%
		8000#	0.03%	14522893 #58.98%
Decrease				
Date	Reason for Decrease			

* Purchased 32000 shares from market on April 6, 2015

Purchased 8000 shares from market on December 11, 2015

ANNEXTURE-F TO BOARD'S REPORT

FORM NO. MGT 9

iv Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
		No. Of shares held	% Of total shares of the company	Date of transaction	No. of shares	No of shares held	% Of total shares of the company
1	CRYSTALON FINANZ AG	1800000	7.3103			1800000	7.3103
	AT THE END OF THE YEAR					1800000	7.3103
2	M R RAJARAM	21970	0.0892			21970	0.0892
	Transfer			10 Apr 2015	30	22000	0.0893
	Transfer			15 May 2015	8000	30000	0.1218
	Transfer			22 May 2015	2200	32200	0.1308
	Transfer			29 May 2015	4000	36200	0.1470
	Transfer			19 Jun 2015	3960	40160	0.1631
	Transfer			26 Jun 2015	1040	41200	0.1673
	Transfer			03 Jul 2015	105	41305	0.1678
	Transfer			10 Jul 2015	8895	50200	0.2039
	Transfer			17 Jul 2015	5000	55200	0.2242
	Transfer			31 Jul 2015	25000	80200	0.3257
	Transfer			07 Aug 2015	9100	89300	0.3627
	Transfer			14 Aug 2015	6000	95300	0.3870
	Transfer			21 Aug 2015	8000	103300	0.4195
	Transfer			28 Aug 2015	18000	121300	0.4926
	Transfer			04 Sep 2015	28000	149300	0.6063
	Transfer			11 Sep 2015	30000	179300	0.7282
	Transfer			18 Sep 2015	5000	184300	0.7485
	Transfer			25 Sep 2015	204300	388600	1.5782
	Transfer			30 Sep 2015	(179300)	209300	0.8500
	Transfer			30 Oct 2015	8000	217300	0.8825
	Transfer			06 Nov 2015	10000	227300	0.9231
	Transfer			13 Nov 2015	14000	241300	0.9800
	Transfer			04 Dec 2015	(6000)	235300	0.9556
	Transfer			15 Jan 2016	18000	253300	1.0287
	Transfer			05 Feb 2016	6602	259902	1.0555
	Transfer			26 Feb 2016	10000	269902	1.0961
	Transfer			18 Mar 2016	15000	284902	1.1571
	AT THE END OF THE YEAR					284902	1.1571
3	SANGEETHA S	81621	0.3315			81621	0.3315
	Transfer			10 Apr 2015	2501	84122	0.3416
	Transfer			24 Apr 2015	12089	96211	0.3907

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FORM NO. MGT 9

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
		No. Of shares held	% Of total shares of the company	Date of transaction	No. of shares	No of shares held	% Of total shares of the company
	Transfer			08 May 2015	8047	104258	0.4234
	Transfer			15 May 2015	25097	129355	0.5253
	Transfer			22 May 2015	8524	137879	0.5600
	Transfer			29 May 2015	611	138490	0.5624
	Transfer			05 Jun 2015	900	139390	0.5661
	Transfer			17 Jul 2015	1000	140390	0.5702
	Transfer			31 Jul 2015	5000	145390	0.5905
	Transfer			07 Aug 2015	11576	156966	0.6375
	Transfer			14 Aug 2015	32607	189573	0.7699
	Transfer			21 Aug 2015	6500	196073	0.7963
	Transfer			28 Aug 2015	14538	210611	0.8553
	Transfer			04 Sep 2015	3962	214573	0.8714
	AT THE END OF THE YEAR					214573	0.8714
4	FABRIKANT H K TRADING LIMITED	196521	0.7981			196521	0.7981
	AT THE END OF THE YEAR					196521	0.7981
5	ANUJ ANANTRAI SHETH	185000	0.7513			185000	0.7513
	AT THE END OF THE YEAR					185000	0.7513
6	SUBRAMANIAN P	0	0.0000			0	0.0000
	Transfer			12 Jun 2015	3912	3912	0.0159
	Transfer			19 Jun 2015	250	4162	0.0169
	Transfer			26 Jun 2015	7776	11938	0.0485
	Transfer			03 Jul 2015	8000	19938	0.0810
	Transfer			10 Jul 2015	5115	25053	0.1017
	Transfer			31 Jul 2015	13152	38205	0.1552
	Transfer			07 Aug 2015	19927	58132	0.2361
	Transfer			14 Aug 2015	51043	109175	0.4434
	Transfer			21 Aug 2015	2000	111175	0.4515
	Transfer			04 Sep 2015	36490	147665	0.5997
	Transfer			11 Sep 2015	7185	154850	0.6289
	Transfer			18 Sep 2015	3368	158218	0.6426
	AT THE END OF THE YEAR					158218	0.6426
7	MASTER CAPITAL SERVICES LTD	920	0.0037			920	0.0037
	Transfer			10 Apr 2015	(50)	870	0.0035

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FORM NO. MGT 9

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
		No. Of shares held	% Of total shares of the company	Date of transaction	No. of shares	No of shares held	% Of total shares of the company
	Transfer			17 Apr 2015	288	1158	0.0047
	Transfer			24 Apr 2015	52	1210	0.0049
	Transfer			08 May 2015	(10)	1200	0.0049
	Transfer			15 May 2015	10	1210	0.0049
	Transfer			22 May 2015	(100)	1110	0.0045
	Transfer			29 May 2015	100	1210	0.0049
	Transfer			05 Jun 2015	75	1285	0.0052
	Transfer			12 Jun 2015	(410)	875	0.0036
	Transfer			26 Jun 2015	25	900	0.0037
	Transfer			03 Jul 2015	24	924	0.0038
	Transfer			10 Jul 2015	106	1030	0.0042
	Transfer			17 Jul 2015	70	1100	0.0045
	Transfer			24 Jul 2015	950	2050	0.0083
	Transfer			31 Jul 2015	(350)	1700	0.0069
	Transfer			07 Aug 2015	50	1750	0.0071
	Transfer			14 Aug 2015	(450)	1300	0.0053
	Transfer			21 Aug 2015	100	1400	0.0057
	Transfer			28 Aug 2015	150	1550	0.0063
	Transfer			25 Sep 2015	50	1600	0.0065
	Transfer			30 Sep 2015	2325	3925	0.0159
	Transfer			09 Oct 2015	7550	11475	0.0466
	Transfer			16 Oct 2015	(2170)	9305	0.0378
	Transfer			23 Oct 2015	(480)	8825	0.0358
	Transfer			30 Oct 2015	700	9525	0.0387
	Transfer			06 Nov 2015	(50)	9475	0.0385
	Transfer			13 Nov 2015	275	9750	0.0396
	Transfer			20 Nov 2015	3625	13375	0.0543
	Transfer			27 Nov 2015	2450	15825	0.0643
	Transfer			04 Dec 2015	(600)	15225	0.0618
	Transfer			11 Dec 2015	3045	18270	0.0742
	Transfer			18 Dec 2015	(2645)	15625	0.0635
	Transfer			25 Dec 2015	(270)	15355	0.0624
	Transfer			31 Dec 2015	160	15515	0.0630
	Transfer			01 Jan 2016	100	15615	0.0634
	Transfer			08 Jan 2016	59858	75473	0.3065

ANNEXTURE-F TO BOARD'S REPORT

FORM NO. MGT 9

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
		No. Of shares held	% Of total shares of the company	Date of transaction	No. of shares	No of shares held	% Of total shares of the company
	Transfer			15 Jan 2016	1618	77091	0.3131
	Transfer			22 Jan 2016	(1492)	75599	0.3070
	Transfer			29 Jan 2016	2238	77837	0.3161
	Transfer			05 Feb 2016	33944	111781	0.4540
	Transfer			12 Feb 2016	(800)	110981	0.4507
	Transfer			19 Feb 2016	(34619)	76362	0.3101
	Transfer			26 Feb 2016	6497	82859	0.3365
	Transfer			04 Mar 2016	(1516)	81343	0.3304
	Transfer			11 Mar 2016	49899	131242	0.5330
	Transfer			18 Mar 2016	2079	133321	0.5415
	Transfer			25 Mar 2016	(375)	132946	0.5399
	Transfer			31 Mar 2016	(2850)	130096	0.5284
	AT THE END OF THE YEAR					130096	0.5284
8	AFFLUENCE SHARES AND STOCKS PRIVATE LIMITED	0	0.0000			0	0.0000
	Transfer			18 Dec 2015	90000	90000	0.3655
	Transfer			25 Dec 2015	103028	193028	0.7839
	Transfer			31 Dec 2015	56781	249809	1.0145
	Transfer			08 Jan 2016	(30524)	219285	0.8906
	Transfer			15 Jan 2016	(65028)	154257	0.6265
	Transfer			22 Jan 2016	21416	175673	0.7135
	Transfer			05 Feb 2016	(3256)	172417	0.7002
	Transfer			12 Feb 2016	1400	173817	0.7059
	Transfer			19 Feb 2016	3720	177537	0.7210
	Transfer			26 Feb 2016	500	178037	0.7231
	Transfer			04 Mar 2016	50	178087	0.7233
	Transfer			11 Mar 2016	4	178091	0.7233
	Transfer			18 Mar 2016	(49554)	128537	0.5220
	Transfer			25 Mar 2016	(130)	128407	0.5215
	Transfer			31 Mar 2016	(12370)	116037	0.4713
	AT THE END OF THE YEAR					116037	0.4713
9	INDIA MAX INVESTMENT FUND LIMITED	0	0.0000			0	0.0000
	Transfer			11 Dec 2015	8489	8489	0.0345
	Transfer			18 Dec 2015	96511	105000	0.4264

ANNEXTURE-F TO BOARD'S REPORT

FORM NO. MGT 9

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
		No. Of shares held	% Of total shares of the company	Date of transaction	No. of shares	No of shares held	% Of total shares of the company
	AT THE END OF THE YEAR					105000	0.4264
10	EASTSPRING INVESTMENTS INDIA CONSUMER EQUITY OPEN LIMITED	153875	0.6249			153875	0.6249
	Transfer			18 Mar 2016	(22526)	131349	0.5334
	Transfer			25 Mar 2016	(35997)	95352	0.3873
	AT THE END OF THE YEAR					95352	0.3873

v Shareholding of Directors and Key Managerial Personnel:

Shareholding of each Directors and each Key Managerial	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1. Mr. Rajeev Sheth, Chairman and Managing Director	14482893	58.82%		
Add Market Purchase	32000 *	0.13%	14514893	58.95%
	8000&	0.03%	14522893	58.98%
2. Mr. Sanjay Sethi, Director (Finance)and CFO #	NIL		NIL	
3. Ravindran M.P, Executive Director	NIL		NIL	
4. Mr. Nikkhil Vaidya, Independent Director	NIL		NIL	
5. Mr. Rajiv Jain, Independent Director	300		300	0.001%
6. Mr. Rakesh Kalra, Independent Director	NIL		NIL	
7. Mr. Shanti Saroop Khindria, Independent Director	NIL		NIL	
8. Mr. Francois Arpels, Independent Director #	NIL		NIL	
9. Ms. Fern Mallis, Independent Director	NIL		NIL	
10. Mr. Mariano De La Torre, Nominee Director	NIL		NIL	
11. Ms. Nivedita Nayak, Company Secretary	NIL		NIL	
12.Mr. Vishnu Prakash Garg, Executive Director %	NIL		NIL	

*The above changes in Mr. Rajeev Sheth Shares are on account of purchase of 32000 shares from market on April 6, 2015.

& The above changes in Mr. Rajeev Sheth Shares are on account of purchase of 8000 shares from market on December 11, 2015.

% Appointed as Whole Time Director w.e.f May 23, 2016.

Resigned as Director w.e.f February 11, 2016.

ANNEXTURE-F TO BOARD'S REPORT

FORM NO. MGT 9

V INDEBTEDNESS

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

(Amount in ₹)

	Secured Loans including Deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,06,81,00,264	-		3,06,81,00,264
ii) Interest due but not paid				-
iii) Interest accrued but not due	3,54,034			3,54,034
Total (i+ii+iii)	3,06,84,54,298	-		3,06,84,54,298
Change in Indebtedness during the financial year				
· Addition	4,84,33,755	-		
· Reduction				
Net Change	4,84,33,755			4,84,33,755
Indebtedness at the end of the financial year				
i) Principal Amount	3,11,66,93,439	-		3,11,66,93,439
ii) Interest due but not paid				-
iii) Interest accrued but not due	1,94,614	-		1,94,614
Total (i+ii+iii)	3,11,68,88,053	-	-	3,11,68,88,053

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr Rajeev V. Sheth	Mr Sanjay Sethi	Mr Ravindran M. P.	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,20,00,000	51,36,207	27,67,264	1,99,03,471
	(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				
	Total (A)	1,20,00,000	51,36,207	27,67,264	1,99,03,471
	Ceiling as per the Act	(being 10% of the net profits of the company calculated as per section 198 of the Companies Act, 2013.			

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B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount	
		Ms. Fern Mallis	Mr. Nikhil Vaidya	Mr. Rakesh Kalra	Mr. Shanti Saroop Khindria	Mr. Rajiv Jain		Mr. Francois Arpels
3	Independent Directors							
	· Fee for attending board / committee meetings	80,000	1,60,000	1,40,000	60,000	80,000	40,000	
	· Commission	5,00,000	5,00,000	5,00,000	5,00,000	5,00,000	5,00,000	
	· Others, please specify							
	Total (1)	5,80,000	6,60,000	6,40,000	5,60,000	5,80,000	5,40,000	
35,60,000								
4	Other Non-Executive Directors	-	-	-				
	· Fee for attending board / committee meetings							
	· Commission							
	· Others, please specify							
	Total (2)	-	-	-				
	Total (B)=(1+2)	5,80,000	6,60,000	6,40,000	5,60,000	5,80,000	5,40,000	
							35,60,000.00	
	Total Managerial Remuneration							
	Overall Ceiling as per the Act	(being 1% of the net profits of the company calculated as per section 198 of the Companies Act, 2013)						

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

Sr. No.	Particulars of Remuneration	CFO	Company Secretary	Total
	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,67,370	6,11,175	24,78,545
	(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	-	-	-
	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
	Others, please specify	-	-	-
	Total	18,67,370	6,11,175	24,78,545

ANNEXTURE-F TO BOARD'S REPORT FORM NO. MGT 9

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies act	Brief description	Details of penalty/ Punishment/ compounding Fees imposed	Authority (rd/nclt/ Court)	Appeal made, if Any (give details)
A. COMPANY					
Penalty					
Punishment			NONE		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NONE		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NONE		
Compounding					

ANNEXTURE G TO BOARD'S REPORT

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF TARA JEWELS LIMITED

We have examined the compliance of the conditions of Corporate Governance by Tara Jewels Limited for the year ended on March 31, 2016, as stipulated in:

- Clause 49 of the Listing Agreements of the Company with Stock Exchanges for the period from 1st April, 2015 to 30th November, 2015.
- Regulations 17 to 27 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 for the period from 1st December, 2015 to 31st March, 2016.

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

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

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

For SUNIL AGARWAL & CO.
Company Secretaries

Date: May 23, 2016
Place: Mumbai

SUNIL AGARWAL
Proprietor
C.P. No. 3286

ANNEXTURE H TO BOARD'S REPORT

Information as per Section 134 (3) (m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 ("Rules") for the year ended 31st March, 2016 is as follows:

A) CONSERVATION OF ENERGY:

i) Steps taken or impact on conservation of energy:

The Company has adopted various innovative measures to reduce waste and to achieve optimum utilization of energy, resulting in reduction of power cost. The major steps taken during the year 2015-16 towards conservation of energy together with its impact is as given below:

1. We have replaced the entire computer CRT Monitor with LCD Monitor where we can save 55% of the energy which is used for Computers.
2. We have converted the heat discharge of an incinerator to an alternate furnace to dry the sludge for refinery purpose 100% elimination of usage of 24KW Muffle furnace every single day.

ii) Steps taken by the company for utilising alternate sources of energy:

1. We have organized a detailed Audit about the Effective usage of Solar Energy in our factory operational area which can be executed upon receipt of Audit Report.

iii) Capital Investment on energy conservation equipments:

We have spent around INR 10 lacs as capital investment.

B) TECHNOLOGY ABSORPTION:

i) The efforts made towards Technology Absorption:

Our Company continue to take consist efforts towards technology absorption research & development. The major steps taken during the year 2015-2016 on technology absorption, research & development are as follows:

As a result of research towards improvisation of productivity and perfection we have installed the following machines:

1. New 450 (qty) DIscope Microscope
2. Silver Electro Polishing Machine
3. High Speed Laser welding and marking machines
4. New Advanced Lathe Machine
5. New CNC Machine for Jewelery Work

ANNEXTURE H TO BOARD'S REPORT

- ii) The benefits derived like product improvement, cost reduction, product development or import substitution together with future action plan:

The benefits of new technology absorption are given below:

1. New DIscope Microscope- This high quality Microscope helps us to make the Jewellery more accurate and excellent quality
 2. Silver Electro Polishing Machine- polishing effect on those areas where the manual polishing tools cannot be reached in silver jewellery.
 3. CNC machine which is helping us to make High Quality Machine made jewellery and Miracle Plate with Excellent Quality.
- iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- a) The details of technology imported;

1. New imported DIscope Microscope
2. Fully automatic wax injector, this helps us to high productivity in less man power
3. Silver Electro polishing- This machine helps us to those areas where the manual polishing tools cannot be reached and can provide very good polishing effect.
4. High speed Laser Stamping and Welding, this high speed laser welding and stamping machine help us to increase the productivity in post casting area.

- b) the year of import;

1. 2016
2. 2014
3. 2014
4. 2013

- c) Whether the technology has been fully absorbed:

All the above mentioned imported technologies are fully absorbed.

- iv) the expenditure incurred on Research and Development:

INR ₹ 12 Crores

C) FOREIGN EXCHANGE USED AND EARNED:

The details of Foreign Exchange used and earned during the year are as follows:

(Amount in ₹)	
Earned	9,885,992,474 /-
Used	195,659,899 /-

CORPORATE GOVERNANCE REPORT

The Report on Corporate Governance as prescribed by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) is given below:

A. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company adheres to best practices in Corporate Governance based on certain key principles, including fairness and integrity, transparency and disclosure, accountability, equal treatment to all the shareholders and social responsibility. Corporate Governance extends beyond corporate laws. Its fundamental objective is not merely to fulfil legal requirements, but also the institution of and adherence to systems and procedures, ensuring the commitment of the Board of Directors in managing the Company’s affairs in a transparent manner to maximise the long-term value of the shareholders at large.

Your Company has adopted an appropriate Corporate Governance framework to ensure timely and accurate disclosure of all material matters, including financial position, performance, ownership and governance.

Your Company’s policies and practices relating to the Corporate Governance are discussed in the following sections:

B. BOARD OF DIRECTORS

(i) Board Membership Criteria

The members of the Board of Directors of your Company are expected to possess the required expertise, skill and experience to effectively manage and direct your Company to attain its organisational goals. They are expected to be persons with vision, leadership qualities, proven competence and integrity, and with a strategic bent of mind.

Each member of the Board of Directors of your Company is expected to ensure that his/her personal interest does not run in conflict with your Company’s interests. Moreover, each member is expected to use his/her professional judgement to maintain both the substance and appearance of independence and objectivity.

(ii) Composition of the Board

The Board of Directors of your Company has an optimum combination of Executive and Non-executive Directors to have a balanced Board Structure. The Board has Nine Directors, and except the Chairman & Managing Director and two Whole-Time Director, all other Six Directors are Non-executive. Out of the Six Non-executive Directors, Five are Independent Directors and one is Nominee Director. The Chairman of the Board of Directors of your Company is a Non-Independent Director.

The composition of the Board of Directors of your Company as on March 31, 2016, along with the other Directorships held by each of the Directors is brought out in the following tables:

Name of Director	Position	Relationship with other Directors	No. of other Directorships#	No. of other Board Committee(s) of which he / she is a Member *	No. of other Board Committee(s) of which he / she is a Chairman *
Mr. Rajeev Sheth (DIN: 00266460)	Chairman & Managing Director	None	2	NIL	NIL
Mr. Ravindran M.P (DIN: 07188069)	Executive Director	None	NIL	NIL	NIL
Mr. Vishnu Prakash Garg (DIN: 00024991)@	Executive Director	None	NIL	NIL	NIL
Mr. Mariano Fernando de la Torre (DIN: 07087405)	Non-executive & Non-Independent Director	None	NIL	NIL	NIL

Mr. Rajiv Lochan Jain (DIN: 00161022)	Non-executive & Independent Director	None	2	2	NIL
Mr. Rakesh Kalra (DIN: 00780354)	Non-executive & Independent Director	None	5	4	1
Mr. Nikkhil Vaidya (DIN: 02942549)	Non-executive & Independent Director	None	NIL	NIL	NIL
Ms. Fern Mallis (DIN: 03270532)	Non-executive & Independent Director	None	NIL	NIL	NIL
Mr. Shanti Saroop Khindria (DIN: 03271292)	Non-executive & Independent Director	None	NIL	NIL	NIL

Excludes Directorships in Foreign Companies and Section 8 Companies.

* Includes only Audit Committee and Stakeholders' Relationship Committee.

@ Mr. Vishnu Prakash Garg appointed as Executive Director w.e.f May 23, 2016

iii) Board Meetings / Annual General Meeting

During the year 2015-16, the Board of Directors of your Company met 4 times on May 25, 2015, August 13, 2015, November 10, 2015 and February 11, 2016.

The previous Annual General Meeting was held on September 29, 2015.

The Details regarding the attendance of Directors at the Board Meetings and the Annual General Meeting held during 2015-16 are presented in the following table:

Director	No. of Board Meetings		Whether Last AGM Attended (Yes/No)
	Held	Attended	
Mr. Rajeev Sheth	4	3	YES
Mr. Sanjay Sethi *	4	3	YES
Ms. Fern Mallis	4	4	NO
Mr. Nikkhil Vaidya	4	4	YES
Mr. Rajiv Lochan Jain	4	4	YES
Mr. Rakesh Kalra	4	3	YES
Mr. Shanti Saroop Khindria	4	3	NO
Mr. Francois Arpels*	4	2	NO
Mr. Mariano De la Torree	4	4	NO
Mr. Ravindran M.P	4	4	YES
Mr. Vishnu Prakash Garg #	4	NIL	NO

*Mr. Sanjay Sethi and Mr. Francois Arpels resigned as a Director of Company w.e.f February 11, 2016

Mr. Vishnu Prakash Garg appointed as Executive Director w.e.f May 23, 2016.

(iv) Membership Term and Retirement Policy

According to your Company's Articles of Association, at every Annual General Meeting, one-third of the Directors for the time being are liable to retire by rotation or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.

The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment. However, as between persons who became Director on the same day and those who are to retire shall unless they otherwise agree among themselves be determined by lot. A retiring Director shall be eligible for re-appointment.

CORPORATE GOVERNANCE REPORT

(v) Code of Conduct

Your Company's Board of Directors has prescribed a Code of Conduct for all Board Members and the Company's Senior Management. The Code of Conduct is available on your Company's website, www.tarajewels.in.

All the Board Members and the Senior Management personnel of your Company have affirmed their compliance with the Code of Conduct for the year ended March 31, 2016. A declaration to this effect signed by the Managing Director is given at the end of this report.

(vi) Code of Conduct for Prohibition of Insider Trading

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board has approved and adopted a code of conduct governing all the directors, senior management and other employees of the Company. The Company Secretary of the Company is the Compliance Officer in respect of compliance of the code.

(vii) Profile of Directors under SEBI (Listing and Disclosure Requirements) Regulations, 2015

In compliance with SEBI (Listing and Disclosure Requirements) Regulations, 2015 of the Listing Agreement, brief resume, expertise and details of other directorship, membership in committees of Directors of other Companies and shareholding in the Company of the Directors proposed to be re-appointed / appointed are attached along with Notice of annual general meeting.

C. BOARD COMMITTEES

In compliance with both the mandatory and non-mandatory requirements under SEBI (Listing and Disclosure Requirements) Regulations 2015 and the applicable laws, your Company's Board of Directors constituted the following Committees:

- (i) Audit Committee
- (ii) Nomination and Remuneration Committee
- (iii) Stakeholders' Relationship Committee
- (iv) Finance Committee
- (v) Allotment Committee
- (vi) Compensation Committee
- (vii) Management & Administration Committee
- (viii) Corporate Social Responsibility Committee
- (ix) Risk Management Committee

The Chairman of the Board, in consultation with the Company Secretary and the respective Chairman of these Committees, determines the frequency of the meetings of these Committees. The Board of Directors has also adopted the following policies in line with the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and the Companies Act, 2013 for the effective and defined functioning of the respective Committees of the Board:

- a) Whistle Blower Policy (Vigil mechanism)
- b) Internal Financial Control Policy;
- c) Related Party Transaction Policy;
- d) Risk Management Policy;
- e) Corporate Social Responsibility Policy
- f) Nomination and Remuneration Policy
- g) Disclosure Policy
- h) Audit Committee Mechanism
- i) Familiarization Programme for Independent Directors
- j) Insider Trading Code, 2015
- k) Code of Conduct for the Members of Board & Senior Management Personnel
- l) Documents Retention Policy
- m) Policy on Material Related Party Transaction
- n) Policy on disclosure of material events and information.

(i) Audit Committee

The Audit Committee of the Board of Directors of your Company consists of the following Members as on March 31, 2016:

1. Mr. Nikkhil Vaidya- Chairman and Member
2. Mr. Rakesh Kalra- Member
3. Mr. Sanjay Sethi- Member upto February 11, 2016
4. Mr. Ravindran M.P- Member from February 11, 2016

The Company Secretary of the Company acts as the Secretary of the Committee.

The Company's Audit Committee met four times during 2014-15 on May 23, 2015, August 13, 2015, November 10, 2015 and February 11, 2016.

The following table presents the details of attendance at the Audit Committee meetings held during 2015-16:

Members	No. of Meetings Held	No. of Meetings Attended	Category
Mr. Nikkhil Vaidya	4	4	Independent Director
Mr. Rakesh Kalra	4	4	Independent Director
Mr. Sanjay Sethi*	4	3	Executive Director
Mr. Ravindran M.P	4	1	Executive Director

* Mr. Sanjay Sethi Resigned as a Director of Company w.e.f February 11, 2016.

Mr. Nikkhil Vaidya, the Chairman of the Audit Committee was present at the Company's Previous Annual General Meeting held on September 29, 2015.

The composition, role, terms of reference as well as powers of the Audit Committee are in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

The role of the audit committee shall include the following:

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (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;
 - (g) modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly 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 utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of

CORPORATE GOVERNANCE REPORT

proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) 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; and
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

- (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 Audit Committee acts as a Link between the Management, the Statutory Auditors, Internal Auditors and the Board of Directors.

The detailed terms of reference of Audit Committee are available on your Company's website, www.tarajewels.co.in.

(ii) Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors of your Company consists of the following Members as on March 31, 2016:

1. Mr. Rakesh Kalra- Chairman
2. Mr. Nikkhil Vaidya- Member
3. Mr. Rajiv Jain- Member

The Company Secretary of the Company acts as the Secretary of the Committee.

The Company's Nomination and Remuneration Committee met three times during the year 2015-16 viz. May 25, 2015, August 13, 2015 and November 10, 2015.

The following table presents the details of attendance at the Nomination and Remuneration Committee meetings held during 2015-16:

Members	No. of Meetings Held	No. of Meetings Attended	Category
Mr. Rakesh Kalra	3	2	Independent Director
Mr. Nikkhil Vaidya	3	3	Independent Director
Mr. Rajiv Jain	3	3	Independent Director

The Board of Directors has on the recommendation of the Nomination and Remuneration Committee adopted the Nomination and Remuneration Policy. A copy of the same has been attached to the Directors Report as Annexure C.

Role of committee shall, inter-alia, include the following:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) 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.

Remuneration Policy

The remuneration of Executive Director/s is decided by the Board of Directors or Remuneration Committee and the Board of Directors as per the Company's remuneration policy within the overall ceiling approved by shareholders.

CORPORATE GOVERNANCE REPORT

Remuneration paid to Non-executive Directors

The Independent Directors of your Company are paid sitting fees. Your Company pays sitting fees of Rs. 20,000/- per meeting to the Independent Directors for attending the meetings of the Board and Audit Committee Meetings of the Board.

Details of Remuneration for the Financial Year 2015-16

Non-Executive Directors

Name of the Director	Commission (Rs.)	Sitting Fees (Rs.)	No of Shares Held
Mr. Nikkhil Vaidya	5,00,000/-	1,60,000/-	NIL
Mr. Rakesh Kalra	5,00,000/-	1,40,000/-	NIL
Mr. Rajiv Jain	5,00,000/-	80,000/-	300
Mr. Shanti Saroop Khindria	5,00,000/-	60,000/-	NIL
Mr. Francois Arpels upto February 11, 2016	5,00,000/-	40,000/-	NIL
Ms. Fern Mallis	5,00,000/-	80,000/-	NIL
Mr. Mariano De La Torree	NIL	NIL	NIL

Executive / Whole--Time Director

Name of Director	Period of Appointment	Remuneration (including Commission)	No. of Shares Held/ Stock Options *
Mr. Rajeev Sheth, Chairman and Managing Director	Reappointed for 5 years w.e.f October 1, 2015	12,000,000/-	14,522,893
Mr. Sanjay Sethi, Executive Director	Resigned w.e.f February 11, 2016	51,36,207/-	NIL
Mr. Ravindran M.P, Executive Director	5 years w.e.f May 25, 2015	2,767,264/-	NIL

None of the Directors are entitled to any benefit upon termination of their association with your Company.

* There were no Stock Options granted during Financial Year 2015-2016.

(iii) Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Board of Directors of your Company consists of the following Members as on March 31, 2016:

1. Mr. Rajiv Jain- Chairman and Member
2. Mr. Sanjay Sethi- Member upto February 11, 2016
3. Mr. Ravindran M.P- Member
4. Mr. Nikkhil Vaidya- Member from February 11, 2016

The Company Secretary of the Company acts as the Secretary of the Committee.

The Company's Stakeholders Committee met three times during 2015-16 on August 13, 2015, November 10, 2015 and February 11, 2016.

The following table presents the details of attendance at the Stakeholders Relationship Committee meetings held during 2015-16:

Members	No. of Meetings Held	No. of Meetings Attended	Category
Mr. Rajiv Jain	3	3	Independent Director
Mr. Sanjay Sethi *	3	2	Executive Director
Mr. Ravindran M.P	3	3	Executive Director
Mr. Nikkhil Vaidya	3	1	Independent Director

* Mr. Sanjay Sethi Resigned as a Director of Company w.e.f February 11, 2016.

The Company has received one complaint from the investors / shareholders during the financial year ended March 31, 2016 and the same has been resolved by the Company.

The terms of reference of the Stakeholders Relationship Committee is as follows:

Inter alia to look into redressal of shareholders and investor complaints, e.g. transfer of shares, non-receipt of balance sheet/ annual report, non-receipt of declared dividend, interest, notices etc.; formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

The Securities and Exchange Board of India (SEBI) has commenced processing of investor complaints in a centralised web-based complaints redress system- 'SCORES'. The salient features of this system are:

- Centralised database of all complaints
- Online movement of complaints to the concerned listed companies
- Online upload of Action Taken Reports (ATRs) by the concerned companies
- Online viewing by investors of actions taken on the complaint and its current status

All complaints pertaining to companies will be electronically sent through SCORES at www.scores.gov.in. The companies are required to view the complaints pending against them and submit ATRs, along with supporting documents, electronically in SCORES. Failure on the part of the Company to update the ATR in SCORES will be treated as its non-redressal of investor complaints.

Your Company has been registered on SCORES and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint.

No shares issued pursuant to the public issue of your Company remains unclaimed and are lying in the escrow account. No shares were issued in physical form in the public issue of the Company.

(iv) Finance Committee

The Company's Board of Directors formed a Finance Committee to look after the routine financial requirements of the Company like opening and closing of bank accounts, borrowing funds up to the limits prescribed by the Board, making investments, etc.

The Finance Committee of the Board of Directors of your Company consists of the following Members as on March 31, 2016.

1. Mr. Rajeev Sheth- Chairman;
2. Mr. Sanjay Sethi- Member upto February 11, 2016 and;
3. Mr. Ravindran M.P- Member

The Company Secretary of the Company acts as the Secretary of the Committee.

The Company's Finance Committee met nine times during 2015-2016 on April 27, 2015, May 25, 2015, July 10, 2015, August 4 2015, August 13, 2015, September 10, 2015, November 10, 2015, November 24, 2015 and February 11, 2016.

The following table presents the details of attendance at the Finance Committee meetings held during 2015-16:

Members	No. of Meetings Held	No. of Meetings Attended	Category
Mr. Rajeev Sheth	9	9	Managing Director
Mr. Sanjay Sethi*	9	8	Executive Director
Mr. Ravindran M.P	9	4	Executive Director

* Mr. Sanjay Sethi Resigned as a Director of Company w.e.f February 11, 2016.

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The terms of reference of the Finance Committee are as follows:

1. Exercise all powers to borrow moneys (otherwise than on debentures) within the limits sanctioned by the Board and do all necessary acts and deeds connected therewith.
2. Borrow monies by way of loan and / or issuing and allotting Bonds / Notes denominated in one or more foreign currencies in international markets, for the purpose of refinancing the existing debt, capital expenditure, general corporate purposes including working capital requirements and possible strategic investments within the limits approved by the Board.
3. To authorize opening, operation, changing of authorized signatories of the Company with respect to all Bank Accounts maintained by the Company, authorization for e-banking banking account/transaction and closing any bank account.
4. To open and close Demat accounts of the Company for holding securities/ investments owned by the Company. The Members of the Finance Committee will be empowered to make appropriate changes in authorized signatories of the Company for operation of demat accounts.
5. Giving of guarantees / providing corporate guarantee/ providing performance guarantee/ issuing letters of comfort / providing securities within the limits approved by the Board.
6. To authorize officers of the Company for entering into forex transactions and hedging as per approved policy of the Company;
7. Approve opening and operation of Investment Management Accounts with Foreign Banks and appoint them as Agents, establishment of representative / sales offices in or outside India etc.
8. To delegate powers, make changes, in the authorized signatories of the Company with all matters related to Central Excise Act & Rules framed there under, Customs Act & Rules framed there under, Central and State Sales Tax/Value Added Tax & Rules framed there under, Foreign Trade (Development & Regulation) Act & Rules framed there under, the Employees' Provident Funds and Miscellaneous Provisions Act & Rules framed there under, the Payment of Gratuity Act & Rules framed there under, the Employees' State Insurance Act & Rules framed there under, issue related to Director General Foreign Trade (DGFT), Foreign Trade Policy & Rules framed there under, Superannuation Scheme or any other authorisation of similar nature;
9. To authorize officers of the Company for entering into general contracts, agreements with relation to operations with Statutory/Regulatory Bodies viz., Electricity Boards, Ports, Railways, Pollution Control Boards, Town & Country Planning Authorities, Municipal Corporations, Panchayats, any other Local Bodies or any other similar bodies/authorities.
10. Exercise all powers to invest the funds of the Company within limits specified by the Board.
11. To delegate powers, constitute committees of authorized officials for the purposes of investing surplus funds temporarily not required for the business of the Company and any other matters incidental thereto.
12. Exercise powers to make loans on behalf on the Company within the limits sanctioned by the Board.
13. Authorize one or more employees of the Company /Group u/s 113 of the Companies Act, 2013 to attend and vote at the meetings of subsidiary, associate Company or any other Company where the Company is a shareholder/debenture-holder, meetings of creditors and meetings convened by the orders of the Court.
14. Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.
15. Other transactions or financial issues that the Board may desire to have them reviewed by the Finance Committee.
16. Delegate authorities from time to time to the Executives / Authorised persons to implement the decisions of the Committee.
17. Regularly review and make recommendations to the Board about changes to the charter of the Committee.

(v) Allotment Committee

The Company's Board of Directors formed an Allotment Committee in February, 2013 to allot shares of the Company, especially pursuant to the ESOP Schemes of the Company.

The Allotment Committee of the Board of Directors of your Company consists of the following Members as on March 31, 2016 viz.:

1. Mr. Rajeev Sheth- Chairman;
2. Mr. Sanjay Sethi *- Member; upto February 11, 2016
3. Mr. Ravindran M.P- Member

* Mr. Sanjay Sethi resigned as a Director of Company w.e.f February 11, 2016.

The Company Secretary of the Company acts as the Secretary of the Committee.

No Allotment Committee Meeting was held during the year.

(vi) Compensation Committee

The Company's Board of Directors formed a Compensation Committee in May 2013 to administer ESOP Scheme 2013.

The Compensation Committee of the Board of Directors of your Company consists of the following Members as on March 31, 2016 viz.:

- Mr. Rajeev Sheth- Chairman
Mr. Nikkhil Vaidya- Member
Mr. Rakesh Kalra- Member
Mr. Sanjay Sethi *- Member upto February 11, 2016
Mr. Pravin Patil- GM, Human Resources and Administration

* Mr. Sanjay Sethi Resigned as a Director of Company w.e.f February 11, 2016.

The Company Secretary of the Company acts as the Secretary of the Committee.

No Compensation Committee Meeting was held during the year.

(vii) Management and Administrative Committee

The Company's Board of Directors formed a Management and Administrative Committee in November, 2012 to look into the day-to-day affairs and businesses of routine nature of the Company.

The Management and Administrative Committee of the Board of Directors of your Company consist of the following Members as on March 31, 2016 viz.:

1. Mr. Rajeev Sheth- Chairman
2. Mr. Sanjay Sethi- Member upto February 11, 2016
3. Mr. Ravindran M.P- Member

The Company's Management and Administration Committee met two times during 2015-2016 on April 30, 2015 and January 25, 2016

The Company Secretary of the Company acts as the Secretary of the Committee.

The following table presents the details of attendance at the Finance Committee meetings held during 2015-16:

Members	No. of Meetings Held	No. of Meetings Attended	Category
Mr. Rajeev Sheth	2	2	Managing Director
Mr. Sanjay Sethi *	2	1	Executive Director
Mr. Ravindran M.P	2	1	Executive Director

* Mr. Sanjay Sethi Resigned as a Director of Company w.e.f February 11, 2016.

CORPORATE GOVERNANCE REPORT

The terms of reference of the Management and Administrative Committee are as follows:

1. To attend to legal and such other administrative matters of the Company;
2. to incorporate subsidiary companies, enter into joint ventures Indian or Foreign, and also to execute Joint venture agreements, Shareholders Agreements, Memorandum of Understanding and such other documents as may be required to form Joint Venture; and to invest in, provide loan, and / or to provide corporate guarantee, security and also to provide financial and such other assistance to such subsidiary companies, joint ventures and other persons including but not limited to body corporate, units, mutual funds, individuals, trust, etc. as may be required from time to time, within the maximum ceiling of Rs.100 crores;
3. to take on lease Land and/ or Building in relation to and for the purpose of carrying on the business of the Company, Subsidiary Companies/Joint Ventures of the Company; to purchase/take on lease Plant and Machinery to be utilized on the Company's Subsidiary Companies/Joint Ventures;
4. to apply for registration/ license of/for the Company with/from various authorities of any state or Centre including but not limited to Provident Fund Authorities, Pollution Control Board/Authorities, Labour Department Drug and Cosmetic Department, Sales Tax authorities, Income Tax authorities, Shops and Establishment authorities, Customs and Central Excise authorities, the Director General of Foreign Trade and any other local, private or semi-government bodies and to do or perform all acts and deeds relating to such matters;
5. to apply, in the name of and for the Company for telephone, telex, internet, fax and other telecommunication and electrical/electronic connections and to do all matters relating to such applications;
6. to purchase motor vehicles and other machineries and capital items in the name of the Company for carrying out the business of the Company, either on self-finance or Hire purchase and to authorize officials of the Company to sign documents for registration of motor vehicles and to do all acts and things for the transfer of any such motor vehicles;
7. to authorise employee(s) or others to execute, for and on behalf of the Company, agreements, applications, deeds, documents and any other writings in connection with the business of the Company and, if required, to issue Power of Attorney in favour of such persons for this purpose;
8. to appoint / authorise employee(s), advocates, consultants or others to represent the Company before any Court, Tribunal, Consumer Redressal Forum or any Statutory or other Authority on any matter relating to the operations of the Company or with which the Company is in any way connected or concerned or to represent the Company generally or for any specific purpose or purposes and, if required, issue Power of Attorney in favour of such persons for the purpose;
9. to authorize persons to represent the Company at General Meetings of any Company or cooperative society of which the Company is a shareholder/member;
10. to fix the dates for Closure of the Company's Register of Members and Transfer Books of Shares and/or fixing Record Dates;
11. inform the Board about the compliance to with applicable laws, adequacy of risk management and internal controls;
12. to authorize affixation of common seal on such documents as may be required.
13. to authorize the closure of non-functioning showrooms / projects of the Company situated at various cities in India.

(viii) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Board has constituted a Corporate Social Responsibility (CSR) Committee consisting of the following members as on March 31, 2016:

Mr. Rajeev Sheth	Chairman
Ms. Fern Mallis	Member
Mr. Ravindran M.P	Member

The CSR Policy of the Company is prepared by Committee and approved by the Board and is also placed on the website of the company www.tarajewels.in as per section 135 (5) of the Companies Act, 2013. Initiatives with respect to it have been described in the Board's Report.

(ix) RISK MANAGEMENT COMMITTEE:

The Board has constituted a Risk Management Committee consisting of following members as on March 31, 2016:

Mr. Sanjay Sethi*	Chairman upto February 11, 2016
Mr. Ravindran M.P	Chairman w.e.f February 11, 2016
Mr. Nikkhil Vaidya	Member
Mr. Rakesh Kalra	Member

* Mr. Sanjay Sethi Resigned as a Director of Company w.e.f February 11, 2016.

The Committee Shall

- Ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.
- To establish a framework for the company's risk management process and to ensure its implementation.
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- To assure business growth with financial stability.

No Risk Management Committee Meeting was held during the year.

Meeting of Independent Directors

The separate meeting of Independent Directors of the Company was held on March 30, 2016, without the attendance of Non-Independent Directors and the members of the management, inter alia, to discuss the following:

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

All the independent Directors were present at the meeting.

Performance Evaluation of Directors

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of independent directors and other directors, Board of Directors and Committees of the Board of Directors pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc.

Familiarisation Programme for Independent Director

The details of familiarisation Programme conducted for Independent Director have been uploaded on website of Company which is www.tarajewels.in (weblink:www.tarajewels.in/investorrelations/corporategovernance/policies)

CORPORATE GOVERNANCE REPORT

Interse Relationship among Directors

There are no Interse Relationship among Directors.

D. GENERAL BODY MEETINGS:

Details of your Company's last three Annual for General Meetings are presented in the following table:

Nature of Meeting	Date	Time	Venue	Details of Special Resolution(s) passed
14th Annual General Meeting	September 29, 2015	03.00 pm	Tribune-I, 6th Floor, Hotel Tunga International, Central Road, M.I.D.C, Andheri (East), Mumbai-400093	Commission paid to Independent Directors
13th Annual General Meeting	September 18, 2014	03.00 pm	Tribune-I, 6th Floor, Hotel Tunga International, Central Road, M.I.D.C, Andheri (East), Mumbai-400093	NIL
12th Annual General Meeting	September 04, 2013	03.00 pm	Hotel Tunga Paradise, P-16, Near SEEPZ, MIDC, Central Road, Andheri (East), Mumbai – 400072	Appointment of Ms. Aarti Sheth for holding office or place of profit u/s. 314 (1B) of the Companies Act, 1956.

- There was no Extraordinary General Meeting held during the year.
- No Special Resolution was passed last year through postal ballot.
- No Special Resolution is proposed to be conducted through postal ballot.

E. SUBSIDIARY COMPANY

Your Company does not have any material non-listed Indian Subsidiary Company. Your Company has unlisted subsidiary companies in USA, Hongkong.

In accordance with Section 129 (3) of the Companies Act, 2013 and Accounting Standard (AS) 21, the Company has prepared the Consolidated Financial Statements of the Company and all its subsidiaries, which forms part of this Annual Report. The Policy for determining material subsidiaries is available on your Company's website viz. www.tarajewels.in

F. RELATED PARTY TRANSACTIONS

All the transactions with related parties are in the ordinary course of business and on arm's length basis; and there are no material related party transactions or arrangement.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at Weblink:www.tarajewels.in/investorrelations/corporategovernance/policies

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company except by way of remuneration paid to the Managing Director and sitting fees and Commission paid to other Non-Executive Directors.

G. DISCLOSURES

(i) Materially Related Party Transactions

There have been no materially significant related party transactions, pecuniary transactions or relationships between your Company and the Directors, management, subsidiary or relatives. The other transactions with related parties are disclosed in notes to accounts of financial statement.

(ii) Details of Non-Compliance

There has been no non-compliance of any legal requirements nor have there been any strictures imposed by any Stock Exchange or SEBI or any statutory authority on any matter related to Capital Markets during the last three years.

(iii) Corporate Governance Report

Your Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and has also complied with the non-mandatory requirements relating to having unqualified Financial Statements.

(iv) Whistle Blower Policy

The Company has implemented the Whistle Blower Policy and is also placed on the website of the company i.e. www.tarajewels.in (weblink:www.tarajewels.in/investorsrelations/corporategovernance/policies)

(v) Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms a part of the Annual Report and includes various matters specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

(vi) Certificate on Corporate Governance

The Practicing Company Secretary's certificate relating to Corporate Governance has been annexed to the Directors' Report and will be sent to the Stock Exchanges at the time of filing the Company's Annual Report.

(vii) CEO / CFO Certification

A certificate from the Managing Director and the Chief Financial Officer, on the Financial Statements and other matters of the Company for the Financial Year ended March 31, 2016, was placed before the Board. This certificate is given at the end of this report.

(viii) Risk Management

The Company has laid down procedures to inform Board Members about the Risk Assessment and minimisation procedure, which are periodically reviewed by the Board.

(ix) Reconciliation of Share Capital Audit

As stipulated by SEBI, a Reconciliation of Share Capital Audit is carried out by an independent Practicing Company Secretary on quarterly basis to confirm reconciliation of the issued and listed capital, shares held in dematerialised and physical mode and the status of the register of members.

(x) Accounting Treatment:

No treatment different from that prescribed in an Accounting Standards has been followed by the Company.

(xi) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

The above details have been furnished in notes to accounts of the Financials.

(xii) Proceeds from public issues, rights issues, preferential issues

During the year, Company did not raise any funds by way of public issues, rights issues, preferential issues etc.

(xiii) Compliance of Non- Mandatory Requirements

1. The Company has only Chairman and Managing Directors and there is no Chief Executive Officer in the Company.
2. The Internal Auditors report to the Audit Committee
3. The Statutory Financial Statements of Company are unqualified.

(xiv) The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.

CORPORATE GOVERNANCE REPORT

H. MEANS OF COMMUNICATION

1. The Company's corporate website, www.tarajewels.in, consists of Investor Relations section, which provides comprehensive information to the Shareholders.
2. Quarterly and Annual Financial results are published in leading English and Marathi daily newspapers. The newspapers in which it is published in are:
Financial Express- All Editions
Navshakti- Marathi- Mumbai
Free Press Journal- Mumbai
The said results are also made available on the Company's website, www.tarajewels.in.
3. The Company's Annual Report is e-mailed/dispatched to all the Shareholders of the Company and also made available on the Company's website, www.tarajewels.in.
4. The Company's Shareholding Pattern is filed on a quarterly basis with the Stock Exchanges and also displayed on the Company's website, www.tarajewels.in.
5. Press Releases and Corporate Presentations are also displayed on the Company's website, www.tarajewels.in.

I. GENERAL SHAREHOLDERS' INFORMATION

1.	Annual General Meeting Date, Time and Venue	September 19, 2016 at 3.00 p.m at Hotel Suncity Premiere Gate#3, Plot No- A-1, Off JVLR Road, Seepz, SEZ, Andheri (East), Mumbai-400096.
2.	Financial Year Quarterly results will be declared as per the following tentative schedule: <ul style="list-style-type: none">• Financial reporting for the quarter ending June 30, 2016• Financial reporting for the half year ending September 30, 2016• Financial reporting for the quarter ending December 31, 2016• Financial reporting for the year ending March 31, 2017	First Fortnight of August, 2016 First Fortnight of November, 2016 First Fortnight of February, 2017 Last Fortnight of May, 2017
3.	Dates of Book Closure	Tuesday September 13, 2016 to Monday September 19, 2016 (both days inclusive)
4.	Listing on Stock Exchanges	Your Company's shares are listed on: <ul style="list-style-type: none">• BSE Ltd. (BSE) Floor 27, P. J. Towers, Dalal Street, Mumbai – 400 001• The National Stock Exchange of India Ltd. (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051 Your Company has paid the annual listing fee for the financial year 2016-17 to both the Exchanges.

5.	Stock Code	BSE Ltd.: 534756; the National Stock Exchange of India Ltd.: TARAJEWELS- EQ; ISIN: INE799L01016
6.	Registrars and Transfer Agents	Link Intime India Pvt. Ltd. (Unit: Tara Jewels Ltd.) C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup West, Mumbai 400078 Tel:+91-22-25963838 Fax:+91-22-2594 6969 E-mail: rnt.helpdesk@linkintime.co.in
7.	Share Transfer System	The Board has delegated the power of Share Transfer to the Shareholders' Grievance Committee of the Board of Directors.
8.	Address for Correspondence	The Company Secretary TARA JEWELS LIMITED Plot 29(P) & 30(P), Sub Plot 'A', SEEPZ, SEZ, Andheri East, Mumbai 400096 022-6677 4444 investor.care@tarajewels.co.in
9.	Dematerialisation of Shares and Liquidity	99.20 % shares of your Company are held in the electronic mode as on March 31, 2016
10.	Investor Complaints to be addressed to	Registrars and Transfer Agents or the Company Secretary, at the addresses mentioned earlier.
11.	Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion Date and likely impact on equity	The Company has not issued any GDRs/ADRs/Warrants. There were no outstanding convertible warrants, as on March 31, 2016.
12.	Commodity Price Risk or Foreign Exchange Risk and Hedging Activities	Mentioned in Financial Statements
13.	Plant Locations	Plot No. 29(P) & 30(P), Sub-Plot 'A', SEEPZ SEZ Andheri (E), Mumbai – 400096. Unit No. GJ-7, SDF VII, SEEPZ SEZ Andheri (E), Mumbai – 400096. Plot No.122, 15th Road, Near IDBI Bank, MIDC, Andheri (E), Mumbai – 400093.

CORPORATE GOVERNANCE REPORT

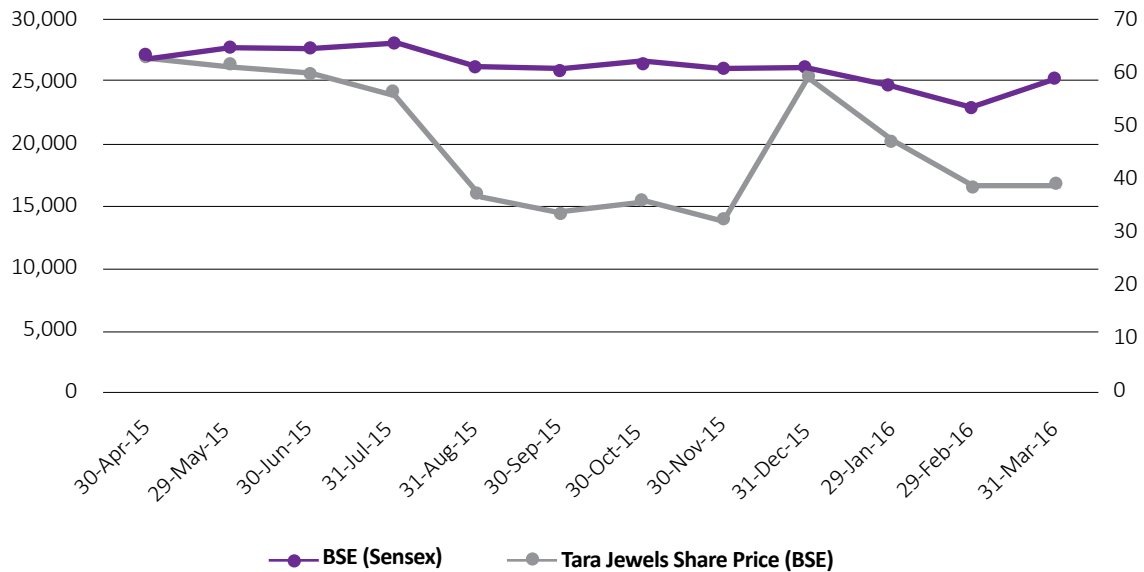
J. MARKET PRICE DATA FOR 2015-16

The market price data, i.e. monthly high and low prices of the Company's shares on BSE & NSE are given below:

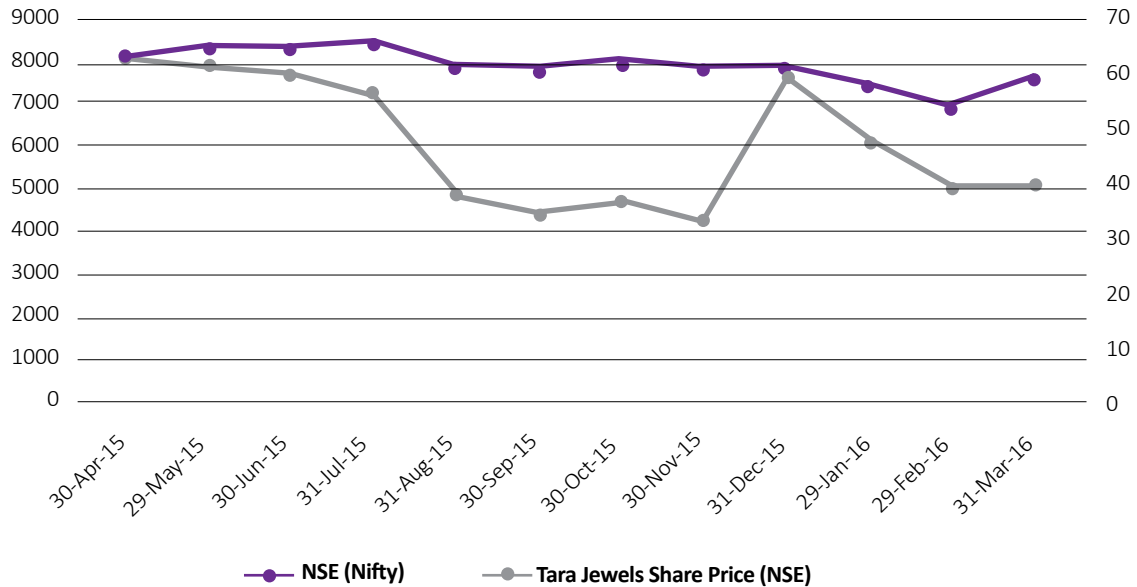
Month	BSE		NSE	
	High Price (Rs.)	Low Price (Rs.)	High Price (Rs.)	Low Price (Rs.)
April, 2015	70.00	56.15	66.00	61.25
May, 2015	71.00	56.30	64.30	60.25
June, 2015	63.00	56.00	60.00	57.85
July, 2015	67.35	56.20	57.20	56.00
August, 2015	59.85	37.50	43.50	37.00
September, 2015	40.00	30.65	34.70	32.45
October, 2015	45.00	32.65	38.60	36.00
November, 2015	37.90	31.00	34.00	32.90
December, 2015	66.70	33.00	59.45	56.00
January, 2016	62.50	39.30	47.90	45.60
February, 2016	48.00	35.55	39.65	38.05
March, 2016	48.30	38.10	40.70	39.05

K. SHARE PRICE MOVEMENT OF SHARES ON BSE & NSE DURING FY 2015-2016

Share Price Movement (Monthly)



Share Price Movement (Monthly)



L. GREEN INITIATIVE

Your Company is concerned about the environment and utilises natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011, respectively, has allowed companies to send official documents to their shareholders electronically as a part of its green initiatives in corporate governance.

Recognising the spirit of the circular issued by the MCA, we henceforth propose to send documents like the Notice convening the general meetings, Financial Statements, Directors' Report, Auditor's Report and others to the email address provided by you with the relevant depositories.

We request you to update your email address with your depository participant to ensure that the Annual Report and other documents reach you on your preferred email.

CORPORATE GOVERNANCE REPORT

M. SHAREHOLDING PATTERN, AS ON MARCH 31, 2016

Sr. No.	Category of Shareholders	No. of Shareholders	No. of Shares	Percentage (%)
1	Promoter and Promoter Group	5	14799998	60.10%
2	Foreign Institutional Investors	0	0	0
3	Individuals	6936	5845389	23.74%
4	Bodies Corporate	169	1105288	4.49%
5	Mutual Funds/UTI	0	0	0
6	Financial Institutions/Banks	0	0	0
7	Clearing Members	116	282351	1.15%
8	Non-resident Indians (Repat)	105	251610	1.02%
9	Directors	1	300	0.001%
10	Non-residents (Non repatriable)	26	35548	0.14%
11	Foreign Companies	1	1800000	7.31%
12	Foreign Portfolio Investor(Corporate)	4	225080	0.91%
13	Hindu Undivided Family	296	274286	1.11%
14	Others	1	3000	0.012%
	TOTAL	7660	24622850	100%

N. DISTRIBUTION OF SHAREHOLDING, AS ON MARCH 31, 2016

Sr. No.	Category (Share)	No. of Shareholders	Total Shareholders (%)	No. of Shares	Percentage (%)
1	1 – 500	5931	77.4282	1025556	4.1651
2	501 – 1000	741	9.6736	623318	2.5315
3	1001 – 2000	461	6.0183	728867	2.9601
4	2001 – 3000	175	2.2846	459512	1.8662
5	3001 – 4000	67	0.8747	242136	0.9834
6	4001 – 5000	76	0.9922	363899	1.4779
7	5001 – 10000	95	1.2402	702482	2.8530
8	10001 & Above	114	1.4883	20477080	83.1629
	Total	7660	100.00	24622850	100.00

DECLARATION PURSUANT TO SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015



In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, I hereby declare that Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct as applicable to them for the year ended March 31, 2016.

For TARA JEWELS LIMITED

**sd/-
RAJEEV SHETH
CHAIRMAN AND MANAGING DIERCTOR
DIN: 00266460**

Mumbai, May 23, 2016

**CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) ON
FINANCIAL STATEMENTS OF THE COMPANY:
Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We, Rajeev Sheth, Chairman & Managing Director and Vishnu Prakash Garg, CFO, of Tara Jewels Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading and
 - b) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's code of conduct;
3. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies; and
4. We have indicated to the auditors and the Audit Committee that:
 - a) there were no significant changes in internal control over financial reporting during the year;
 - b) there were no significant changes in the accounting policies during the year; and
 - c) there were no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Rajeev Sheth
Chairman & Managing Director
DIN: 00266460

Vishnu Prakash Garg
Chief Financial Officer

Mumbai, May 23, 2016

INDEPENDENT AUDITORS REPORT

To the Members of Tara Jewels Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Tara Jewels Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of 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 Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation and presentation 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR’S 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 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 March 31, 2016, 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 terms of sub-section (11) of section 143 of the Act, we give in the Annexure “I”, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 As required by section 143(3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as 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 written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II".
- (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:
 - (i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the financial statements;
 - (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **C. B. Chhajer & Co.**
Chartered Accountants
(Firm RegnNo : 101796W)

Place : Mumbai
Dated : 23.05.2016

C. B. Chhajer
(Partner)
Membership No : 009447

ANNEXURE “I”

TO THE INDEPENDENT AUDITORS’ REPORT

[REFERRED TO IN PARAGRAPH 1 OF “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS”
OF OUR REPORT OF EVEN DATE]

To the Members of Tara Jewels Limited (‘the company’)

- 1 (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (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.
- 2 The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material and the same were properly dealt with in the books of accounts.
- 3 In our opinion and according to the information and explanations given to us, 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, clauses (iii)(a) to (iii)(c) of paragraph 3 of the Order are not applicable to the Company for the year.
- 4 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 in respect of loans, investments, guarantees and securities, wherever applicable.
- 5 According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly clause (v) of paragraph 3 of the order is not applicable to the company.
- 6 The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, clause (vi) of paragraph 3 of the Order is not applicable to the Company for the year.
- 7 (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess have not been regularly deposited with the appropriate authorities and there have been delays in a large number of cases.

According to information and explanation given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, sales-tax, service tax, customs duty, excise duty, value added tax and cess were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable. The undisputed income-tax dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable are as under:

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Income tax	16,83,83,187	F.Y. 2014-15	15.03.2015	Not Paid

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, wealth tax, excise duty and cess which have not been deposited on account of any dispute. The income-tax, customs duty and service tax dues which have not been deposited on account of disputed matters pending before appropriate authority are as under :

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Customs Act, 1962	Custom Duty	3,77,133	1996-1997	Additional Commissioner of Customs, Mumbai
Customs Act, 1962	Custom Duty	14,18,430	1997-1998	Additional Tribunal of Customs

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Customs Act, 1962	Custom Duty	1,05,000	2004-2005	Additional Tribunal of Customs
Income Tax Act, 1961	Income Tax	3,85,00,000	2001-2012	CIT Appeals, IT Tribunal and High court
Finance Act, 1994	Service Tax	67,23,389	2006-2008	Joint Commissioner of Service Tax

- 8 According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or Government or debenture holders.
- 9 The Company has not raised money by way of initial public offer or further public offer or debt instruments during the year. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- 10 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 the course of our audit.
- 11 According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12 In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, clause (xii) of paragraph 3 of the order is not applicable to the company.
- 13 According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14 According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause (xiv) of paragraph 3 of the order is not applicable to the Company.
- 15 According to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with the directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the order is not applicable to the company.
- 16 In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause (xvi) of paragraph 3 of the order is not applicable to the company.

For **C. B. Chhajer & Co.**
Chartered Accountants
(Firm Regn No : 101796W)

Place : Mumbai
Dated : 23.05.2016

C. B. Chhajer
(Partner)
Membership No : 009447

ANNEXURE “II”

TO THE INDEPENDENT AUDITORS’ REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Tara Jewels Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

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 Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 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 March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For C. B. Chhajer & Co.
Chartered Accountants
(Firm’s Regn. No. 101796W)

C. B. Chhajer
{Partner}
Membership No. 009447

Place : Mumbai
Dated : 23.05.2016

BALANCE SHEET

AS AT MARCH 31, 2016

(Amount in ₹)

Particulars	Note	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	1	24,62,28,500	24,62,28,500
Reserves and surplus	2	5,34,95,86,468	5,20,80,13,138
Money received against share warrants		-	1,22,00,000
		5,59,58,14,968	5,46,64,41,638
Non-Current Liabilities			
Long-term borrowings	3	1,21,58,836	33,10,684
Long-term provisions	4	3,04,43,904	4,60,05,656
		4,26,02,740	4,93,16,340
Current Liabilities			
Short-term borrowings	5	3,10,00,69,038	3,05,57,69,879
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		77,787	77,000
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,01,46,58,652	2,17,28,38,652
Other current liabilities	6	19,75,16,905	16,87,78,452
Short-term provisions	7	27,90,96,730	20,16,08,671
		6,59,14,19,112	5,59,90,72,654
TOTAL		12,22,98,36,820	11,11,48,30,632
ASSETS			
Non-Current Assets			
Fixed assets	8		
Tangible assets		1,14,78,65,585	1,08,20,95,939
Intangible assets		1,65,75,092	2,34,42,870
Capital work-in-progress		2,82,93,589	-
Non-current investments	9	18,86,19,351	17,53,56,506
Deferred tax assets (Net)	10	3,07,74,351	3,44,70,568
Long-term loans and advances	11	4,07,40,804	4,19,52,690
		1,45,28,68,772	1,35,73,18,573
Current assets			
Inventories	12	5,29,89,72,788	5,01,05,76,515
Trade receivables	13	4,61,55,21,111	3,78,67,31,359
Cash and bank balances	14	71,45,34,909	76,43,49,489
Short-term loans and advances	15	14,20,22,556	18,92,78,776
Other current assets	16	59,16,684	65,75,920
		10,77,69,68,048	9,75,75,12,059
TOTAL		12,22,98,36,820	11,11,48,30,632

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements.

As Per Our Attached Report of Even Date

For **C. B. Chhajer & Co.**
Chartered Accountants

C. B. Chhajer
Partner

Place : Mumbai
Dated : 23.05.2016

For and on Behalf of Board of Directors

Rajeev Sheth
Managing Director
(DIN NO:00266460)

Nivedita Nayak
Company Secretary
[FCS:8479]

Ravindran M. P.
Executive Director
(DIN NO: 07188069)

Vishnu Prakash Garg
Executive Director & CFO
(DIN NO: 00024991)

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2016

(Amount in ₹)

Particulars	Note	Year Ended March 31, 2016	Year Ended March 31, 2015
INCOME			
Revenue from operations	17	13,62,78,02,046	14,14,16,26,197
Other income	18	4,92,22,805	4,77,68,003
Total Revenue		13,67,70,24,851	14,18,93,94,200
EXPENSES			
Cost of materials consumed	19	9,57,62,85,173	7,54,32,89,998
Purchases of stock-in-trade	20	2,32,47,08,368	4,30,27,81,208
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	21	(32,35,02,785)	(12,70,13,732)
Employee benefits expense	22	34,00,21,032	41,17,61,350
Finance costs	23	69,19,38,439	63,76,04,978
Depreciation and amortization expense	24	21,36,14,892	27,06,47,599
Other expenses	25	63,98,90,185	68,36,79,723
Total Expenses		13,46,29,55,304	13,72,27,51,124
Profit before tax		21,40,69,547	46,66,43,076
Tax expense:			
Current tax		8,10,00,000	20,00,00,000
Deferred tax		36,96,217	(2,89,82,063)
Tax of earlier years		-	36,03,367
Profit after tax		12,93,73,330	29,20,21,772
Earning per equity share			
	37		
Basic		5.25	11.86
Diluted		5.25	11.86

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements.

As Per Our Attached Report of Even Date

For **C. B. Chhajed & Co.**
Chartered Accountants

C. B. Chhajed
Partner

Place : Mumbai
Dated : 23.05.2016

For and on Behalf of Board of Directors

Rajeev Sheth
Managing Director
(DIN NO:00266460)

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[FCS:8479]

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(DIN NO: 07188069)

Vishnu Prakash Garg
Executive Director & CFO
(DIN NO: 00024991)

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2016

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxation	21,40,69,547	46,66,43,076
Adjustments for:		
Depreciation/ amortisation	21,36,14,892	27,06,47,599
Loss on sale of fixed assets	67,59,433	35,93,673
Fixed assets written off	78,81,649	59,65,192
Profit on sale of investments	(3,07,673)	(11,21,055)
Bad debts written off	5,55,73,718	-
Rent income	(23,31,000)	(9,00,000)
Dividend income	(2,59,972)	(1,34,251)
Interest income	(4,61,38,813)	(4,47,45,105)
Interest expense	57,53,89,904	53,70,56,610
Sundry balances written off / (back)	-	(8,67,592)
Operating profit before working capital adjustment	1,02,42,51,685	1,23,61,38,147
Changes in working capital:		
Inventories	(28,83,96,273)	1,10,70,31,916
Trade receivables	(88,43,63,470)	(69,82,92,049)
Loans and advances and other assets	5,95,48,496	(71,72,712)
Other Bank balances	98,11,336	(16,81,95,236)
Trade payables	84,18,20,787	(76,86,91,349)
Other liabilities and provisions	2,47,27,361	(4,07,33,222)
Cash flow generated from operations	78,73,99,922	66,00,85,495
Income tax paid (net of refunds)	(3,17,92,393)	(17,53,53,305)
Net cash flow from operating activities (A)	75,56,07,529	48,47,32,190
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including intangible assets)	(33,63,93,663)	(27,44,20,802)
Purchase of investments	(1,78,40,057)	(63,73,752)
Sale proceeds of investments	48,84,885	72,79,201
Sale proceeds of fixed assets	73,05,190	59,85,700
Rent received	23,31,000	9,00,000
Dividend received	2,59,972	1,34,251
Interest received	4,67,98,049	4,46,82,699
Net Cash Flow from Investing Activities (B)	(29,26,54,624)	(22,18,12,703)

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowing	4,85,93,175	19,20,68,603
Interest paid	(55,15,49,324)	(51,32,96,872)
Proceeds from issue of shares / share warrants	-	1,22,00,000
Net Cash Flow From Financing Activities (C)	(50,29,56,149)	(30,90,28,269)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(4,00,03,244)	(4,61,08,782)
Cash & Cash Equivalent at the beginning of the year	6,02,78,852	10,63,87,634
Cash & Cash Equivalent at the end of the year	2,02,75,608	6,02,78,852
Deposits with banks to the extent held as margin money for gold	40,33,62,647	41,97,55,094
Fixed deposits with banks as security against borrowings	29,08,96,654	28,43,15,543
Cash and Bank Balances at the end of the year	71,45,34,909	76,43,49,489

Figures under bracket represent outflows.

As Per Our Attached Report of Even Date

For **C. B. Chhajer & Co.**
Chartered Accountants

C. B. Chhajer
Partner

Place : Mumbai
Dated : 23.05.2016

For and on Behalf of Board of Directors

Rajeev Sheth
Managing Director
(DIN NO:00266460)

Nivedita Nayak
Company Secretary
[FCS:8479]

Ravindran M. P.
Executive Director
(DIN NO: 07188069)

Vishnu Prakash Garg
Executive Director & CFO
(DIN NO: 00024991)

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED MARCH 31, 2016

1. BASIS OF ACCOUNTING

The financial statements are prepared under historical cost convention, on going concern concept and in compliance with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 (the "Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realisation in respect of incomes. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting policies.

2. INVENTORIES

Inventories are valued at cost or net realizable value, whichever is less. Cost of raw materials and stores, consumables and packing material are determined on weighted average basis. Cost of Work in progress and finished goods comprises of raw material cost & appropriate overheads incurred for bringing them to their present condition.

Traded goods are valued at the cost or net realizable value whichever is less and cost is determined on first-in-first-out basis.

3. FIXED ASSETS

(a) Tangible assets

Tangible Fixed Assets are stated at cost, inclusive of incidental expenses related thereto less accumulated depreciation.

(b) Intangible assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. Internally generated intangible assets, excluding development cost, are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the intangible and the costs can be measured reliably.

Intangible assets mainly include Goodwill on Amalgamation and Computer Software. Cost of software includes license fees and implementation / integration expenses.

4. DEPRECIATION

- (a) Depreciation on tangible fixed assets is provided on the written-down-value method based on useful life of the assets as prescribed in Schedule II of the Act, except in respect of certain plant and machinery, where useful life different than those prescribed in Schedule II, is based on technical assessment.
- (b) Depreciation on additions/ deletions to fixed assets is calculated pro-rata from/ up to the date of such additions/ deletions.
- (c) Building on leasehold land is amortised on straight-line basis over the primary period of lease.
- (d) Leasehold Improvements are amortised over the primary period of lease.
- (e) Computer software is amortised over the period of five years.
- (f) Goodwill on Amalgamation is written off over the period of five years.

5. BORROWING COST

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs that are attributable to the acquisition or Construction of a qualifying asset are capitalized as part of cost of such asset till such time as the asset is ready for its intended use. Other borrowing costs are recognized as expense for the period.

6. REVENUE RECOGNITION

- (a) Domestic sales are recognised on dispatch to customers.
- (b) Revenue from export sales is recognized when the significant risks and rewards of ownership are transferred to the customer, which is based upon the terms of the applicable contract.
- (c) Service Income is recognized as per the terms of contract with customers when the related services are performed.
- (d) Dividends are accounted for when the right to receive dividend is established.
- (e) Income from Interest on deposits, Loans and Interest bearing securities is recognized on time proportionate method.

7. EXCISE DUTY

Excise duty is accounted on the basis of payments made in respect of goods cleared and provisions made for goods lying in bonded warehouses.

8. FOREIGN CURRENCY TRANSACTIONS

- (a) Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of monetary assets and liabilities are recognised in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.
- (b) In respect of forward contracts, other than forward contracts in respect of firm commitments and highly probable forecast transactions, the premium or discount arising at the inception of forward exchange contract, is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense for the period.
- (c) Any profit or loss arising on settlement or cancellation of other derivative contracts (forward contracts in respect of firm commitments and highly probable forecast transactions, swaps and currency options) is recognized as income or expense for the period. Pursuant to The Institute of Chartered Accountants of India's announcement 'Accounting for Derivatives', the Company marks-to-market all such outstanding derivative contracts at the year-end and the resulting mark-to-market losses, if any, are recognised in the Statement of Profit and Loss.

9. INVESTMENTS

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

Investment other than current investments, are classified as long-term investments and are stated at cost. Provision for diminution in value of Long term investments is made only if such a decline is other than temporary.

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalent for the purpose of cash flow statement comprise cash in hand and cash at bank, cheques in hand and fixed deposits with maturity of three months or less.

11. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED MARCH 31, 2016

12. ACCOUNTING ESTIMATES

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Difference between the actual results and the estimates are recognized in the period in which the results are known materialized.

13. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue that have changed the number of equity shares outstanding, without a corresponding change in the resources.

For the purpose of calculating diluted earnings per share, the net profits for the period attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effects of all potential equity shares.

14. EMPLOYEE BENEFITS

(a) Defined Contribution Plans

The Company contributes on a defined contribution basis to Employee's Provident Fund and Employee's State Insurance Fund towards post employment benefits, both are administered by the respective Government authorities, and has no further obligation beyond making its contribution, which is expensed in the year to which it pertains.

(b) Defined Benefit Plans

The Company has a Defined Benefit Plan namely Gratuity for all its employees. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in the Statement of Profit and Loss. Gratuity Fund is recognized by the income tax authorities and is administered through trustees. The Company has taken a Group Gratuity Policy with Life Insurance of India.

(c) Employee Leave Entitlement

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is provided based on an actuarial valuation carried out by an independent actuary as at the year end and charged to the Statement of Profit and Loss.

15. STOCK BASED COMPENSATION

The compensation cost of stock options granted to employees is measured by the intrinsic value method. The compensation cost, if any, is amortised uniformly over the vesting period of the option.

16. TAXES ON INCOME

(a) Current Year Income Tax:

Provision for current tax is made considering various allowances and benefits available to the Company under the provisions of Income Tax Act, 1961.

(b) Deferred Income Tax:

In accordance with Accounting Standard AS-22 "Accounting for Taxes on Income", deferred tax resulting from timing differences between book and tax profits are accounted for at tax rate substantially enacted by the Balance Sheet date to the extent the timing differences are expected to be crystallized. Deferred tax assets or liabilities relating to the timing differences arising and reversing during the tax holiday period under Section 10A of the Indian Income Tax Act, 1961, are not recognized.

Deferred Tax Assets arising on account of carried forward losses and unabsorbed depreciation as per Income Tax Act, 1961 are recognised to the extent there is a virtual certainty supported by convincing evidence that such assets will be realized.

(c) Minimum Alternative Tax (MAT) Credit:

MAT paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

17. LEASES

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor, are recognized as operating lease. Lease rental under operating lease are charged off to the Statement of Profit and Loss as incurred.

18. IMPAIRMENT OF ASSETS

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

19. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company recognises 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 the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation but the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are neither recognised nor disclosed.

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

1. SHARE CAPITAL

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Authorised		
30,000,000 Equity Shares of ₹ 10 each	30,00,00,000	30,00,00,000
Issued, subscribed and paid-up		
24,622,850 Equity Shares of ₹ 10 each fully paid up	24,62,28,500	24,62,28,500
Total	24,62,28,500	24,62,28,500

Reconciliation of Equity Shares outstanding

(Amount in ₹)

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Amount	No. of Shares	Amount
As at the beginning of the year	2,46,22,850	24,62,28,500	2,46,22,850	24,62,28,500
As at the end of the year	2,46,22,850	24,62,28,500	2,46,22,850	24,62,28,500

Details of shares for the period of five years immediately preceding the reporting date

Particulars	No. of Shares	
	As at March 31, 2016	As at March 31, 2015
Allotted as fully paid up by way of bonus shares during the year ended March 31, 2011	59,23,707	59,23,707

Details of shareholders holding more than 5% shares of the Company

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	%	No. of Shares	%
Mr. Rajeev Sheth	1,45,22,893	58.98	1,45,14,893	58.95
Crystalon Finanz AG	18,00,000	7.31	18,00,000	7.31
IDFC Premier Equity Fund	-	-	21,62,500	8.78

Shares reserved for issue under Employee Stock Option Plan ('ESOP 2013')

For details of shares reserved for issue under ESOP 2013 of the Company, refer note 38.

Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share and dividend in Indian rupees, as proposed by the Board of Directors, which is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2. RESERVES AND SURPLUS

(Amount in ₹)

Particulars	As at	
	March 31, 2016	March 31, 2015
Securities Premium Account	1,67,90,62,852	1,67,90,62,852
SEZ Reinvestment Allowance Reserve		
Balance as at the beginning of the year	26,46,50,684	33,59,23,811
Less: Utilised during the year	26,46,50,684	7,12,73,127
Balance as at the end of the year	-	26,46,50,684
General Reserve		
Balance as at the beginning of the year	11,44,00,049	11,44,00,049
Add: Additions during the year (Refer Note 35)	1,22,00,000	-
Balance as at the end of the year	12,66,00,049	11,44,00,049
Surplus		
Balance as at the beginning of the year	3,14,98,99,553	2,79,27,90,299
Add: Profit after tax for the year	12,93,73,330	29,20,21,772
Add: SEZ reinvestment allowance reserve utilised	26,46,50,684	7,12,73,127
Less: Adjustment relating to Fixed assets (Net of deferred tax)	-	61,85,645
Balance as at the end of the year	3,54,39,23,567	3,14,98,99,553
Total	5,34,95,86,468	5,20,80,13,138

3. LONG-TERM BORROWINGS

(Amount in ₹)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Non Current	Current	Non Current	Current
Secured				
Term loans from others	11,33,198	15,26,754	26,59,952	74,80,909
Vehicle loans from bank	2,21,614	3,77,190	6,50,732	9,24,635
Vehicle loans from others	1,08,04,024	25,61,621	-	-
Finance lease obligations	-	-	-	6,14,157
Total	1,21,58,836	44,65,565	33,10,684	90,19,701
Less: Amount disclosed under 'other current liabilities' (note 6)	-	44,65,565	-	90,19,701
Net Total	1,21,58,836	-	33,10,684	-

- (a) Term loans from others were taken for purchase of Plant and Machinery and carries interest @ 13.00% p.a. The loan is repayable in 45 monthly installments of ₹ 148,642/- each including interest starting from March 2014.
- (b) Vehicle loans from banks are secured by hypothecation of vehicles. The interest rate ranges from 10.00% to 13.75% p.a. The loans are repayable in 36 to 60 monthly installments inclusive of interest from the date of loan.
- (c) Vehicle loans from others are secured by hypothecation of vehicles and carries interest @ 10.22%. The loans is repayable in 60 monthly installments inclusive of interest from the date of loan.

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

(d) Maturity Profile:

Particulars	Maturity Period			Total
	1-2 Years	2-3 Years	Above 3 years	
Term loans from others	11,33,198	-	-	11,33,198
Vehicle loans from banks	2,21,614	-	-	2,21,614
Vehicle loans from others	28,35,944	34,29,060	45,39,020	1,08,04,024

4. LONG-TERM PROVISIONS

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
Gratuity (Refer note 35)	2,05,46,146	3,21,66,555
Leave encashment	98,97,758	1,38,39,101
Total	3,04,43,904	4,60,05,656

5. SHORT-TERM BORROWINGS

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured		
Working capital loans from banks	3,08,50,69,038	3,04,07,69,879
Working capital loans from others	1,50,00,000	1,50,00,000
Total	3,10,00,69,038	3,05,57,69,879

- (a) Working capital loans from banks are secured by hypothecation of inventories, book debts, plant and machinery, other fixed assets, fixed deposits, other current assets and equitable mortgage of the Company's factories at Seepz and MIDC, one office at Bandra Kurla Complex, seven flats in Mumbai, and Two Flats at Prabhadevi belonging to Divya Real Estate Pvt. Ltd.
- (b) The above facilities are further secured by
- (i) personal guarantee of managing director, Mr. Rajeev Sheth,
 - (ii) corporate guarantee of Divya Real Estate Pvt. Ltd. and Fabrikant Tara International LLC
 - (iii) fixed deposits of ₹ 8.79 Crores of managing director, Mr. Rajeev Sheth.
 - (iv) pledge of 3,335,175 equity shares of the Company held by managing director, Mr. Rajeev Sheth
- (c) Working capital loans from others are secured by mutual fund investment in SBI MF Magnum Balanced Fund - Regular Plan Growth.

6. OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Current maturities of long-term borrowings	44,65,565	90,19,701
Interest accrued but not due on borrowings	1,94,614	3,54,034
Bank overdraft	1,93,83,813	1,24,79,458
Statutory liabilities	3,47,24,886	2,83,26,577
Unclaimed dividends*	5,065	5,065
Other payables#	13,87,42,962	11,85,93,617
Total	19,75,16,905	16,87,78,452

* There is no amount due and outstanding as at 31st March 2016 to be credited to Investor Education and Protection Fund.

Other payables include expenses payable, creditors for fixed assets and advances received from customers.

7. SHORT-TERM PROVISIONS

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
Gratuity (Refer note 35)	51,93,974	11,94,124
Leave encashment	9,68,436	6,87,834
Provision for taxation (Net of tax payments)	27,29,34,320	19,97,26,713
Total	27,90,96,730	20,16,08,671

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

8. FIXED ASSETS

(Amount in ₹)

Assets	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				NET BLOCK		
	As at April 1, 2015	Additions	Disposals	As at March 31, 2016	As at April 1, 2015	For the year	Deductions/ Adjustments	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015	
Tangible Assets											
Building	40,91,47,341	-	-	40,91,47,341	14,31,32,621	1,63,32,815	-	15,94,65,436	24,96,81,905	26,60,14,720	
Leasehold Improvements	8,42,24,381	-	3,24,64,088	5,17,60,293	4,09,30,478	2,43,94,184	3,24,64,171	3,28,60,491	1,88,99,802	4,32,93,903	
Vehicles	3,84,31,675	1,84,94,184	58,64,437	5,10,61,422	2,78,05,175	82,82,744	46,08,183	3,14,79,736	1,95,81,686	1,06,26,500	
Air Conditioners	2,93,11,084	68,776	35,22,660	2,58,57,200	2,19,94,932	21,88,915	27,97,077	2,13,86,770	44,70,430	73,16,152	
Computer Hardwares	6,76,66,116	4,32,145	3,36,92,495	3,44,05,766	6,32,55,663	20,16,604	3,33,21,381	3,19,50,886	24,54,880	44,10,453	
Electric Installations	4,59,35,594	-	1,07,36,845	3,51,98,749	3,47,79,428	32,41,575	93,20,930	2,87,00,073	64,98,676	1,11,56,166	
Furniture & Fixtures	17,04,67,105	26,39,428	6,47,16,062	10,83,90,471	11,50,92,622	1,54,20,212	5,25,43,484	7,79,69,350	3,04,21,121	5,53,74,483	
Office Equipment	4,21,06,032	1,10,539	52,52,977	3,69,63,594	3,28,74,031	40,54,724	40,09,212	3,29,19,543	40,44,051	92,32,001	
Plant & Equipment	85,29,17,072	27,08,19,163	79,31,716	1,11,58,04,519	51,67,99,923	10,96,02,858	64,62,923	61,99,39,858	49,58,64,661	33,61,17,149	
Factory Equipments	4,18,81,006	1,26,370	66,22,581	3,53,84,795	1,94,97,737	40,46,030	33,30,228	2,02,13,539	1,51,71,256	2,23,83,269	
Flat	34,36,76,119	-	-	34,36,76,119	2,75,04,976	1,53,94,026	-	4,28,99,002	30,07,77,117	31,61,71,143	
Total	2,12,57,63,525	29,26,90,605	17,08,03,861	2,24,76,50,269	1,04,36,67,586	20,49,74,687	14,88,57,589	1,09,97,84,684	1,14,78,65,585	1,08,20,95,939	
Previous year	1,94,78,00,919	27,57,83,155	9,78,20,549	2,12,57,63,525	85,38,86,864	27,20,56,706	8,22,75,984	1,04,36,67,586	1,08,20,95,939	1,09,39,14,055	
Intangible Assets											
Computer Software	6,27,78,765	17,72,427	3,52,080	6,41,99,112	3,93,35,895	86,40,205	3,52,080	4,76,24,020	1,65,75,092	2,34,42,870	
Goodwill	2,70,20,125	-	-	2,70,20,125	2,70,20,125	-	-	2,70,20,125	-	-	
Total	8,97,98,890	17,72,427	3,52,080	9,12,19,237	6,63,56,020	86,40,205	3,52,080	7,46,44,145	1,65,75,092	2,34,42,870	
Previous year	8,57,00,391	40,98,499	-	8,97,98,890	5,83,94,357	79,61,663	-	6,63,56,020	2,34,42,870	2,73,06,034	
Capital Work-In-Progress									2,82,93,589	-	

9. NON-CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Investments (at cost, unquoted, fully paid up)		
Investment in Equity Instruments		
Subsidiaries		
Tara (Hong Kong) Limited 655,590 Equity shares of face value HK\$ 10 each	2,48,67,804	2,48,67,804
Tara Jewels Holding Inc. 2,000 Equity Shares of Face Value US\$ 0.01 each	11,32,99,500	11,32,99,500
Others		
Divya Jewels International Pvt. Ltd. 5,000 Equity Shares of Face Value ₹ 10 each	1,75,000	1,75,000
Total Trade Investments (A)	13,83,42,304	13,83,42,304
Other Investments (at cost, quoted, fully paid up unless otherwise stated)		
Investment in Equity Instruments		
Other entities		
Punjab National Bank 7,000 Equity Shares of Face Value ₹ 2 each (Market value as on 31.03.2016- ₹ 592,900)	43,400	43,400
Bank of India Ltd 1,400 Equity Shares of Face Value ₹ 10 each (Market value as on 31.03.2016- ₹ 135,870)	63,000	63,000
Investment in Mutual Funds		
SBI MF Magnum Balanced Fund- Regular Plan Growth 228,036.84 (Previous Year : 228,036.84) Units of Face Value ₹ 10 each(N.A.V as on 31.03.2016- ₹ 2,15,95,476)	1,20,00,000	1,20,00,000
SBI Premier Liquid Fund- Regular Fund Daily Dividend 30.791 Units (Previous year : 29.235) of face value of ₹ 1000/- each (N.A.V as on 31.03.2016 of ₹ 30,891)	30,957	29,367
Principal Emerging Bluechip Fund-Direct Plan Growth 7,210.845 (Previous year : NIL) Units of Face Value of ₹ 100/- each (N.A.V as on 31.03.2016 of ₹ 4,80,026)	5,00,000	-
Axis Mutual Fund-Liquid Fund A/C 139.675(Previous year : 132.465) Units of Face Value of ₹ 1000/- each (N.A.V as on 31.03.2016 of ₹ 1,39,780)	1,39,690	1,32,510
AAMG Union KBC Asset Allocation Fund- Moderate Plan Growth NIL (Previous year : 7,079.462) Units of Face Value ₹ 10/- each.	-	87,234

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
CP1G-Union KBC Capital Protection Oriented Fund- Series 1 Growth NIL (Previous year : 99,990) Units of Face Value of ₹ 10/- each	-	10,00,000
CP4G-Union KBC Capital Protection Oriented Fund-Series 4-Reg Plan-Growth 150,000 (Previous year : 150,000) Units of Face Value of ₹ 10/- each (N.A.V as on 31.03.2016- ₹ 17,33,085)	15,00,000	15,00,000
CP5G-Union KBC Capital Protection Oriented Fund-Series 5-Reg Plan-Growth 150,000 Units (Previous year : 150,000) of Face Value of ₹ 10/- each (N.A.V as on 31.03.2016- ₹ 1,765,455)	15,00,000	15,00,000
DBDP- union KBC Dynamic Bonds Fund- Div Payout 227,250.347 (Previous year : NIL) Units of Face Value of ₹ 10/- each (N.A.V as on 31.03.2016 of ₹ 27,13,824)	30,00,000	-
SMFG-Union KBC Small and Midcap Fund Regular Plan- Growth NIL (Previous year : 15,185.738) units of face value of ₹ 10/- each	-	1,58,691
Principle Large Cap Fund- Regular Plan growth 47,327.581 (Previous year : NIL) Units of Face Value of ₹ 10/- each (N.A.V as on 31.03.2016 of ₹ 20,49,284)	20,00,000	-
TF2GR-Union KBC Trigger Fund Series 2- Regular Plan Growth 299,990 (Previous year : 299,990) Units of Face Value of ₹ 10/- each (N.A.V as on 31.03.2016 of ₹ 27,59,908)	30,00,000	30,00,000
Principal Asset Allocation Fund- Aggressive Plan 8,95,309.07 (Previous year : NIL) Units of Face Value of ₹ 10/- each (N.A.V as on 31.03.2016 of ₹ 88,34,104)	90,00,000	-
Investment in Mutual Funds (Unquoted)		
IIMCL-Emerging India Opportunities Fund 1,750 units of face value ₹10,000 each	1,75,00,000	1,75,00,000
Total Other Investments (B)	5,02,77,047	3,70,14,202
Total (A+B)	18,86,19,351	17,53,56,506

Details of Quoted and Unquoted Investments

Particulars	As at March 31, 2016	As at March 31, 2015
Aggregate amount of quoted investments (Market value ₹ 42,830,603 (Previous Year ₹ 31,426,955))	3,27,77,047	1,95,14,202
Aggregate amount of unquoted investments	15,58,42,304	15,58,42,304
Total	18,86,19,351	17,53,56,506

10. DEFERRED TAX ASSETS

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred tax assets arising on account of timing difference in:		
Depreciation	1,21,47,017	52,51,480
Provision for gratuity and leave encashment	1,26,68,713	1,65,72,946
Unamortised share issue expenses u/s 35D	52,59,956	1,05,19,911
Disallowance under section 40(a)(ia)	6,74,856	20,55,082
Carried forward long term losses	23,809	71,149
Total	3,07,74,351	3,44,70,568

11. LONG-TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
Capital Advances	2,43,35,471	1,32,55,081
Security Deposits	1,64,05,333	2,52,74,105
Prepaid expenses	-	15,04,422
Other loans and advances*	-	19,19,082
Total	4,07,40,804	4,19,52,690

* Includes primarily claims receivable

12. INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Raw materials (including Goods-in-transit ₹ 41,261,070 (Previous year ₹ 1,20,176))	89,15,80,715	89,11,12,591
Work-in-process	3,53,09,32,266	2,83,09,79,597
Finished goods	86,47,24,413	1,23,64,23,451
Stock-in-trade	26,208	47,77,054
Stores, consumables and packing material	1,17,09,186	4,72,83,822
Total	5,29,89,72,788	5,01,05,76,515

13. TRADE RECEIVABLES

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they became due for payment	1,42,04,36,616	73,80,71,175
Others	3,19,50,84,495	3,04,86,60,184
Total	4,61,55,21,111	3,78,67,31,359

Note: For dues from subsidiaries, refer note 39

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

14. CASH AND BANK BALANCES

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Cash and Cash Equivalents		
Balances with banks	1,79,71,638	4,48,36,960
Cash on hand	23,03,970	1,54,41,892
Other Bank Balances		
Deposits with banks to the extent held as margin money for gold	40,33,62,647	41,97,55,094
Fixed deposits with banks as security against borrowings	29,08,96,654	28,43,15,543
Total	71,45,34,909	76,43,49,489

15. SHORT-TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
Loans to employees	27,20,393	38,73,021
Prepaid expenses	4,42,83,509	5,76,19,078
Balances with Statutory, Government Authorities	7,97,31,093	11,65,08,972
Other loans and advances*	1,52,87,561	1,12,77,705
Total	14,20,22,556	18,92,78,776

* Includes primarily advance paid to creditors

16. OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest accrued on fixed deposits	59,11,619	65,70,855
Other current assets	5,065	5,065
Total	59,16,684	65,75,920

17. REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Sale of products		
Gems and Jewellery	13,62,26,25,394	14,12,65,57,238
Others	1,99,608	81,54,908
Sale of services		
Labour charges	48,39,955	57,25,932
Other Operating Revenues		
Sale of gold dust	1,37,089	11,88,119
Total	13,62,78,02,046	14,14,16,26,197

18. OTHER INCOME

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Interest on Bank fixed deposits	4,61,19,223	4,47,22,394
Interest on others	19,590	22,711
Dividend income	2,59,972	1,34,251
Rent received	23,31,000	9,00,000
Commission received	1,85,347	-
Profit on sale of investments (Net)	3,07,673	11,21,055
Sundry balances written back	-	8,67,592
Total	4,92,22,805	4,77,68,003

19. COST OF MATERIALS CONSUMED

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
As at beginning of the year	89,11,12,591	2,11,86,35,550
Add: Purchases	9,57,67,53,297	6,31,57,67,039
Less : As at end of the year	89,15,80,715	89,11,12,591
Total	9,57,62,85,173	7,54,32,89,998

Details of raw materials consumed

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Precious metals and diamonds	9,45,67,18,100	7,41,86,60,956
Others	11,95,67,073	12,46,29,042
Total	9,57,62,85,173	7,54,32,89,998

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

20. PURCHASES OF STOCK-IN-TRADE

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Gems and Jewellery	2,32,47,08,368	4,29,64,53,233
Gold-Bullion	-	-
Others	-	63,27,975
Total	2,32,47,08,368	4,30,27,81,208

21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Inventories as at the beginning of the year		
Work- in- process	2,83,09,79,597	2,49,84,17,859
Finished goods	1,23,64,23,451	1,43,94,82,733
Stock-in-trade	47,77,054	72,65,778
Total	4,07,21,80,102	3,94,51,66,370
Less : Inventories as at the end of the year		
Work- in- process	3,53,09,32,266	2,83,09,79,597
Finished goods	86,47,24,413	1,23,64,23,451
Stock-in-trade	26,208	47,77,054
Total	4,39,56,82,887	4,07,21,80,102
Net decrease / (increase) in inventories	(32,35,02,785)	(12,70,13,732)

22. EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Salaries, allowances and bonus	28,49,57,840	32,86,70,691
Contribution to provident and other funds	2,33,30,559	3,60,27,556
Directors remuneration	1,99,03,471	3,40,76,752
Staff and labour welfare	1,18,29,162	1,29,86,351
Total	34,00,21,032	41,17,61,350

23. FINANCE COST

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Interest expense	57,53,89,904	53,70,56,610
Other borrowing cost	6,80,00,571	6,54,61,840
Bank charges	4,85,47,964	3,50,86,528
Total	69,19,38,439	63,76,04,978

24. DEPRECIATION AND AMORTISATION EXPENSE

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Depreciation of tangible assets	20,49,74,687	26,26,85,936
Amortisation of intangible assets	86,40,205	79,61,663
Total	21,36,14,892	27,06,47,599

25. OTHER EXPENSES

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Manufacturing Expenses		
Wages, allowances & bonus	12,07,40,204	12,18,55,406
Import clearing charges	1,22,88,323	80,48,235
Labour charges	9,07,36,867	11,56,05,583
Electric power, fuel and water	4,03,49,097	4,05,52,795
Excise duty	32,65,750	-
Repairs and maintenance: factory building	26,68,451	22,01,538
Repairs and maintenance: plant & machinery	68,12,170	61,19,154
Foreign exchange difference (net)	(12,64,96,470)	(9,22,94,243)
Stores, consumables and packing material	11,46,64,171	9,81,04,820
	26,50,28,563	30,01,93,288
Selling, Administration and Other Expenses		
Advertisement	82,66,732	2,58,63,176
Auditor's remuneration	76,68,500	72,70,463
Commission	-	3,54,746
Bad Debts written off	5,55,73,718	-
Discount	5,91,90,830	5,14,28,028
Credit insurance	2,86,51,495	2,69,65,149
Electricity charges	30,93,399	68,14,827
Export clearing charges	1,40,85,955	1,37,86,914
Fixed assets written off	78,81,649	59,65,192
House Keeping Expenses	39,48,817	57,93,495
Insurance	99,76,046	91,80,640
Legal and professional fees	3,54,67,085	2,96,20,693
Loss on sale of fixed assets (net)	67,59,433	35,93,673
Rates and taxes	76,88,811	54,32,556
Rent	4,47,51,602	7,41,76,656
Repairs & maintenance- other	87,21,894	1,24,64,326
Sales promotion expenses	72,92,267	2,04,08,236
Security charges	1,34,37,456	1,86,54,589
Telephone and internet expenses	42,41,530	55,94,588
Travelling & conveyance expenses	1,70,48,668	2,42,45,348
Miscellaneous expenses	3,11,15,735	3,58,73,140
	37,48,61,622	38,34,86,435
Total	63,98,90,185	68,36,79,723

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

26. CONTINGENT LIABILITIES, COMMITMENTS AND OTHER ITEMS (TO THE EXTENT NOT RECOGNISED)

Contingent liabilities

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Claims against the company not acknowledged as debt in respect of:		
(a) Custom duty matter	19,00,563	19,00,563
(b) Property tax	24,81,489	24,81,489
(c) Service tax matter	67,23,389	67,23,389
(d) Other matter	20,85,723	20,85,723
Corporate Guarantee given by the Company to the bankers of a subsidiary company	1,55,87,55,000	1,15,79,15,000
Bills discounted	2,63,91,31,257	2,55,58,01,018
Total	4,21,10,77,421	3,72,69,07,182

Commitments

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,15,15,601	4,36,87,095
Total	1,15,15,601	4,36,87,095

Income Tax Assessment

The Income- Tax assessments of the Company have been completed up to Assessment Year 2012-13. The disputed demand outstanding up to the said assessment year is approximately ₹ 38,500,000 Based on the decisions of the appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

27. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES

- (a) Forward Contracts outstanding as at the reporting date :
There are no forward contract outstanding as at the end of the current and previous year.
- (b) Unhedged foreign currency exposure as at the reporting date :
Net Foreign currency exposures that are not hedged by derivative instruments as at the end of the year amounts to ₹ 7,670,022,115 (Previous year : ₹ 704,451,234).

28. AUDITOR'S REMUNERATION

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Statutory audit fees	30,00,000	35,00,000
Tax audit fees	15,00,000	12,00,000
Certification and consultation	28,08,000	23,35,623
Service Tax	3,60,500	2,34,840
Total	76,68,500	72,70,463

29. VALUE OF IMPORTS ON CIF BASIS

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Raw materials	5,83,27,63,015	3,42,92,77,511
Trading goods	-	63,27,975
Packing Material	2,56,93,357	2,00,82,904
Components and spare parts	1,27,97,459	53,38,765
Capital goods	29,88,47,852	6,43,74,975
Total	6,17,01,01,683	3,52,54,02,129

30. EXPENDITURE IN FOREIGN CURRENCY

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Commission on sales	-	3,54,746
Interest	15,98,33,971	15,08,25,970
Labour charges	75,14,763	99,57,179
Salary	1,51,58,010	4,60,46,376
Professional and consultation fees	-	2,71,477
Payment on other accounts	1,31,53,155	1,22,30,542
Total	19,56,59,899	21,96,86,290

31. EXPENDITURE IN FOREIGN CURRENCY

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Export of goods calculated on F.O.B. basis	9,87,00,87,143	11,79,89,22,282
Labour charges	46,11,767	55,14,689
Freight	1,12,93,564	72,88,817
Total	9,88,59,92,474	11,81,17,25,788

32. OPERATING LEASES

- (a) The Company has given commercial premises on operating lease. In respect of this arrangements, lease rentals income of ₹ 2,331,000 (Previous Year : ₹ 900,000) are recognised in the statement of profit and loss for the year and are included under Rent (disclosed under Other Income in Note 18)
- (b) The Company's significant leasing arrangements are in respect of residential flats and commercial premises taken on lease. The arrangements range between 11 months and 9 years generally and are usually renewable by mutual consent or mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given. In respect of above arrangements, lease rentals payable are recognised in the Statement of Profit and Loss for the year and included under Rent (disclosed under Other Expenses in Note 25).

The aggregate rental expenses of all the operating leases for the year are ₹ 44,751,602 (Previous year : ₹ 74,176,656).

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

The future minimum lease payments to be paid under non-cancellable operating leases are as follows:

(Amount in ₹)

Minimum Lease Payments	As at March 31, 2016	YAs at March 31, 2015
Not later than one year	5,43,513	51,55,782
Later than one year but not later than five year	-	9,93,835

33. DISCLOSURES UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
(a) Principal amount due and remaining unpaid at the end of each year	55,624	77,000
(b) Interest due on above	3,498	271
(c) Payment made beyond the appointed day during the year	4,89,630	5,83,788
(d) Interest Paid on above	-	-
(e) Interest due and payable for the period of delay on above	12,821	18,276
(f) Interest accrued and remaining unpaid at the end of each year	16,319	18,547
(g) Amount of further interest remaining due and payable in succeeding years	1,07,750	91,431

34. SHARE WARRANTS

The Company had allotted 3,05,000 (Three Lac Five Thousand) Convertible Warrants ("Warrants"), on April 02, 2014 to Bennett, Coleman & Company Limited ('BCCL') on a preferential allotment basis, with each warrant convertible into one equity share at a conversion price of ₹ 160 per share, not later than 18 months from the date of allotment in accordance with the SEBI (ICDR) Regulations, 2009. In accordance with ICDR regulations, BCCL had paid ₹ 12,200,000 towards 25% value of total consideration payable for the Warrants. The aforesaid share warrants were due for conversion in equity shares on or before October 2, 2015, however BCCL has not exercised the option and hence the warrants have lapsed on October 2, 2015. The amount paid against the aforesaid warrants has been forfeited by the Company and transferred to General Reserve.

35. EMPLOYEE BENEFITS DISCLOSURE

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
The Company has classified the various benefits provided to employees as under :-		
(I) Defined Contribution Plans		
(a) Employer's contribution to provident fund		
(b) Employer's contribution to employee's state insurance		
(c) Employer's contribution to Maharashtra Labour Welfare Fund		
During the year, the Company has recognised the following amounts in the Statement of Profit and Loss	(₹)	(₹)
- Employers' contribution to provident fund	1,82,43,875	1,64,16,365
- Employers' contribution to employee's state insurance	51,79,455	64,78,847
- Employers' contribution to Maharashtra Labour Welfare Fund	92,233	1,03,825

Particulars	As at March 31, 2016	As at March 31, 2015
II. Defined Benefit Plan		
Contribution to Gratuity Fund		
(a) Major Assumptions	(% p.a.)	(% p.a.)
Discount rate	8%	8%
Expected rate of return on plan assets	8%	8%
Salary escalation rate@	3%	5%
@ The estimates for future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.		
(b) Change in the Present Value of Obligation	(₹)	(₹)
Present value of obligation at beginning of year	3,35,13,587	2,20,16,199
Current service cost	30,06,728	46,02,253
Interest cost	26,81,087	19,81,458
Benefit paid directly from Company	(70,97,848)	(66,15,281)
Actuarial (gain) \ loss on obligations	(61,97,758)	1,15,28,958
Present value of obligation at end of the year	2,59,05,796	3,35,13,587
(c) Change in Fair Value of Plan Assets		
Fair value of plan assets at beginning of year	1,52,908	1,40,283
Expected return on plan assets	12,233	11,223
Actuarial gain / (loss) on obligations	535	1,402
Fair Value of Plan Assets at end of the year	1,65,676	1,52,908
(d) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets		
Present value of funded obligation at end of the year	2,59,05,796	3,35,13,587
Fair value of plan assets at end of the year	1,65,676	1,52,908
Funded status	(2,57,40,120)	(3,33,60,679)
Present value of unfunded obligation at end of the year	2,57,40,120	3,33,60,679
Unfunded net liability recognised in the Balance Sheet	2,57,40,120	3,33,60,679
(e) Amount recognised in the Balance Sheet		
Present value of obligation at end of the year	2,59,05,796	3,35,13,587
Fair value of plan assets at end of the year	1,65,676	1,52,908
Liability recognised in the Balance Sheet	2,57,40,120	3,33,60,679
Disclosed under :		
Long term provision	2,05,46,146	3,21,66,555
Short term provisions	51,93,974	11,94,124
(f) Expenses Recognised in the Statement of Profit and Loss		
Current service cost	30,06,728	46,02,253
Interest cost	26,81,087	19,81,458
Expected return on plan assets	(12,233)	(11,223)
Net actuarial losses / (gain) recognised in the year	(61,98,293)	1,15,27,556
Total expenses recognised in the Statement of Profit and Loss	(5,22,711)	1,81,00,044
Actual return on plan assets	12,768	12,625

38. EMPLOYEE STOCK OPTION PLAN

The company implemented ESOP scheme as approved by the shareholders of the company. Details of the options granted under the plan are as under:

ESOP Scheme	Grant Date	No of Options	Exercise Price ₹	Vesting Period
ESOP 2013- Grant C	25.07.2013	2,42,956	230	25.07.2013 to 25.07.2017

The options are granted at an exercise price. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 10/- each. The options have vesting periods as stated above in accordance with the vesting schedule as per the said plans.

The particulars of options granted and lapsed under the plan are as below:

Particulars	Grant C	
	Year Ended March 31, 2016	Year Ended March 31, 2015
Options outstanding as at the beginning of the year	1,11,678	2,42,956
Add: Options granted during the year	-	-
Less: Options lapsed during the year	-	1,31,278
Less: Options exercised during the year	-	-
Less: Options Surrendered during the year	-	-
Options outstanding as at the end of the year	1,11,678	1,11,678

The Company has followed the intrinsic value-based method of accounting for stock options based on Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. Had the compensation cost for the Company's stock based compensation plans been determined in the manner consistent with the fair value approach as described in the said Guidance Note,

- (a) the Company's net income would be lower by ₹ 895,107 (previous year : ₹ 231,911), and
 (b) earnings per share as reported would be lower as indicated below:

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Net profit after tax, as reported	12,93,73,330	29,20,21,772
Less: Total stock-based employee compensation expense determined under fair value based method	8,95,107	2,31,911
Adjusted net profit after tax	12,84,78,223	29,17,89,861
Basic earning per share		
- As reported	5.25	11.86
- Adjusted	5.22	11.85
Diluted earning per share		
- As reported	5.25	11.86
- Adjusted	5.22	11.85

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

The fair value of option is estimated on the date of grant based on the following assumptions:

Particulars	“ ESOP 2013 Grant C dated 25.07.2013 “
Dividend yield (%)	0.00%
Expected life (years)	4.00 Yrs
Risk free interest rate(%)	9.10%
Volatility (%)	46.10%

39. RELATED PARTY DISCLOSURE

Disclosures of related party transactions as per AS-18 “Related Party Disclosure” is given below:

(A) LIST OF RELATED PARTIES

Subsidiary Companies

1. Fabrikant Tara International LLC.
2. Tara Jewels Holding Inc.
3. Tara (Hong Kong) Ltd.
4. Tara China Jewellery Ltd.

Directors

1. Mr. Rajeev Sheth
2. Mr. Ravindran M. P. (From 25-05-2015)
3. Mr. Sanjay Sethi (Upto 11-02-2016)
4. Ms. Fern Mallis
5. Mr. Nikkhil Vaidya
6. Mr. Rakesh Kalra
7. Mr. Shanti Saroop Khindria
8. Mr. Rajiv Jain
9. Mr. Francois Arpels (Upto 11-02-2016)
10. Mr. Mariano De La Torre

Key Management Personnel

1. Mr. Rajeev Sheth
2. Mr. Ravindran M. P. (From 25-05-2015)
3. Mr. Bimal Desai (From 10-11-2015)
4. Mr. Sanjay Sethi (Upto 10-11-2015)
5. Mrs. Nivedita Nayak

Relatives of Directors

1. Mrs. Aarti Sheth
2. Mrs. Divya Sheth
3. Mrs. Purnima Sheth

Entities in which Key Managerial Personnel/ their relatives are able to exercise significant influence or control

1. F. T. Diamonds
2. Divya Jewels International Pvt. Ltd.
3. Divya Real Estate Pvt. Ltd.
4. Aarti Jewellers Pvt Ltd.
5. Karan Arjun Jewellery Pvt. Ltd.
6. Tara Duniya Corporation

(B) TRANSACTIONS DURING THE YEAR ENDED MARCH 31, 2016

(Amount in ₹)

Particulars	Subsidiaries Companies		Key Management Personnel/ Relatives		Entities in which Key Managerial Personnel/ their relatives have significant influence or control	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sale of Goods						
Fabrikant Tara International LLC.	2,06,52,62,615	2,39,17,41,949	-	-	-	-
Tara (Hong Kong) Ltd.	2,55,42,23,829	98,39,59,630	-	-	-	-
F. T. Diamonds	-	-	-	-	3,98,87,037	-
Purchase of Goods						
Fabrikant Tara International LLC.	76,98,87,182	44,84,90,802	-	-	-	-
Tara (Hong Kong) Ltd.	1,11,07,64,555	28,45,71,547	-	-	-	-
Aarti Jewellers Pvt Ltd.	-	-	-	-	78,023	84,638
Labour Charges Paid						
Tara (Hong Kong) Ltd.	4,37,489	2,33,189	-	-	-	-
Labour Charges Received						
Fabrikant Tara International LLC.	45,77,880	53,68,942	-	-	-	-
Tara (Hong Kong) Ltd.	1,63,342	-	-	-	-	-
Aarti Jewellers Pvt Ltd.	-	-	-	-	71,342	1,38,162
F. T. Diamonds	-	-	-	-	22,324	-
Purchase of Fixed Assets						
Tara (Hong Kong) Ltd.	2,52,497	46,29,789	-	-	-	-
Directors' Remuneration and Commission						
Mr Rajeev V. Sheth	-	-	1,20,00,000	1,71,16,400	-	-
Mrs Nalini Rajan	-	-	-	22,49,100	-	-
Mr Vikram Raizada	-	-	-	98,90,852	-	-
Mr Sanjay Sethi	-	-	51,36,207	48,20,400	-	-
Mr Ravindran M. P.	-	-	27,67,264	-	-	-
Commission and other benefits to Independent Directors	-	-	35,60,000	35,20,000	-	-
Salary paid						
Mr. Sanjay Sethi	-	-	-	16,06,380	-	-
Mr. Bimal Desai	-	-	18,67,370	-	-	-
Ms Aarti Sheth	-	-	37,20,000	30,08,400	-	-
Ms Divya Sheth	-	-	21,87,165	13,25,918	-	-
Other Key Managerial Personnel	-	-	6,11,175	7,87,383	-	-
Repayment of Unsecured Loans						
Divya Jewels International Pvt. Ltd.	-	-	-	-	-	6,77,93,171
Sales Promotion Expenses						
Aarti Jewellers Pvt Ltd.	-	-	-	-	-	10,55,000

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

(C) CLOSING BALANCES AS ON MARCH 31, 2016

(Amount in ₹)

Particulars	Subsidiaries Companies		Key Management Personnel/ Relatives		Entities in which Key Managerial Personnel/ their relatives have significant influence or control	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Trade Receivables						
F. T. Diamonds	-	-	-	-	4,12,29,519	10,31,249
Aarti Jewellers Pvt Ltd.	-	-	-	-	71,794	54,182
Fabrikant Tara International LLC.	4,43,08,468	-	-	-	-	-
Tara (Hong Kong) Ltd.	28,56,05,138	12,56,08,774	-	-	-	-
Trade Payables						
Tara (Hong Kong) Ltd.	-	-	-	-	-	-
Fabrikant Tara International LLC.	-	7,10,23,048	-	-	-	-
Investments						
Tara Jewels Holding Inc.	11,32,99,500	11,32,99,500	-	-	-	-
Tara (Hong Kong) Ltd.	2,48,67,804	2,48,67,804	-	-	-	-
Divya Jewels International Pvt. Ltd.	-	-	-	-	1,75,000	1,75,000
Director Remuneration payable						
Mr. Rajeev Sheth	-	-	55,67,343	67,92,297	-	-
Mr Sanjay Sethi	-	-	-	4,93,594	-	-
Mr Ravindran M. P.	-	-	1,65,439	-	-	-
Commission and other benefits Payable to Independent Directors	-	-	54,44,420	36,28,000	-	-
Salary Payable						
Ms Aarti Sheth	-	-	6,47,707	42,433	-	-
Ms Divya Sheth	-	-	71,983	15,266	-	-
Mr. Bimal Desai	-	-	2,97,634	-	-	-
Other Key Managerial Personnel	-	-	45,364	48,000	-	-

40. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the previous financial year, the company has constituted the Corporate Social Responsibility Committee in terms of Section 135 of the Companies Act, 2013 and the board had adopted a CSR Policy as recommended by the Committee. However during the financial year under review, the Company has not made any expenditure on CSR as the Company is still in the process of identifying the eligible project, by which the public can be benefited appropriately. The Company intends to contribute to the money for CSR activities as soon as the project is identified.

41. INCORPORATION OF TARA GULF SFZCO LLC

During the year, the Company has initiated the process for formation of a wholly owned subsidiary company- M/s Tara Gulf SFZCO LLC in Oman. The incorporation certificate dated March 9, 2016 has been obtained by the Company. However, the Company has not invested any amount till the year ended March 31, 2016 and it is expected to commence the business activity in financial year 2016-17.

42. DEFERRED TAX EXPENSE / (INCOME)

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Opening deferred tax (Liability) / Asset	3,44,70,568	23,03,380
Add: Deferred tax asset adjusted to opening balance of Profit and Loss Account	-	31,85,125
	3,44,70,568	54,88,505
Less : Deferred tax (Liability) / Assets as at the end of year	3,07,74,351	3,44,70,568
Deferred tax Expense / (Income) recognised in Statement of Profit and Loss	36,96,217	(2,89,82,063)

43. PRIOR YEAR COMPARATIVES

Prior year comparatives have been reclassified to confirm with the current year's presentation, wherever applicable.

As Per Our Attached Report of Even Date

For **C. B. Chhajer & Co.**
Chartered Accountants

C. B. Chhajer
Partner

Place : Mumbai
Dated : 23.05.2016

For and on Behalf of Board of Directors

Rajeev Sheth
Managing Director
(DIN NO:00266460)

Nivedita Nayak
Company Secretary
[FCS:8479]

Ravindran M. P.
Executive Director
(DIN NO: 07188069)

Vishnu Prakash Garg
Executive Director & CFO
(DIN NO: 00024991)

INDEPENDENT AUDITORS REPORT

To the Members of Tara Jewels Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of TARA JEWELS LIMITED (“the Holding Company”) and its subsidiaries (collectively referred to as “the Group”), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

MANAGEMENT’S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company’s Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 (“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 of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company’s preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company’s Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters below, 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 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

OTHER MATTERS

We did not audit the financial statements / consolidated financial statements of subsidiaries, whose financial statements / consolidated financial statements reflect total assets of Rs. 4,683,111,107 as at 31st March, 2016, total revenues of Rs. 11,381,729,984 and net

cash flows amounting to Rs. 16,121,250 for the year ended on that date, as considered in the consolidated financial statements. These financial statements / consolidated financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (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) The subsidiaries companies are incorporated outside India and hence provision of section 164 (2) of the Act is not applicable to directors of subsidiary companies. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company incorporated in India is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) In case of subsidiary companies incorporated outside India, the provisions of the Act relating to internal financial controls are not applicable. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in the 'Annexure II' to Independent Auditor's Report of Holding Company.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group Refer Note 26 to the consolidated financial statements.
 - (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - (iii) In case of subsidiary companies incorporated outside India, the provision of the Act relating to Investor Education and Protection Fund are not applicable. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

For **C. B. Chhajer & Co.**
Chartered Accountants
(Firm RegnNo : 101796W)

Place : Mumbai
Dated : 23.05.2016

C. B. Chhajer
(Partner)
Membership No : 009447

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2016

(Amount in ₹)

Particulars	Note	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	1	24,62,28,500	24,62,28,500
Reserves and surplus	2	5,85,40,66,725	5,58,74,49,851
Money received against share warrants		-	1,22,00,000
		6,10,02,95,225	5,84,58,78,351
Minority Interest			
Non-Current Liabilities			
Long-term borrowings	3	1,21,58,836	33,10,684
Other long-term liabilities	4	61,63,516	15,36,146
Long-term provisions	5	3,04,43,904	4,60,05,656
		4,87,66,256	5,08,52,486
Current Liabilities			
Short-term borrowings	6	4,73,14,36,219	4,09,66,62,421
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		77,787	77,000
Total outstanding dues of creditors other than micro enterprises and small enterprises		4,81,97,55,988	3,01,69,16,810
Other current liabilities	7	22,47,46,034	24,73,23,958
Short-term provisions	8	28,25,11,331	20,04,33,857
		10,05,85,27,359	7,56,14,14,046
TOTAL		16,20,75,88,840	13,45,81,44,883
ASSETS			
Non-Current Assets			
Fixed assets	9		
Tangible assets		1,16,02,50,145	1,10,52,75,398
Intangible assets		1,69,27,542	2,39,61,473
Capital work-in-progress		2,82,93,589	-
Intangible assets under development		-	-
Non-current investments	10	5,04,52,047	3,71,89,202
Deferred tax assets (Net)	11	3,07,74,351	3,87,37,668
Long-term loans and advances	12	5,48,11,719	4,19,52,690
		1,34,15,09,393	1,24,71,16,431
Current assets			
Inventories	13	5,81,02,79,063	5,76,44,53,826
Trade receivables	14	8,02,85,08,390	5,33,67,48,670
Cash and bank balances	15	78,15,37,561	84,74,73,391
Short-term loans and advances	16	23,98,37,749	25,57,76,645
Other current assets	17	59,16,684	65,75,920
		14,86,60,79,447	12,21,10,28,452
TOTAL		16,20,75,88,840	13,45,81,44,883

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements.

As Per Our Attached Report of Even Date

For **C. B. Chhajer & Co.**
Chartered Accountants

C. B. Chhajer
Partner

Place : Mumbai
Dated : 23.05.2016

For and on Behalf of Board of Directors

Rajeev Sheth
Managing Director
(DIN NO:00266460)

Nivedita Nayak
Company Secretary
(FCS:8479)

Ravindran M. P.
Executive Director
(DIN NO: 07188069)

Vishnu Prakash Garg
Executive Director & CFO
(DIN NO: 00024991)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2016

(Amount in ₹)

Particulars	Note	Year Ended March 31, 2016	Year Ended March 31, 2015
INCOME			
Revenue from operations	18	18,01,31,14,905	17,35,27,68,196
Other income	19	11,94,17,853	5,31,75,804
Total Revenue		18,13,25,32,758	17,40,59,44,000
EXPENSES			
Cost of materials consumed	20	12,61,83,52,141	9,58,54,22,137
Purchases of stock-in-trade		2,99,75,69,090	4,61,55,34,534
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	21	(18,47,69,637)	5,03,34,024
Employee benefits expense	22	45,24,65,472	53,00,00,134
Finance costs	23	78,02,50,133	71,55,19,067
Depreciation and amortization expense	24	22,08,97,711	28,09,26,403
Other expenses	25	88,58,41,391	98,55,61,146
Total Expenses		17,77,06,06,301	16,76,32,97,445
Profit before tax		36,19,26,457	64,26,46,555
Tax expense:			
Current tax		9,95,46,266	23,10,52,651
Deferred tax		79,63,317	(2,89,82,063)
Tax of earlier years		-	40,21,343
Profit after tax		25,44,16,874	43,65,54,624
Earning per equity share			
Earning per equity share	34		
Basic		10.33	17.73
Diluted		10.33	17.73

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements.

As Per Our Attached Report of Even Date

For **C. B. Chhajer & Co.**
Chartered Accountants

C. B. Chhajer
Partner

Place : Mumbai
Dated : 23.05.2016

For and on Behalf of Board of Directors

Rajeev Sheth
Managing Director
(DIN NO:00266460)

Nivedita Nayak
Company Secretary
[FCS:8479]

Ravindran M. P.
Executive Director
(DIN NO: 07188069)

Vishnu Prakash Garg
Executive Director & CFO
(DIN NO: 00024991)

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2016

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	36,19,26,457	64,26,46,555
Adjustments for:		
Depreciation/ amortisation	22,08,97,711	28,09,26,403
Loss / (Profit) on sale of fixed assets	65,74,086	29,75,714
Fixed Assets Written off	1,23,18,072	59,65,192
Profit on sale of investments	(3,07,673)	(11,21,055)
Bad debts written off	6,48,09,862	-
Dividend income	(2,59,972)	(1,34,251)
Interest income	(4,65,98,603)	(4,51,56,156)
Interest expense	64,00,91,223	59,73,82,920
Sundry balances written back	(6,69,65,580)	(8,67,592)
Operating profit before working capital adjustment	1,19,24,85,583	1,48,26,17,730
Changes in working capital:		
Inventories	(4,58,25,237)	1,17,05,39,389
Trade receivables	(2,75,65,69,582)	(1,52,90,94,516)
Loans and advances and other assets	1,41,60,256	(22,88,728)
Other Bank balances	2,66,63,795	(17,69,08,719)
Trade payables	1,86,98,05,545	(17,32,93,295)
Other liabilities and provisions	(3,13,53,245)	(5,54,06,191)
Cash flow generated from operations	26,93,67,115	71,61,65,670
Income tax paid (net of refunds)	(4,57,49,244)	(20,90,07,465)
Net cash flow from operating activities (A)	22,36,17,871	50,71,58,205
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including intangible assets)	(33,20,38,538)	(27,49,83,125)
Purchase of Investments	(1,78,40,057)	(63,73,752)
Sale proceeds of investments	48,84,885	72,79,201
Sale proceeds of fixed assets	74,90,537	82,23,058
Dividend received	2,59,972	1,34,251
Interest received	4,72,57,839	4,50,93,750
Net Cash Flow from Investing Activities (B)	(28,99,85,362)	(22,06,26,617)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowing	63,90,67,814	23,51,19,103
Interest paid	(61,19,72,358)	(57,37,04,017)
Proceeds from issue of share capital / share warrants	-	1,22,00,000
Net Cash Flow From Financing Activities (C)	2,70,95,456	(32,63,84,914)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(3,92,72,035)	(3,98,53,326.00)
Cash & Cash Equivalent at the beginning of the year	7,38,51,243	11,37,04,569
Cash & Cash Equivalent at the end of the year	3,45,79,208	7,38,51,243
Deposits with banks to the extent held as margin money for gold	40,33,62,647	41,97,55,094
Fixed deposits with banks as security against borrowings	34,35,95,706	35,38,67,054
Cash & Bank balances at the end of the year	78,15,37,561	84,74,73,391

Figures under bracket represent outflows.

As Per Our Attached Report of Even Date

For **C. B. Chhajed & Co.**
Chartered Accountants

C. B. Chhajed
Partner

Place : Mumbai
Dated : 23.05.2016

For and on Behalf of Board of Directors

Rajeev Sheth
Managing Director
(DIN NO:00266460)

Nivedita Nayak
Company Secretary
[FCS:8479]

Ravindran M. P.
Executive Director
(DIN NO: 07188069)

Vishnu Prakash Garg
Executive Director & CFO
(DIN NO: 00024991)

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED MARCH 31, 2016

A. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

B. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relate to Tara Jewels Limited (the “Holding Company”) and its Subsidiaries (collectively referred to as “the Group”). The Consolidated Financial Statements are prepared on the following basis:

- i) The consolidated financial statements of the Group have been prepared in accordance with the Accounting Standard 21, “Consolidated Financial Statement” issued by the Institute of Chartered Accountants of India.
- ii) The financial statements of the Group have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and un-realised profits or losses.
- iii) The consolidated financial statements have been prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented to the extent possible, in the same manner as those of the parent company’s independent financial statements unless stated otherwise.

The operations of foreign subsidiaries have been considered by the management, as integral operations as described in Accounting Standard – AS 11 (revised) “Accounting for the effects of changes in foreign exchange rates”. Accordingly, the Financial Statements of the Subsidiaries have been translated to Indian rupees on following basis:

- All income and expenses are translated at the average rate of exchange prevailing during the period;
 - Monetary assets and liabilities are translated at the Closing rate prevailing at the Balance Sheet date;
 - Non-monetary assets and liabilities are translated at the historical rates; and
 - The resulting exchange difference is recognized as income or expense for the period.
- iv) The difference between the cost to the company of its investments in a subsidiary and its portion of equity of subsidiary on the date it became a subsidiary is recognized in the financial statement as Goodwill or Capital Reserve, as the case may be.
 - v) Minority Interest in the consolidated financial statement is identified and recognized after taking into consideration the minority share of movement in equity since the date parent-subsidiary relationship came into existence.
 - vi) Minority interest is presented separately from the liabilities or assets and the equity of the shareholders in the Consolidated Balance Sheet. Minority interest in the income of the Group is separately presented in Consolidated Statement of Profits and Loss.
 - vii) All Employees’ related benefits including social security have been provided in accordance with the laws of the country in which the individual entity is operating.

C. OTHER SIGNIFICANT ACCOUNTING POLICIES

These are set out under “Significant Accounting Policies” as given in the Company’s Standalone Financial Statements.

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

1. SHARE CAPITAL

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Authorised		
30,000,000 Equity Shares of ₹ 10 each	30,00,00,000	30,00,00,000
Issued, subscribed and paid-up		
24,622,850 Equity Shares of ₹ 10 each fully paid up	24,62,28,500	24,62,28,500
Total	24,62,28,500	24,62,28,500

Reconciliation of Equity Shares outstanding

(Amount in ₹)

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Amount	No. of Shares	Amount
As at the beginning of the year	2,46,22,850	24,62,28,500	2,46,22,850	24,62,28,500
As at the end of the year	2,46,22,850	24,62,28,500	2,46,22,850	24,62,28,500

Details of shares for the period of five years immediately preceding the reporting date

Particulars	No. of Shares	
	As at March 31, 2016	As at March 31, 2015
Allotted as fully paid up by way of bonus shares during the year ended March 31, 2011	59,23,707	59,23,707

Details of shareholders holding more than 5% shares of the Company

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	%	No. of Shares	%
Mr. Rajeev Sheth	1,45,22,893	58.98	1,45,14,893	58.95
Crystalon Finanz AG	18,00,000	7.31	18,00,000	7.31
IDFC Premier Equity Fund	-	-	21,62,500	8.78

Shares reserved for issue under Employee Stock Option Plan ('ESOP 2013')

For details of shares reserved for issue under ESOP 2013 of the Company, refer note 38.

Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share and dividend in Indian rupees, as proposed by the Board of Directors, which is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

2. RESERVES AND SURPLUS

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Securities Premium Account	1,67,90,62,852	1,67,90,62,852
SEZ Reinvestment Allowance Reserve		
Balance as at the beginning of the year	26,46,50,684	33,59,23,811
Less: Utilised during the year	26,46,50,684	7,12,73,127
Balance as at the end of the year	-	26,46,50,684
General Reserve		
Balance as at the beginning of the year	11,44,00,049	11,44,00,049
Add: Additions during the year (Refer Note 27)	1,22,00,000	-
Balance as at the end of the year	12,66,00,049	11,44,00,049
Capital Reserve	2,68,48,865	2,68,48,865
Surplus		
Balance as at the beginning of the year	3,50,24,87,401	3,00,19,64,395
Add: Profit after tax for the year	25,44,16,874	43,65,54,624
Add: SEZ reinvestment allowance reserve utilised	26,46,50,684	7,12,73,127
Less: Adjustment relating to Fixed assets (Net of deferred tax)	-	73,04,745
Balance as at the end of the year	4,02,15,54,959	3,50,24,87,401
Total	5,85,40,66,725	5,58,74,49,851

3. LONG-TERM BORROWINGS

(Amount in ₹)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Non Current	Current	Non Current	Current
Secured				
Term loans from others	11,33,198	15,26,754	26,59,952	74,80,909
Vehicle loans from bank	2,21,614	3,77,190	6,50,732	9,24,635
Vehicle loans from others	1,08,04,024	25,61,621	-	-
Finance lease obligations	-	-	-	6,14,157
Total	1,21,58,836	44,65,565	33,10,684	90,19,701
Less: Amount disclosed under 'other current liabilities' (note 6)	-	44,65,565	-	90,19,701
Net Total	1,21,58,836	-	33,10,684	-

- (a) Term loans from others were taken for purchase of Plant and Machinery and carries interest @ 13.00% p.a. The loan is repayable in 45 monthly installments of Rs.148,642/- each including interest starting from March 2014.
- (b) Finance lease obligations represents future lease payments towards cost of implementation and upgradation of Server and carried interest @ 13.20% p.a. The lease obligations are payable in 12 quarterly installments of ₹ 166,410/- each including interest starting from May 2013, and
- (c) Vehicle loans are secured by hypothecation of vehicles. The interest rate ranges from 10.00% to 13.75% p.a. The loans are repayable in 36 to 60 monthly installments inclusive of interest from the date of loan.

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

(d) Maturity Profile:

Particulars	Maturity Period			Total
	1-2 Years	2-3 Years	Above 3 years	
Term loans from others	11,33,198	-	-	11,33,198
Vehicle loans from banks	2,21,614	-	-	2,21,614
Vehicle loans from others	28,35,944	34,29,060	45,39,020	1,08,04,024

4. OTHER LONG TERM LIABILITIES

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred lease obligations	61,63,516	15,36,146
Total	61,63,516	15,36,146

5. LONG-TERM PROVISIONS

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
Gratuity (Refer note 32)	2,05,46,146	3,21,66,555
Leave encashment	98,97,758	1,38,39,101
Total	3,04,43,904	4,60,05,656

6. SHORT-TERM BORROWINGS

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured		
Working capital loans from banks	4,66,89,30,938	4,03,17,47,835
Working capital loans from others	1,50,00,000	1,50,00,000
Unsecured		
Loan from related party (Refer note 31)	4,75,05,281	4,99,14,586
Total	4,73,14,36,219	4,09,66,62,421

(a) Working capital loans from banks are secured by hypothecation of inventories, book debts, plant and machinery, other fixed assets, fixed deposits, other current assets and equitable mortgage of the Company's factories at Seepz and MIDC, one office at Bandra Kurla Complex, seven flats in Mumbai, and Two Flats at Prabhadevi belonging to Divya Real Estate Pvt. Ltd.

(b) The above facilities are further secured by

- (i) personal guarantee of managing director, Mr. Rajeev Sheth,
- (ii) corporate guarantee of Divya Real Estate Pvt. Ltd. and Fabrikant Tara International LLC

- (iii) fixed deposits of ₹ 8.69 Crores of managing director, Mr. Rajeev Sheth.
 - (iv) pledge of 3,335,175 equity shares of the Company held by managing director, Mr. Rajeev Sheth
- (c) Working capital loans from others are secured by mutual fund investment in SBI MF Magnum Balanced Fund - Regular Plan Growth.
- (d) Working Capital Loan by USA Subsidiary Company are secured by hypothecation of substantially all assets of the subsidiary company and subordinations; and corporate guarantee of Tara Jewels Limited
- (e) Working Capital Loans taken by Hongkong Subsidiary are secured by hypothecation of inventory, receivables and Fixed Deposits. The loans are further secured by corporate guarantee of Tara Jewels Limited and personal guarantee of Managing Director, Mr. Rajeev Sheth .
- (f) Unsecured Loans from related parties are interest free and repayable on demand.

7. OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Current maturities of long-term borrowings	44,65,565	90,19,701
Interest accrued but not due on borrowings	44,72,899	3,54,034
Bank overdraft	1,93,83,813	1,24,79,458
Statutory liabilities	3,47,24,886	2,83,26,577
Unclaimed dividends*	5,065	5,065
Other payables#	16,16,93,806	19,71,39,123
Total	22,47,46,034	24,73,23,958

* There is no amount due and outstanding as at 31st March 2016 to be credited to Investor Education and Protection Fund.

Other payables include expenses payable, creditors for fixed assets and advances received from customers.

8. SHORT-TERM PROVISIONS

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
Gratuity (Refer note 32)	51,93,974	11,94,124
Leave encashment	9,68,436	6,87,834
Provision for taxation (Net of tax payments)	27,63,48,921	19,85,51,899
Total	28,25,11,331	20,04,33,857

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

9. FIXED ASSETS

(Amount in ₹)

Assets	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTISATION			NET BLOCK		
	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	For the year	Deductions/ Adjustments	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets									
Building	42,76,58,498	-	1,85,11,157	40,91,47,341	1,92,90,430	1,40,74,734	15,94,65,436	24,96,81,905	27,34,08,758
Leasehold Improvements	8,42,24,381	-	3,24,64,088	5,17,60,293	2,43,94,184	3,24,64,171	3,28,60,491	1,88,99,802	4,32,93,903
Vehicles	3,91,62,436	1,84,94,184	58,64,437	5,17,92,183	83,45,870	46,08,183	3,20,92,184	1,96,99,999	1,08,07,939
Air Conditioners	2,93,11,084	68,776	35,22,660	2,58,57,200	21,88,915	27,97,077	2,13,86,770	44,70,430	73,16,152
Computer Hardwares	7,44,20,709	5,14,289	3,36,92,495	4,12,42,503	21,25,166	3,33,21,381	3,84,16,910	28,25,593	48,07,584
Electric Installations	5,07,16,123	1,034	1,07,36,845	3,99,80,312	38,99,174	93,20,930	3,19,67,913	80,12,399	1,33,26,454
Furniture & Fixtures	19,02,57,255	33,14,440	6,47,16,062	12,88,55,633	1,77,33,714	5,25,43,484	9,21,96,614	3,66,59,019	6,32,50,871
Office Equipment	4,60,59,447	1,10,539	52,52,977	4,09,17,009	41,12,251	40,09,212	3,66,75,288	42,41,721	94,87,198
Plant & Equipment	86,29,75,663	27,08,19,163	79,31,716	1,12,58,63,110	11,05,61,593	64,62,973	62,60,52,206	49,98,10,904	34,10,22,127
Factory Equipments	4,18,81,006	1,26,370	66,22,581	3,53,84,795	40,46,030	33,30,228	2,02,13,539	1,51,71,256	2,23,83,269
Flat	34,36,76,119	-	-	34,36,76,119	1,53,94,026	-	4,28,99,002	30,07,77,117	31,61,71,143
Total	2,19,03,42,721	29,34,48,795	18,93,15,018	2,29,44,76,498	21,20,91,353	16,29,32,323	1,13,42,26,353	1,16,02,50,145	1,10,52,75,398
Previous year	2,01,41,38,328	27,63,45,478	10,01,41,085	2,19,03,42,721	28,29,80,003	8,29,77,121	1,08,50,67,323	1,10,52,75,398	1,12,90,73,887
Intangible Assets									
Computer Software	6,88,52,870	17,72,427	3,52,080	7,02,73,217	86,40,205	3,52,080	5,36,98,125	1,65,75,092	2,34,42,870
Goodwill	2,70,20,125	-	-	2,70,20,125	-	-	2,70,20,125	-	-
Trademark	11,56,250	-	-	11,56,250	1,66,153	-	8,03,800	3,52,450	5,18,603
Total	9,70,29,245	17,72,427	3,52,080	9,84,49,592	88,06,358	3,52,080	8,15,22,050	1,69,27,542	2,39,61,473
Previous year	9,29,30,746	40,98,499	-	9,70,29,245	84,36,270	-	7,30,67,772	2,39,61,473	2,82,99,244
Capital Work-In-Progress								2,82,93,589	-

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

10. NON-CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Investments (at cost, unquoted, fully paid up)		
Investment in Equity Instruments		
Trade Investments (at cost, unquoted, fully paid up)		
Divya Jewels International Pvt. Ltd.	1,75,000	1,75,000
5,000 Equity Shares of Face Value Rs. 10 each		
Total Trade Investments (A)	1,75,000	1,75,000
Other Investments (at cost, quoted, fully paid up unless otherwise stated)		
Investment in Equity Instruments		
Other entities		
Punjab National Bank	43,400	43,400
7,000 Equity Shares of Face Value Rs. 2 each		
(Market value as on 31.03.2016- Rs. 592,900)		
Bank of India Ltd	63,000	63,000
1,400 Equity Shares of Face Value Rs. 10 each		
(Market value as on 31.03.2016- Rs. 135,870)		
Investment in Mutual Funds		
SBI MF Magnum Balanced Fund- Regular Plan Growth	1,20,00,000	1,20,00,000
228,036.84 (Previous Year : 228,036.84) Units of Face Value Rs. 10 each		
(N.A.V as on 31.03.2016- Rs 2,15,95,476)		
SBI Premier Liquid Fund- Regular Fund Daily Dividend	30,957	29,367
30.791 Units (Previous year : 29.235) of face value of Rs. 1000/- each		
(N.A.V as on 31.03.2016 of Rs 30,891)		
Principal Emerging Bluechip Fund-Direct Plan Growth	5,00,000	-
7,210.845 (Previous year : NIL) Units of Face Value of Rs 100/- each		
(N.A.V as on 31.03.2016 of Rs 4,80,026)		
Axis Mutual Fund-Liquid Fund A/C	1,39,690	1,32,510
139.675(Previous year : 132.465) Units of Face Value of Rs 1000/- each		
(N.A.V as on 31.03.2016 of Rs 1,39,780)		
AAMG Union KBC Asset Allocation Fund- Moderate Plan Growth	-	87,234
NIL (Previous year : 7,079.462) Units of Face Value Rs 10/- each.		
CP1G-Union KBC Capital Protection Oriented Fund- Series 1 Growth	-	10,00,000
NIL (Previous year : 99,990) Units of Face Value of Rs 10/- each		
CP4G-Union KBC Capital Protection Oriented Fund-Series 4-Reg Plan-Growth	15,00,000	15,00,000
150,000 (Previous year : 150,000) Units of Face Value of Rs 10/- each		
(N.A.V as on 31.03.2016- Rs 17,33,085)		

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
CP5G-Union KBC Captial Protection Oriented Fund-Series 5-Reg Plan-Growth	15,00,000	15,00,000
150,000 Units s(Previous year : 150,000)of Face Value of Rs 10/- each (N.A.V as on 31.03.2016- Rs 1,765,455)		
DBDP- union KBC Dynamic Bonds Fund- Div Payout	30,00,000	-
227,250.347 (Previous year : NIL) Units of Face Value of Rs 10/- each (N.A.V as on 31.03.2016 of Rs 27,13,824)		
SMFG-Union KBC Small and Midcap Fund Regular Plan- Growth	-	1,58,691
NIL (Previous year : 15,185.738) units of face value of Rs. 10/- each		
Principle Large Cap Fund- Regular Plan growth	20,00,000	-
47,327.581 (Previous year : NIL) Units of Face Value of Rs 10/- each (N.A.V as on 31.03.2016 of Rs 20,49,284)		
TF2GR-Union KBC Trigger Fund Series 2- Regular Plan Growth	30,00,000	30,00,000
299,990 (Previous year : 299,990) Units of Face Value of Rs 10/- each (N.A.V as on 31.03.2016 of Rs 27,59,908)		
Principal Asset Allocation Fund- Aggressive Plan	90,00,000	-
8,95,309.07 (Previous year : NIL) Units of Face Value of Rs 10/- each (N.A.V as on 31.03.2016 of Rs 88,34,104)		
Investment in Mutual Funds (Unquoted)		
IIMCL-Emerging India Opportunities Fund	1,75,00,000	1,75,00,000
1,750 units of face value Rs.10,000 each		
Total Other Investments (B)	5,02,77,047	3,70,14,202
Total (A + B)	5,04,52,047	3,71,89,202

Details of Quoted and Unquoted Investments

Particulars	As at March 31, 2016	As at March 31, 2015
Aggregate amount of quoted investments (Market value Rs. 42,830,603 (Previous Year Rs. 31,426,955)	3,27,77,047	1,95,14,202
Aggregate amount of unquoted investments	1,76,75,000	1,76,75,000
Total	5,04,52,047	3,71,89,202

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

11. DEFERRED TAX ASSETS

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred tax assets arising on account of timing difference in:		
Depreciation	1,21,47,017	29,87,152
Provision for gratuity and leave encashment	1,26,68,713	1,65,72,946
Unamortised share issue expenses u/s 35D	52,59,956	1,05,19,911
Disallowance under section 40(a)(ia)	6,74,856	20,55,082
Carried forward long term losses	23,809	71,149
Other timing differences	-	65,31,428
Total	3,07,74,351	3,87,37,668

12. LONG-TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
Capital Advances	2,43,35,471	1,32,55,081
Security Deposits	1,64,05,333	2,52,74,105
Prepaid expenses	1,40,70,915	15,04,422
Other loans and advances*	-	19,19,082
Total	5,48,11,719	4,19,52,690

* Includes primarily claims receivable

13. INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Raw materials	97,29,25,085	1,07,62,94,849
(including Goods-in-transit Rs. Nil (Previous year Rs. 120,176))		
Work-in-process	3,54,53,56,247	2,85,56,79,544
Finished goods	1,28,02,62,337	1,78,04,18,557
Stock-in-trade	26,208	47,77,054
Stores, consumables and packing material	1,17,09,186	4,72,83,822
Total	5,81,02,79,063	5,76,44,53,826

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

14. TRADE RECEIVABLES

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured		
Outstanding for a period exceeding six months from the date they became due for payment		
Considered Good	1,45,02,93,872	73,75,15,313
Considered Doubtful	16,58,250	15,02,500
	1,45,19,52,122	73,90,17,813
Other Debts		
Considered Good	6,57,82,14,518	4,59,92,33,357
Considered Doubtful	-	-
	6,57,82,14,518	4,59,92,33,357
Less: Provision for bad & doubtful debts	(16,58,250)	(15,02,500)
Total	8,02,85,08,390	5,33,67,48,670

15. CASH AND BANK BALANCES

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Cash and Cash Equivalents		
Balances with banks	3,13,00,320	5,79,76,667
Cash on hand	32,78,888	1,58,74,576
Other Bank Balances		
Deposits with banks to the extent held as margin money for gold	40,33,62,647	41,97,55,094
Fixed deposits with banks as security against borrowings	34,35,95,706	35,38,67,054
Total	78,15,37,561	84,74,73,391

16. SHORT-TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
Loans to employees	27,20,393	38,73,021
Security deposits	6,96,001	25,286
Prepaid expenses	10,31,81,630	8,68,33,962
Balances with Statutory, Government Authorities	7,97,31,093	11,65,08,972
Other loans and advances*	5,35,08,632	4,85,35,404
Total	23,98,37,749	25,57,76,645

* Includes primarily advance paid to creditors

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

17. OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest accrued on fixed deposits	59,11,619	65,70,855
Other current assets	5,065	5,065
Total	59,16,684	65,75,920

18. REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Sale of products	18,01,28,79,083	17,35,12,23,087
Sale of services	98,733	3,56,990
Other Operating Revenues	1,37,089	11,88,119
Total	18,01,31,14,905	17,35,27,68,196
Total	59,16,684	65,75,920

19. OTHER INCOME

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Interest on fixed deposits	4,65,42,552	4,51,24,639
Interest on others	56,051	31,517
Dividend income	2,59,972	1,34,251
Rent received	23,31,000	9,00,000
Commission received	1,85,347	-
Profit on sale of investments (Net)	3,07,673	11,21,055
Sundry balances written back	6,69,65,580	8,67,592
Miscellaneous income	27,69,678	49,96,750
Total	11,94,17,853	5,31,75,804

20. COST OF MATERIALS CONSUMED

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
As at beginning of the year	1,07,62,94,849	2,18,99,77,525
Add: Purchases	12,51,49,82,377	8,47,17,39,461
Less : As at end of the year	97,29,25,085	1,07,62,94,849
Total Cost of materials consumed	12,61,83,52,141	9,58,54,22,137

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Inventories as at the beginning of the year		
Work- in- process	2,85,56,79,544	2,49,98,00,812
Finished goods	1,78,04,18,557	2,18,41,42,589
Stock-in-trade	47,77,054	72,65,778
Total	4,64,08,75,155	4,69,12,09,179
Less : Inventories as at the end of the year		
Work- in- process	3,54,53,56,247	2,85,56,79,544
Finished goods	1,28,02,62,337	1,78,04,18,557
Stock-in-trade	26,208	47,77,054
Total	4,82,56,44,792	4,64,08,75,155
Net decrease / (increase) in inventories	(18,47,69,637)	5,03,34,024

22. EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Salaries, allowances and bonus	38,89,25,929	43,10,35,241
Contribution to provident and other funds	2,38,09,923	4,42,90,939
Directors remuneration	1,99,03,471	3,40,76,752
Staff and labour welfare	1,98,26,149	2,05,97,202
Total	45,24,65,472	53,00,00,134

23. FINANCE COST

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Interest expense	64,00,91,223	59,73,82,920
Other borrowing cost	6,80,00,571	6,54,61,840
Bank charges	7,21,58,339	5,26,74,307
Total	78,02,50,133	71,55,19,067

24. DEPRECIATION AND AMORTISATION EXPENSE

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Depreciation of tangible assets	21,20,91,353	27,24,90,133
Amortisation of intangible assets	88,06,358	84,36,270
Total	22,08,97,711	28,09,26,403

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

25. OTHER EXPENSES

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Manufacturing Expenses		
Wages, allowances & bonus	12,07,40,204	12,18,55,406
Import clearing charges	1,77,41,599	1,52,00,033
Labour charges	16,11,98,515	26,38,22,397
Electric power, fuel and water	4,04,86,367	4,05,52,795
Excise duty	32,65,750	-
Repairs and maintenance: factory building	26,68,451	22,01,538
Repairs and maintenance: plant & machinery	68,12,170	61,19,154
Foreign exchange difference (net)	(12,64,95,554)	(9,23,85,357)
Stores, consumables and packing material	11,61,12,081	9,81,04,820
	34,25,29,583	45,54,70,786
Selling, Administration and Other Expenses		
Advertisement	82,66,732	2,63,73,901
Auditor's remuneration	76,68,500	72,70,463
Commission	-	3,54,746
Bad Debts w/off	6,48,09,862	-
Discount	5,91,90,830	5,14,28,028
Credit insurance	2,86,51,495	2,69,65,149
Electricity charges	30,93,399	68,14,827
Export clearing charges	1,47,52,272	1,48,53,187
Fixed assets written off	1,23,18,072	59,65,192
House Keeping Expenses	54,46,607	64,29,455
Insurance	2,18,12,654	2,10,93,882
Legal and professional fees	11,35,31,343	4,03,25,918
Loss on sale of fixed assets (net)	67,59,433	29,75,714
Rates and taxes	82,31,998	55,91,118
Rent	7,53,46,362	9,72,09,048
Repairs & maintenance- other	1,18,56,446	1,57,86,544
Sales promotion expenses	5,20,64,616	11,55,41,431
Security charges	1,34,37,456	1,86,54,589
Telephone and internet expenses	67,62,394	81,05,468
Travelling & conveyance expenses	2,28,08,689	3,13,86,139
Exchange difference on conversion of financials	(3,31,07,961)	(1,95,07,564)
Miscellaneous expenses	3,96,10,609	4,64,73,125
	54,33,11,808	53,00,90,360
Total	88,58,41,391	98,55,61,146

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

26. CONTINGENT LIABILITIES, COMMITMENTS AND OTHER ITEMS (TO THE EXTENT NOT RECOGNISED)

A Contingent liabilities

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Claims against the company not acknowledged as debt in respect of:		
a. Custom duty matter	19,00,563	19,00,563
b. Property tax	24,81,489	24,81,489
c. Service tax matter	67,23,389	67,23,389
d. Other matter	20,85,723	20,85,723
Bills discounted	2,26,95,71,532	1,94,39,76,897
Total	2,28,27,62,696	1,95,71,68,061

B Commitments

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,15,15,601	4,36,87,095
Other commitments	3,09,19,460	5,19,49,700
Total	4,24,35,061	9,56,36,795

Income Tax Assessment

The Income- Tax assessments of the Company have been completed up to Assessment Year 2012-13. The disputed demand outstanding up to the said assessment year is approximately ₹ 38,500,000 Based on the decisions of the appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

27. SHARE WARRANTS

The Company had allotted 3,05,000 (Three Lac Five Thousand) Convertible Warrants ("Warrants"), on April 02, 2014 to Bennett, Coleman & Company Limited ('BCCL') on a preferential allotment basis, with each warrant convertible into one equity share at a conversion price of ₹ 160 per share, not later than 18 months from the date of allotment in accordance with the SEBI (ICDR) Regulations, 2009. In accordance with ICDR regulations, BCCL had paid ₹ 12,200,000 towards 25% value of total consideration payable for the Warrants. The aforesaid share warrants were due for conversion in equity shares on or before October 2, 2015, however BCCL has not exercised the option and hence the warrants have lapsed on October 2, 2015. The amount paid against the aforesaid warrants has been forfeited by the Company and transferred to General Reserve.

28. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES

- (a) Forward Contracts outstanding as at the reporting date :
There are no forward contract outstanding as at the end of the current and previous year.
- (b) Unhedged foreign currency exposure as at the reporting date :
Net Foreign currency exposures that are not hedged by derivative instruments as at the end of the year amounts to ₹ 217,177,468 (Previous year : ₹ 704,451,234).

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

29. OPERATING LEASES

- a. The Company has given commercial premises on operating lease. In respect of this arrangements, lease rentals income of Rs. 2,331,000 (Previous Year : Rs. 900,000) are recognised in the statement of profit and loss for the period and are included under Rent (disclosed under Other Income in Note 19)
- b. The Company's significant leasing arrangements are in respect of residential flats and office premises taken on lease. The arrangements range between 11 months and 9 years generally and are usually renewable by mutual consent or mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given. In respect of above arrangements, lease rentals payable are recognised in the Statement of Profit and Loss for the period and included under Rent, Rates and Taxes (disclosed under Other Expenses in Note 25). The aggregate rental expenses of all the operating leases for the period are Rs. 75,436,362 (Previous year: Rs. 97,209,048).

The future minimum lease payments to be paid under non-cancellable operating leases are as follows:

(Amount in ₹)

Minimum Lease Payments	As at March 31, 2016	YAs at March 31, 2015
Not later than one year	1,88,79,248	2,04,90,586
Later than one year but not later than five years	6,94,16,003	1,08,19,943
Later than five years	2,82,40,594	-

30. EMPLOYEE STOCK OPTION PLAN

The company implemented ESOP scheme as approved by the shareholders of the company. Details of the options granted under the plan are as under:

ESOP Scheme	Grant Date	No of Options	Exercise Price ₹	Vesting Period
ESOP 2013- Grant C	25.07.2013	2,42,956	230	25.07.2013 to 25.07.2017

The options are granted at an exercise price. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 10/- each. The options have vesting periods as stated above in accordance with the vesting schedule as per the said plans.

The particulars of options granted and lapsed under the plan are as below:

Particulars	Grant C	
	Year Ended March 31, 2016	Year Ended March 31, 2015
Options outstanding as at the beginning of the year	1,11,678	2,42,956
Add: Options granted during the year	-	-
Less: Options lapsed during the year	-	1,31,278
Less: Options exercised during the year	-	-
Less: Options Surrendered during the year	-	-
Options outstanding as at the end of the year	1,11,678	1,11,678

The Company has followed the intrinsic value-based method of accounting for stock options based on Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. Had the compensation cost for the Company's stock based compensation plans been determined in the manner consistent with the fair value approach as described in the said Guidance Note, (a) the Company's net income would be lower by Rs.895,107 (previous year : Rs. 231,911), and (b) earnings per share as reported would be lower as indicated below:

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Net profit after tax, as reported	25,44,16,874	43,65,54,624
Less: Total stock-based employee compensation expense determined under fair value based method	8,95,107	2,31,911
Adjusted net profit after tax	25,35,21,767	43,63,22,713
Basic earning per share		
- As reported	10.33	17.73
- Adjusted	10.30	17.72
Diluted earning per share		
- As reported	10.33	17.73
- Adjusted	10.30	17.72

The fair value of option is estimated on the date of grant based on the following assumptions:

Particulars	“ ESOP 2013 Grant C dated 25.07.2013 “
Dividend yield (%)	0.00%
Expected life (years)	4.00 Yrs
Risk free interest rate(%)	9.10%
Volatility (%)	46.10%

31. RELATED PARTY DISCLOSURE

Disclosures of related party transactions as per AS-18 “Related Party Disclosure” is given below:

(A) LIST OF RELATED PARTIES

Directors

1. Mr. Rajeev Sheth
2. Mr. Ravindran M. P. (From 25-05-2015)
3. Mr. Sanjay Sethi (Upto 11-02-2016)
4. Ms. Fern Mallis
5. Mr. Nikkhil Vaidya
6. Mr. Rakesh Kalra
7. Mr. Shanti Saroop Khindria
8. Mr. Rajiv Jain
9. Mr. Francois Arpels (Upto 11-02-2016)
10. Mr. Mariano De La Torre

Key Management Personnel

1. Mr. Rajeev Sheth
2. Mr. Ravindran M. P. (From 25-05-2015)
3. Mr. Bimal Desai (From 10-11-2015)
4. Mr. Sanjay Sethi (Upto 10-11-2015)
5. Mrs. Nivedita Nayak

Relatives of Directors

1. Mrs. Aarti Sheth
2. Mrs. Divya Sheth
3. Mrs. Purnima Sheth

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

Entities in which Key Managerial Personnel/ their relatives are able to exercise significant influence or control

1. F. T. Diamonds
2. Divya Jewels International Pvt. Ltd.
3. Divya Real Estate Pvt. Ltd.
4. Aarti Jewellers Pvt Ltd.
5. Karan Arjun Jewellery Pvt. Ltd.
6. Tara Duniya Corporation

(B) TRANSACTIONS DURING THE YEAR APRIL 1, 2015 TO MARCH 31, 2016

(Amount in ₹)

Particulars	Key Management Personnel		Entities in which Key Managerial Personnel/ their relatives have significant influence or control	
	Current Year	Previous Year	Current Year	Previous Year
Sale of Goods				
F. T. Diamonds	-	-	3,99,43,220	-
Purchase of Goods				
Aarti Jewellers Pvt Ltd.	-	-	78,023	84,638
Labour Charges Received				
Aarti Jewellers Pvt Ltd.	-	-	71,342	1,38,162
F. T. Diamonds	-	-	22,324	-
Directors' Remuneration and Commission				
Mr.Rajeev Sheth	1,20,00,000	1,71,16,400	-	-
Mrs. Nalini Rajan	-	22,49,100	-	-
Mr.Vikram Raizada	27,67,264	98,90,852	-	-
Mr. Sanjay Sethi	51,36,207	48,20,400	-	-
Commission and other benefits to Independent Directors	35,60,000	35,20,000	-	-
Salary paid				
Mr. Sanjay Sethi	-	16,06,380	-	-
Mr. Bimal Desai	18,67,370	-	-	-
Ms. Aarti Sheth	37,20,000	30,08,400	-	-
Ms. Divya Sheth	21,87,165	13,25,918	-	-
Other Key Managerial Personnel	6,11,175	7,87,383	-	-
Sales Promotion Expenses				
Aarti Jewellers Pvt Ltd.	-	-	-	10,55,000
Unsecured Loan Taken				
F.T. Diamonds	-	-	-	2,03,15,650
Repayment of Unsecured Loan Taken				
Divya Jewels International Pvt. Ltd.	-	-	-	6,77,93,171
Tara Duniya Corporation	-	-	-	13,05,002
F.T. Diamonds	-	-	-	81,87,029

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

(C) CLOSING BALANCES AS ON MARCH 31, 2016

(Amount in ₹)

Particulars	Key Management Personnel		Entities in which Key Managerial Personnel/ their relatives have significant influence or control	
	Current Year	Previous Year	Current Year	Previous Year
Trade Payables				
F. T. Diamonds Inc.	-	-	6,28,639	3,69,531
Trade Receivables				
F. T. Diamonds Inc.	-	-	4,13,22,872	10,66,299
Aarti Jewellers Pvt Ltd.	-	-	71,794	54,182
Investments				
Divya Jewels International Pvt. Ltd.	-	-	1,75,000	1,75,000
Short Term Borrowings				
F.T. Diamonds	-	-	1,50,60,492	1,91,62,116
Tara Duniya Corporation	-	-	3,24,44,789	3,07,52,470
Director Remuneration payable				
Mr.Rajeev Sheth	55,67,343	67,92,297	-	-
Mr.Vikram Raizada	1,65,439	-	-	-
Mr. Sanjay Sethi	-	4,93,594	-	-
Commission and other benefits to Independent Directors	54,44,420	36,28,000	-	-
Salary paid				
Ms. Aarti Sheth	6,47,707	42,433	-	-
Ms. Divya Sheth	71,983	15,266	-	-
Mr. Bimal Desai	2,97,634	-	-	-
Other Key Managerial Personnel	45,364	48,000	-	-

32 EMPLOYEE BENEFITS DISCLOSURE

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
The Company has classified the various benefits provided to employees as under :-		
(I) Defined Contribution Plans		
(a) Employer's contribution to provident fund		
(b) Employer's contribution to employee's state insurance		
(c) Employer's contribution to Maharashtra Labour Welfare Fund		
During the year, the Company has recognised the following amounts in the Statement of Profit and Loss	(₹)	(₹)
- Employers' contribution to provident fund	1,82,43,875	1,64,16,365
- Employers' contribution to employee's state insurance	51,79,455	64,78,847
- Employers' contribution to Maharashtra Labour Welfare Fund	92,233	1,03,825
II. Defined Benefit Plan		
Contribution to Gratuity Fund		
(a) Major Assumptions	(% p.a.)	(% p.a.)
Discount rate	8.00%	8.00%

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

Particulars	As at March 31, 2016	As at March 31, 2015
Expected rate of return on plan assets	8.00%	8.00%
Salary escalation rate@	2.50%	5.00%
@ The estimates for future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.		
(b) Change in the Present Value of Obligation	(₹)	(₹)
Present value of obligation at beginning of year	3,35,13,587	2,20,16,199
Current service cost	30,06,728	46,02,253
Interest cost	26,81,087	19,81,458
Benefit paid directly from Company	(70,97,848)	(66,15,281)
Actuarial (gain) \ loss on obligations	(61,97,758)	1,15,28,958
Present value of obligation at end of the year	2,59,05,796	3,35,13,587
(c) Change in Fair Value of Plan Assets		
Fair value of plan assets at beginning of year	1,52,908	1,40,283
Expected return on plan assets	12,233	11,223
Actuarial gain / (loss) on obligations	535	1,402
Fair Value of Plan Assets at end of the year	1,65,676	1,52,908
(d) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets		
Present value of funded obligation at end of the year	2,59,05,796	3,35,13,587
Fair value of plan assets at end of the year	1,65,676	1,52,908
Funded status	(2,57,40,120)	(3,33,60,679)
Present value of unfunded obligation at end of the year	2,57,40,120	3,33,60,679
Unfunded net liability recognised in the Balance Sheet	2,57,40,120	3,33,60,679
(e) Amount recognised in the Balance Sheet		
Present value of obligation at end of the year	2,59,05,796	3,35,13,587
Fair value of plan assets at end of the year	1,65,676	1,52,908
Liability recognised in the Balance Sheet	2,57,40,120	3,33,60,679
Disclosed under :		
Long term provision	2,05,46,146	3,21,66,555
Short term provisions	51,93,974	11,94,124
(f) Expenses Recognised in the Statement of Profit and Loss		
Current service cost	30,06,728	46,02,253
Interest cost	26,81,087	19,81,458
Expected return on plan assets	(12,233)	(11,223)
Net actuarial losses / (gain) recognised in the year	(61,98,293)	1,15,27,556
Total expenses recognised in the Statement of Profit and Loss	(5,22,711)	1,81,00,044
Actual return on plan assets	12,768	12,625

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

36. DEFERRED TAX EXPENSE

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Opening deferred tax (Liability) / Asset	3,87,37,668	65,70,480
Add: Deferred tax asset adjusted to opening balance of Profit and Loss Account	-	31,85,125
	3,87,37,668	97,55,605
Less : Deferred tax (Liability) / Assets as at the end of year	3,07,74,351	3,87,37,668
Deferred tax Expense / (Income) recognised in Statement of Profit and Loss	79,63,317	(2,89,82,063)

37. THE SUBSIDIARY COMPANIES CONSIDERED IN CONSOLIDATED FINANCIAL STATEMENTS ARE

(Amount in ₹)

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest
Tara Jewels Holdings, Inc.	USA	100%
Fabricant-Tara International LLC*	USA	100%
Tara (Hong Kong) Limited**	Hong Kong	100%
Tara China Jewelry Limited***	China	100%

*Subsidiary of Tara Jewels Holdings, Inc. and wholly owned subsidiary w.e.f. December 29, 2011

**Tara (Hong Kong) Limited has become subsidiary w.e.f. September 16, 2010

***Wholly owned Subsidiary of Tara (Hong Kong) Limited

Incorporation of Tara Gulf SFZCO LLC During the year, the Company has initiated the process for formation of a wholly owned subsidiary company - M/s Tara Gulf SFZCO LLC in Oman. The incorporation certificate dated 9th March 2016 has been obtained by the Company. However, the Company has not invested any amount till the year ended March 31, 2016 and it is expected to commence the business activity in financial year 2016-17.

38. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the previous financial year, the company has constituted the Corporate Social Responsibility Committee in terms of Section 135 of the Companies Act, 2013 and the board had adopted a CSR Policy as recommended by the Committee. However during the financial year under review, the Company has not made any expenditure on CSR as the Company is still in the process of identifying the eligible project, by which the public can be benefited appropriately. The Company intends to contribute to the money for CSR activities as soon as the project is identified.

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

39. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY / ASSOCIATES / JOINT VENTURES

(Amount in ₹)

Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Tara Jewels Limited	91.73	5,59,58,14,968	50.85	12,93,73,330
Subsidiaries				
Indian				
	-	-	-	-
Foreign				
1. Tara Jewels Holdings, Inc. *	2.69	16,41,89,249	22.34	5,68,46,493
2. Tara (Hong Kong) Limited	5.57	33,95,03,242	27.55	7,00,90,013
3. Tara China Jewelry Limited	0.01	7,87,766	(0.74)	(18,92,962)
Minority interest in all subsidiaries	-	-	-	-
Associates (Investments as per the equity method)				
Indian				
	-	-	-	-
Foreign				
	-	-	-	-
Joint Ventures (as per proportionate consolidation/Investment as per the equity method)				
Indian				
	-	-	-	-
Foreign				
	-	-	-	-
Total	100.00	6,10,02,95,225	100.00	25,44,16,874

* Based on Consolidated figures with Fabricant-Tara International LLC

40. SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES AS PER COMPANIES ACT, 2013

Part "A": Subsidiaries

(Amount in ₹)

1. Sl. No.	I	II	III
2. Name of the subsidiary	Tara Jewels Holdings, Inc. *	Tara (Hong Kong) Limited	Tara China Jewelry Limited **
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD***	USD***	USD***
5. Share capital	11,32,99,500	4,64,117	41,34,035
6. Reserves & surplus	17,81,66,089	36,83,59,869	7,88,738
7. Total assets	1,99,18,88,866	2,67,83,19,968	1,29,02,272
8. Total Liabilities	1,70,04,23,277	2,30,94,95,982	79,79,499
9. Investments	-	41,35,007	-
10. Turnover	4,44,65,48,224	6,92,10,67,275	1,41,14,485

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2016

1. Sl. No.	I	II	III
11. Profit before taxation	4,58,25,255	8,19,15,726	(18,92,962)
12. Provision for taxation	1,07,03,233	1,21,10,133	-
13. Profit after taxation	3,51,22,022	6,98,05,593	(18,92,962)
14. Proposed Dividend	-	-	-
15. % of shareholding	100	100	100

* Based on Consolidated figures with Fabricant-Tara International LLC

** Wholly owned subsidiary of Tara (Hong Kong) Limited.

*** Exchange rate as at end of the year USD 1 = Rs.66.33

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint

Ventures is not applicable to the company since, there are no associates or joint ventures of the Company.

41. PRIOR YEAR COMPARATIVES

Prior year comparatives have been reclassified to confirm with the current year's presentation, wherever applicable.

As Per Our Attached Report of Even Date

For **C. B. Chhajed & Co.**
Chartered Accountants

C. B. Chhajed
Partner

Place : Mumbai
Dated : 23.05.2016

For and on Behalf of Board of Directors

Rajeev Sheth
Managing Director
(DIN NO:00266460)

Nivedita Nayak
Company Secretary
[FCS:8479]

Ravindran M. P.
Executive Director
(DIN NO: 07188069)

Vishnu Prakash Garg
Executive Director & CFO
(DIN NO: 00024991)

NOTICE

Notice is hereby given that the **FIFTEENTH (15th) Annual General Meeting (AGM)** of the Members of Tara Jewels Limited will be held on Monday, September 19, 2016, at 03.00 p.m. at Hotel Suncity Premiere, Gate#3, Plot No- A-1, Off JVLR Road, Seepz, SEZ, Andheri (East), Mumbai- 400096, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and the Consolidated Audited financial statements as at March 31, 2016 together with the Report of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Ravindran M.P (DIN:07188069), who retires by rotation and, being eligible, seeks re-appointment and to pass the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT Mr. Ravindran M.P (DIN: 07188069), who retires by rotation and being eligible, offers himself for re-appointment be and is hereby re-appointed as a Director, liable to retire by rotation.

"RESOLVED FURTHER THAT the above-mentioned re-appointment of Mr. Ravindran M.P as a Director liable to retirement by rotation shall not in any way constitute a break in his existing office as a Whole Time Director of the Company.

3. To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the 13th Annual General Meeting of the Company held on September 18, 2014, approving the appointment of M/s. C.B. Chhajed & Co., Chartered Accountants (Firm Registration No. 101796W) as the Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held for financial year 2016-2017, the said appointment of M/s. C.B. Chhajed & Co., as the Statutory Auditors of the Company be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017, on the recommendation of the audit committee in consultation with the Statutory Auditors of the Company."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:
"In Supersession of the earlier ordinary resolution passed by the Company at the 14th Annual General Meeting held on September 29, 2015, **RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013(Act) read with Schedule V to the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the Company hereby approves re-appointment of Mr. Rajeev Sheth (DIN:00266460) as the Chairman and Managing Director (CMD) of the Company for a period of three years with effect from October 1, 2015 at such remuneration and on the terms and conditions as specified hereunder, with liberty to the Board of Directors to vary, amend or revise the remuneration within the maximum ceiling and the terms and conditions of the appointment in accordance with the provisions of the Act, and as may be agreed to between the Board of Directors and Mr. Rajeev Sheth."

1. Upto March 31, 2016 as per approval of shareholders at the Annual General Meeting held on September 29, 2015.

2. From April 1, 2016 as per the explanatory statement attached to this notice.

"RESOLVED FURTHER THAT any one Director of the Company be and is hereby authorized to do all such acts, deeds, matters and things which may be necessary, usual, proper or expedient to give effect to the above resolution."

5. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:
"In Supersession of the earlier ordinary resolution passed by the Company at the 14th Annual General Meeting held on

September 29, 2015, **RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, (Act) read with Schedule V to the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the appointment of Mr. Ravindran M.P. (DIN:07188069) as a Whole-Time Director for a period of three years, with effect from May 25, 2015, at a remuneration and on the terms and conditions as specified hereunder with liberty to the Board of Directors to vary, amend or revise the remuneration within the maximum ceiling and the terms and conditions of the appointment in accordance with the provisions of the Act and as may be agreed to between the Board of Directors and Mr. Ravindran M.P.”

1. Upto March 31, 2016 as per approval of shareholders at the Annual General Meeting held on September 29, 2015.

2. From April 1, 2016 as per the explanatory statement attached to this notice.

“RESOLVED FURTHER THAT any one Director of the Company be and is hereby authorized to do all such acts, deeds, matters and things which may be necessary, usual, proper or expedient to give effect to the above resolution. ”

6. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 188(1)(f) and all other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modifications(s) or re-enactment thereof, for the time being in force) approval of the Company be and is hereby accorded for payment of remuneration exceeding Rs. 2,50,000/- p.m to Ms. Aarti Sheth Cooper, daughter of Mr. Rajeev Sheth, Chairman and Managing Director of the Company, who has been appointed as Vice President- Business Development (Export Division) so however that the aggregate remuneration shall not exceed Rs. 7,00,000/- p.m.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do, all such acts, matters, deeds and things, as may be considered necessary , proper or expedient to give effect to this resolution and for matters connected or incidental thereto in the best interest of the Company.”

7. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 188(1)(f) and all other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modifications(s) or re-enactment thereof, for the time being in force) approval of the Company be and is hereby accorded for payment of remuneration exceeding Rs. 2,50,000/- p.m to Ms. Divya Sheth Mathur, daughter of Mr. Rajeev Sheth, Chairman and Managing Director of the Company, who has been appointed Deputy General Manager (Retail and Export) so however that the aggregate remuneration shall not exceed Rs. 7,00,000/- p.m

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do, all such acts, matters, deeds and things, as may be considered necessary , proper or expedient to give effect to this resolution and for matters connected or incidental thereto in the best interest of the Company.”

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of section 152, 161 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, Mr. Vishnu Prakash Garg (DIN: 00024991) who was appointed as an Additional Director by the Board of Directors of the Company with effect from May 23, 2016, and who holds office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, alongwith the required deposit, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies

NOTICE

Act, 2013 (Act) read with Schedule V to the act and the applicable Rules made thereunder, the approval of the Members of the Company be and is hereby accorded for the appointment of Mr. Vishnu Prakash Garg (DIN:00024991) as a Whole-Time Director for a period of three years, with effect from May 23, 2016 on the following terms and conditions including remuneration:

Particulars	Amount Per Month (in Rs.)
Basic Salary plus Allowances	1,83,333/-
Bonus	728/-
Gratuity (As per the Gratuity Rules)	8,799/-
Provident Fund	1,800/-
Other benefits	2,63,672/-
Total Monthly Gross Salary	4,58,333/-

“RESOLVED FURTHER THAT in pursuance of the provisions of Section 197(3) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed thereunder Mr. Vishnu Prakash Garg, Whole-Time Director, shall be paid the above mentioned remuneration and aggregate remuneration at any time will not exceed Rs. 8 lacs p.m during his tenure. However in the event of absence or inadequacy of profits in any financial year during term of his office as Whole-Time Director, remuneration will not exceed the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013, or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration under the Companies Act, 2013.”

“RESOLVED FURTHER THAT any one Director of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary and also to file necessary e-forms with the Ministry of Corporate Affairs to give effect to the above resolution under the Companies Act, 2013.”

Registered Office:
Plot No. 122, 15th Road
Near IDBI Bank, M.I.D.C Andheri (East)
Mumbai – 400 093
Mumbai, May 23, 2016

CIN: L52393MH2001PLC131252
Tel.:022 66774444
Website:www.tarajewels.in
E-mail:nivedita.nayak@tarajewels.co.in

By Order of the Board of Directors
For Tara Jewels Limited

Sd/-
Nivedita Nayak
Company Secretary
FCS Membership No.8479

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote, instead of himself/herself and the proxy need not be a member of the Company** and Pursuant to Section 105(1) of the Companies Act, 2013, read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of Members not exceeding 50 (fifty) in number and holding in aggregate not more than 10 (ten) per cent of the total share capital of the Company carrying voting rights. In the case of a Member holding more than 10 (ten) per cent of the total share capital of the Company carrying voting rights, such a Member may appoint a single person as proxy, who however shall not act as proxy for any other person or shareholder.
2. Proxy form duly stamped and executed in order to be effective, must reach the registered office of the company not less than 48 hours before the time of commencement of the Annual General Meeting. Proxy form for the AGM is enclosed.
3. Corporate Members are requested to send to the Registered Office of the Company a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
4. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, with respect to Item No. 4 to 9, the Special Business set out in the Notice is attached and forms part of this Notice.
5. Brief resume of Directors proposed to be re-appointed / appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships (excluding Directorships in Private Limited Companies, Foreign Companies and Government bodies) and memberships/ chairmanships of Board Committees (includes only Audit & Shareholders' / Investors' Grievance Committee), shareholding and relationships between Directors inter-se as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the "Annexure A" to the Notice.
6. The Registers required to be maintained under the Companies Act, 2013 including the Register of Directors' Shareholding, and the Register of Directors and Key Managerial Personnel and their Shareholding in the Company under Section 170 of the Companies Act, 2013 and Register of Contracts in which Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the AGM.
7. The Register of Members and Share Transfer Books will remain closed from September 13, 2016 to September 19, 2016 (both days inclusive).
8. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Rules made thereunder, permits Nomination by the members of the Company in the prescribed Form SH-13. Members are requested to avail this facility.
9. Members/Proxy holders are requested to bring their attendance slip duly signed and copy of the Annual Report to attend the meeting.
10. Members are requested to send to the Company their queries, if any, on accounts and operations of the Company at least 10 days before the Meeting to enable the Company to provide the required information.
11. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. to 1.00 p.m. up to the date of the Meeting.
12. Members wishing to claim dividends, which remain unclaimed, are requested to send their claims directly to the Company or to Link Intime India Pvt Limited. Members are requested to note that dividend which remains unclaimed for a period of seven years from the date of transfer to unpaid dividend account of the Company, is required to be transferred to the Investor Education and Protection Fund (IEPF) established by Central Government as per section 124 of the Companies Act, 2013. No claim shall lie against the Company or the said Fund for the amounts so transferred. The Company had declared Interim Dividend during Financial Year 2013-2014 and the unpaid dividend shall be due for transfer to IEPF on December 17, 2020.
13. Members are requested to notify immediately any change in their address / Bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and in respect of their physical shares Folios to the Registrars and Share Transfer Agent of the Company, Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai- 400078.
14. Members are requested to quote their Ledger Folio Number / Client ID Number in all their future correspondence.

NOTICE

15. 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.
16. Electronic copy of the Notice along with the Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participants(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 Annual Report are being sent in the permitted mode.
17. Non-Resident Indian Members are requested to inform M/s. Link Intime India Private Limited immediately of:
 - (a) Change in their residential status on return to India for permanent settlement.
 - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account no. and address of the Bank with PIN Code No, if not furnished earlier.
18. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.

The facility for voting through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM, through ballot paper. Members who have cast their vote by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 16, 2016 at 9.30 A.M and ends on September 18, 2016 at 5.00P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 12, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Any person, who acquires shares of the Company and become member of the Company after the dispatch of the notice and holding shares as of the cut-off date i.e. September 12, 2016 may obtain login id and password by sending a request to Company Secretary.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<ul style="list-style-type: none"> • Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on stiker of the annual report envelope.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<ul style="list-style-type: none"> • Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
 - (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xii) Click on the EVSN of Tara Jewels Ltd.
 - (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
19. a) Mr. K.C Nevatia, FCS, Practicing Company Secretary (CP No.2348) has been appointed as Scrutinizer to scrutinize voting process in a fair and transparent manner.
- b) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses who are not in the employment of the Company and shall make not later than three (3) days of the conclusion of the Annual General Meeting and make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company, or a person authorized by him in writing who shall counter sign the same and declare the result of the voting forthwith.
- c) The Results declared along with the Scrutinizer's Report shall be available for inspection and also placed on the website of the Company and on the website of CDSL immediately after the declaration or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Limited and NSE.

NOTICE

IMPORTANT COMMUNICATION TO MEMBERS:

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company's Share Transfer Agent, **M/s. Link Intime India Private Limited**
Email: tjl.ipo@linkintime.co.in

EXPLANATORY STATEMENT UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013

ITEM NO.4

Mr. Rajeev Sheth was re-appointed as the Chairman and Managing Director of the Company for a period of five years with effect from October 1, 2015 by the shareholders of the Company at the 14th Annual General Meeting held on September 29, 2015 by way of an Ordinary Resolution on the terms and conditions set out in the explanatory statement annexed to the Notice of AGM. As per schedule V to the Companies Act, 2013 a special resolution should be passed at the General Meeting of the Company for payment of remuneration for a period not exceeding three years and therefore the period of appointment of Chairman and Managing Director is being reduced to three years w.e.f October 1, 2015. The Chairman and Managing Director was paid remuneration upto March 31, 2016 as per approval of shareholders at the Annual General Meeting held on September 29, 2015. The Terms of appointment and remuneration of Managing Director w.e.f April 1, 2016 shall be as set out herein below.

- I. Salary: Not exceeding Rs.15,00,000/- per month as may be decided by Board of Directors.
- II. Performance Linked Incentive: Mr. Rajeev Sheth shall also be entitled to performance linked incentive based on the specific goals mutually set and approved by the Board of Directors or any committee of Directors from time to time.
- III. Commission: Such amount subject to the overall limits pertaining to the managerial remuneration laid down under Section 197 of the Companies Act, 2013, however such commission shall not exceed 1% of the net profit.
- IV. Perquisites & Allowances: Perquisites are classified into three parts A, B and C as follows :

Part A:

- i. Medical Reimbursement: Expenses incurred for self and family.
- ii. Leave Travel Allowance for self and family once in a year incurred in accordance with the rules of the Company.
- iii. Fees of clubs subject to a maximum of two clubs excluding admission and Life Membership Fees.
- iv. Personal Accident Insurance: The amount of the annual premium at actual.

Part B:

Contribution to provident fund, superannuation fund or annuity fund will not be included in computation of ceiling on perquisite to the extent these either singly or put together are not taxable under the Income Tax Act.

Gratuity: Gratuity payable shall be in accordance with the Company's Scheme as may be applicable or amended from time to time and shall not be included in the computation of ceiling on remuneration to the extent provided in schedule V to the Companies Act, 2013.

He shall be entitled to 30 days leave with full salary for every 12 months of service or part thereof. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on remuneration.

Part C:

The Company shall provide a Car with driver, and mobile, telephone, communication facilities at residence of Managing Director. Provision of Car for use of the Company's business and telephone at residence will not be considered as perquisites. Personal Long distance call and use of car for private purpose shall be billed by Company to the Chairman and Managing Director.

OTHERS

Mr. Rajeev Sheth shall be entitled to reimbursement of expenses, entertainment, travelling expenses, boarding and lodging and all other incidental expenses inconnection with and for the business of Company in India and abroad will be allowed and will not be deemed/treated as a perquisite.

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable or at actual cost.

In case of the Company having adequate profits, the managerial person will be paid such remuneration, within the limits specified from time to time under Section 197, read with Section I of Part II of Schedule V to the Act. The total managerial remuneration payable by a public company, to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven per cent of the net profits of the company for that financial year computed in the manner laid down in section 198, except that the remuneration of the directors shall not be deducted from the gross profits;

Provided further that, except with the approval of the company in general meeting and approval of the Central Government, the remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent of the net profits of the company and if there is more than one such director remuneration shall not exceed ten per cent of the net profits to all such directors and manager taken together.

Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year remuneration will be subject to a maximum ceiling limit per month which shall not exceed the limits specified under section II of part II of Schedule V to the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force. Where in any financial year during the currency of the term of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the CMD, within the maximum ceiling per annum as per Section II of Part II of Schedule V to the Act, as per the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors of the Company.

The scope and quantum of remuneration and perquisites specified above herein may be enhanced, enlarged, widened, altered or varied by the Board of Directors in the light of and in conformity of the Companies Act, 2013 and or/ the rules and regulations made thereunder and/or such guidelines as may be announced by Central Government from time to time.

The Board recommends the Special Resolution at Item No. 4 of the accompanying Notice for reappointment of Mr. Rajeev Sheth as Chairman and Managing Director of the Company, for approval of members.

Except Mr. Rajeev Sheth and his relatives no other Director and Key Managerial Personnel and their relatives are in any way concerned or interested in this Resolution.

The detail of Shareholding of Mr. Rajeev Sheth, his relatives and the Promoter Group Company is provided in Annexure B to this Notice.

The information of Mr. Rajeev Sheth to be provided under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Annexure A to this Notice.

INFORMATION AS REQUIRED IN SECTION II OF PART II OF SCHEDULE V:

- I. General Information:
 - (1) Nature of Industry- Manufacturing of Jewellery

NOTICE

- (2) Date or expected date of commencement of commercial production-N.A.
 - (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus-N.A.
 - (4) Financial performance based on given indicators- Given in Financial Statement
 - (5) Foreign investments or collaborations, if any- The Company has not entered into any foreign collaboration and no direct capital investment has been made in the Company. As regards foreign investors mainly, foreign bodies corporate and foreign nationals are investors in the Company on account of past public issue of securities and secondary market purchases.
- II. Information about the appointee:
- (1) Background details- He holds a graduate degree in commerce from Mumbai University. He also holds a diploma in gemology from Gemological Institute of America. Mr. Sheth has approximately 34 years of experience in the jewellery business.
 - (2) Past remuneration- Gross Rs. 10 lacs p.m during FY 2015-2016
 - (3) Recognition or awards- NIL
 - (4) Job profile and his suitability- Chairman and Managing Director
 - (5) Remuneration proposed- as mentioned above
 - (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)- Not Comparable
 - (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any- None
- III. Other Information:
- (1) Reasons of loss or inadequate profits- N.A.
 - (2) Steps taken or proposed to be taken for improvement- N.A.
 - (3) Expected increase in productivity and profits in measurable terms-N.A.

ITEM NO.5

Mr. Ravindran M.P was appointed as Whole Time Director of the Company for a period of five years with effect from May 25, 2015 by the shareholders of the Company at the 14th Annual General Meeting held on September 29, 2015 by way of an Ordinary Resolution on the terms and conditions set out in the explanatory statement annexed to the Notice of AGM. As per schedule V to the Companies Act, 2013 a special resolution should be passed at the General Meeting of the Company for payment of remuneration for a period not exceeding three years and therefore the period of appointment of Whole Time Director is being reduced to three years w.e.f May 25, 2015. The Executive Director was paid remuneration upto March 31, 2016 as per approval of shareholders at the Annual General Meeting held on September 29, 2015. The Terms of appointment and remuneration of Executive Director w.e.f April 1, 2016 shall be as set out herein below.

Particulars	Amount Per Month (in Rs.)
Basic Salary plus Allowances	94,330
Bonus	37,732
Gratuity (As per Company's Rules)	700
Provident Fund	-
Other benefits	1,03,062
Total Monthly Gross Salary	2,35,824

In case of the Company having adequate profits, the managerial persons will be paid such remuneration, within the limits specified from time to time under Section 197, read with Section I of Part II of Schedule V to the Act. Total Remuneration during the term of his tenure will not exceed aggregate amount Rs. 7 lacs per month.

The total managerial remuneration payable by a public company, to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven per cent of the net profits of that company for that financial year computed in the manner laid down in section 198, except that the remuneration of the directors shall not be deducted from the gross profits;

Provided further that, except with the approval of the company in general meeting and the approval of Central Government, the remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent of the net profits of the company and if there is more than one such director remuneration shall not exceed ten per cent of the net profits to all such directors and manager taken together.

Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year remuneration will be subject to a maximum ceiling limit per month which shall not exceed the limits specified under section II of part II of Schedule V to the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force. Where in any financial year during the currency of the term of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the Whole Time Director within the maximum ceiling per annum as per Section II of Part II of Schedule V to the Act, as per the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors of the Company.

The scope and quantum of remuneration and perquisites specified above herein may be enhanced, enlarged, widened, altered or varied by the Board of Directors in the light of and in conformity of the Companies Act and or/ the rules and regulations made thereunder and/or such guidelines as may be announced by Central Government from time to time.

The Board recommends the Special Resolution at Item No. 5 of the accompanying Notice for appointment of Mr. Ravindran M.P as Whole Time Director of the Company, for approval of members.

Except Mr. Ravindran M.P. and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is/are in any manner, concerned or interested, financially or otherwise, in passing the resolutions set out at item No. 5.

The information of Mr. Ravindran M.P to be provided under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Annexure A to this Notice.

INFORMATION AS REQUIRED IN SECTION II OF PART II OF SCHEDULE V:

I. General Information:

- (1) Nature of Industry- Manufacturing of Jewellery
- (2) Date or expected date of commencement of commercial production-N.A.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus-N.A.
- (4) Financial performance based on given indicators- Given in Financial Statement
- (5) Foreign investments or collaborations, if any- The Company has not entered into any foreign collaboration and no direct capital investment has been made in the Company. As regards foreign investors mainly, foreign bodies corporate and foreign nationals are investors in the Company on account of past public issue of securities and secondary market purchases.

II. Information about the appointee:

- (1) Background details- He holds a post graduate degree in computer science and masters in Business Administration in Systems Management from Mumbai University. He is in charge of customer service, trading and outsourcing operations in the Company. He has approximately 25 years of experience in the areas of jewellery and engineering.
- (2) Past remuneration- Gross Rs. 2,35,000/- p.m
- (3) Recognition or awards- NIL
- (4) Job profile and his suitability- Chief Operating Officer and Executive Director
- (5) Remuneration proposed- as mentioned above
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)-Not Comparable.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any- None

NOTICE

III. Other Information:

- (1) Reasons of loss or inadequate profits- N.A.
- (2) Steps taken or proposed to be taken for improvement- N.A.
- (3) Expected increase in productivity and profits in measurable terms-N.A.

ITEM NO.6 and 7

Ms. Aarti Sheth Cooper and Ms. Divya Sheth Mathur, daughters of Mr. Rajeev Sheth, Chairman and Managing Director are employed in the Company as Vice President Business Development(Export Division) and Deputy General Manager (Retail and Export) respectively and as such they hold office or place of profit in the Company within the meaning of section 188 of the Companies Act, 2013.

As per provisions of section 188 (1)(f) read with rule 3(b) of Companies (Meetings of Board and its Powers) Rules, 2014 approval of shareholders is required if the monthly remuneration of such person exceeds Rs. 2,50,000/-p.m. Since the company is benefitted from the services of both the above mentioned employees holding office or place of profit in the Company, the Board has sanctioned their remuneration exceeding Rs. 2,50,000/- p.m. which is justified and therefore the Board recommends the resolutions as set out in item no. 6 and 7 of the Notice for your approval.

Except Mr. Rajeev Sheth none of the other Directors and Key Managerial Personnel and their relatives are in any way concerned or interested in these two resolutions.

ITEM NO. 8 and 9

The Board of Directors of the Company at their meeting held on May 23, 2016, had appointed Mr. Vishnu Prakash Garg as an Additional Director of the Company on the recommendation of the Nomination and Remuneration Committee. As per Section 161 (1) of the Companies Act, 2013, Mr. Vishnu Prakash Garg holds office up to the date of this Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013 in writing from a member of the Company alongwith the required deposit, proposing the candidature of Mr. Vishnu Prakash Garg for being elected as a Director liable to retire by rotation. He doesnot hold any equity shares of the Company.

Mr. Vishnu Prakash Garg satisfies the conditions as given under Section 196 (3) and Part I of Schedule V of the Companies Act, 2013 and is not disqualified from being appointed as a Director under Section 164 of the Act.

The Board recommends his appointment as a Director and also as a Whole-Time Director of the Company for the approval of members of the Company by passing the resolutions as set out at item Nos. 8 and 9 of the notice for your approval.

The information of Mr. Vishnu Prakash Garg to be provided under SEBI (Listing and Disclosure requirements) 2015 of the Listing Agreement is provided in the Annexure to this Notice.

Except Mr. Vishnu Prakash Garg and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is/are in any manner, concerned or interested, financially or otherwise, in passing the resolutions set out at item Nos. 8 and 9.

The information of Mr. Vishnu Prakash Garg to be provided under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Annexure A to this Notice.

INFORMATION AS REQUIRED IN SECTION II OF PART II OF SCHEDULE V:

I. General Information:

- (1) Nature of Industry- Manufacturing of Jewellery
- (2) Date or expected date of commencement of commercial production-N.A.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus-N.A.

- (4) Financial performance based on given indicators- Given in Financial Statement
 - (5) Foreign investments or collaborations, if any- The Company has not entered into any foreign collaboration and no direct capital investment has been made in the Company. As regards foreign investors mainly, foreign bodies corporate and foreign nationals are investors in the Company on account of past public issue of securities and secondary market purchases.
- II. Information about the appointee:
- (1) Background details- He is Chartered Accountant by Profession and has around 30 years of experience in respective field.
 - (2) Past remuneration- N.A.
 - (3) Recognition or awards- NIL
 - (4) Job profile and his suitability - Executive Director & CFO
 - (5) Remuneration proposed- as mentioned in resolution.
 - (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)-Not Comparable.
 - (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any- None
- III. Other Information:
- (1) Reasons of loss or inadequate profits- N.A.
 - (2) Steps taken or proposed to be taken for improvement-N.A.
 - (3) Expected increase in productivity and profits in measurable terms- N.A.

Registered Office:
Plot No. 122, 15th Road
Near IDBI Bank, M.I.D.C Andheri (East)
Mumbai – 400 093
Mumbai, May 23, 2016

CIN: L52393MH2001PLC131252
Tel.:022 66774444
Website:www.tarajewels.in
E-mail:nivedita.nayak@tarajewels.co.in

By Order of the Board of Directors
For Tara Jewels Limited

Sd/-
Nivedita Nayak
Company Secretary
FCS Membership No.8479

ANNEXURE A

Details of the Directors seeking re-appointment/ appointment in the Fifteenth Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	Mr. Rajeev Sheth	Mr. Ravindran M.P.	Mr. Vishu Prakash Garg
Date of Birth	16/11/1958	20/07/1959	15/08/1960
Age	58 years	57 years	56 years
DIN	00266460	07188069	00024991
Date of appointment/ reappointment	October 1 2015	May 25, 2015	May 23, 2016
Date of first appointment on Board	March 16, 2001	May 25, 2015	May 23, 2016
Terms and Conditions of appointment	As mentioned in resolution and the explanatory statement annexed to the Notice	As mentioned in resolution and the explanatory statement annexed to the Notice	As mentioned in resolution and the explanatory statement annexed to the Notice
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	NIL	NIL	NIL
Remuneration sought to be paid	As mentioned in resolution and the explanatory statement annexed to the Notice	As mentioned in resolution and the explanatory statement annexed to the Notice	As mentioned in resolution and the explanatory statement annexed to the Notice
Remuneration Last Drawn	Gross Rs. 10,00,000/- p.m	Gross Rs. 2,35,824/- p.m	N.A.
Qualification & Experience in specific functional area	He holds a graduate degree in commerce from Mumbai University. He also holds a diploma in gemology from Gemological Institute of America. Mr. Sheth has approximately 34 years of experience in jewellery business.	He holds a post graduate degree in computer science and masters in business administration in Systems Management from Mumbai University. He is in charge of customer service, trading and outsourcing operations in the Company. He has approximately 25 years of experience in the areas of jewellery and engineering.	He is Chartered Accountant by Profession and has approximately around 30 years of experience in respective field.
No. of Meetings of the Board attended during the year	3	4	#NA
Directorships held in other companies*	NIL	NIL	NIL
Memberships/ Chairmanships of Committee in other public limited companies (includes only Audit & Shareholders' / Investors' Grievance Committee)	NIL	NIL	NIL
No of shares held in Company	14,522,893	NIL	NIL

*excludes Directorships in Private Limited Companies, Foreign Companies and Government bodies.

Appointed as Executive Director w.e.f. May 23, 2016.

ANNEXURE B



The Shareholding of Mr. Rajeev Sheth, his Relatives and the Promoter Group Company in Tara Jewels Limited is as given below:

Name	Shareholding in Tara Jewels Limited	Percentage (%)
Mr. Rajeev Sheth	14,522,893	58.98
Ms. Purnima Rajeev Sheth	14,625	0.06
Ms. Aarti Sheth	1,14,440	0.46
Ms. Divya Sheth	1,14,440	0.46
Divya Jewels International Private Limited	33,600	0.14
Total	14,799,998	60.10



TARA JEWELS LIMITED

Registered Office:

Plot No. 122, 15th Road,
Near IDBI Bank, MIDC,
Andheri (East),
Mumbai – 400 093, India

Corporate Office:

Plot No. 29(P) & 30(P),
Sub Plot A, SEEPZ SEZ,
Andheri (East),
Mumbai – 400 096, India
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