

**Auditors' Report and  
Audited Financial Statements  
of  
Renaissance Jewellery Bangladesh  
Pvt. Limited  
For the year ended 31 March 2016**

**Independent Auditor's Report  
To the Shareholders  
of  
Renaissance Jewellery Bangladesh Pvt. Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Renaissance Jewellery Bangladesh Pvt. Limited**, which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing.

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 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 control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Renaissance Jewellery Bangladesh Pvt. Limited** as at 31 March 2016, and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.



**Report on Other Legal and Regulatory Requirements**

The financial statements also comply with the applicable sections of the Companies Act 1994 and other applicable laws.

We also report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b. in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books; and
- c. the financial statements dealt with by the report are in agreement with the books of account and returns.

Dhaka, Bangladesh  
Dated: 24 May 2016

  
Nurul Faruk Hasan & Co.  
Chartered Accountants

**Renaissance Jewellery Bangladesh Pvt. Limited**  
**Statement of Financial Position**  
As at 31 March 2016

	Notes	As at 31 March	
		2016 Taka	2015 Taka
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	3	130,939,107	156,435,237
		130,939,107	156,435,237
<b>Current assets</b>			
Advances, deposits and pre-payments	4	6,436,758	6,477,820
Inventories	5	133,656,148	120,784,027
Cash and cash equivalents	6	4,922,414	7,060,304
		145,015,320	134,322,151
<b>Total assets</b>		275,954,427	290,757,388
<b>EQUITY AND LIABILITIES</b>			
<b>Capital &amp; reserves</b>			
Share capital	7	162,582,846	167,686,418
Share money deposit	8	212,206,300	147,936,600
Retained earnings	9	162	64,269,862
		(49,623,616)	(44,520,044)
<b>Current liabilities</b>			
Trade & others payables	10	113,371,581	123,070,970
Advance received from parties	11	50,760,592	93,739,523
Liabilities for expenses	12	33,124,786	24,626,414
Withholding taxes and value added taxes	13	28,762,117	4,298,662
Proviison for tax		340,932	406,371
		383,154	-
<b>Total equity and liabilities</b>		275,954,427	290,757,388

The accompanying notes 1-20 form an integral part of these financial statements.

\_\_\_\_\_  
**Nirupam Barua**  
General Manager- Finance & Commercial

\_\_\_\_\_  
**Amar Sudhakar Mayekar**  
Director

\_\_\_\_\_  
**Hitesh Shah**  
Managing Director

As per our annexed report of same date.

Dhaka, Bangladesh  
Dated: 24 May 2016

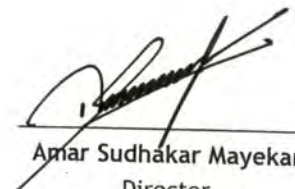
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**Nurul Faruk Hasan & Co.**  
Chartered Accountants

**Renaissance Jewellery Bangladesh Pvt. Limited**  
**Statement of Comprehensive Income**  
For the year ended 31 March 2016

	Notes	Year to 31 March	
		2016 Taka	2015 Taka
<b>Operating income</b>			
Revenue	14	383,153,630	333,372,995
<b>Cost of sales</b>			
Cost of goods sold	15	(327,915,768)	(284,011,322)
<b>Gross income/(loss)</b>		<b>55,237,862</b>	<b>49,361,673</b>
<b>Operating expenses</b>			
Administrative expenses	16	(58,957,882)	(36,677,488)
<b>Income/(loss) from operations</b>		<b>(3,720,020)</b>	<b>12,684,185</b>
<b>Non operating expenses</b>			
Foreign exchange gain/(loss)	17	(401,218)	(583,635)
		(599,180)	40,924
<b>Income/(loss) before taxation</b>		<b>(4,720,418)</b>	<b>12,141,474</b>
Income tax provision		(383,154)	-
<b>Net profit/(loss) after taxation</b>		<b>(5,103,572)</b>	<b>12,141,474</b>

The accompanying notes 1-20 form an integral part of these financial statements.

  
\_\_\_\_\_  
**Nirupam Barua**  
General Manager- Finance & Commercial

  
\_\_\_\_\_  
**Anjar Sudhakar Mayekar**  
Director

  
\_\_\_\_\_  
**Hitesh Shah**  
Managing Director

As per our annexed report of same date


Dhaka, Bangladesh  
Dated: 24 May 2016

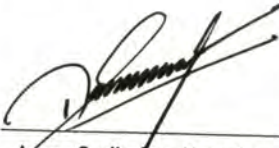
  
\_\_\_\_\_  
Nurul Faruk Hasan & Co.  
Chartered Accountants


**Renaissance Jewellery Bangladesh Pvt. Limited**  
**Statement of Cash Flows**  
For the year ended 31 March 2016

	Notes	Year to 31 March	
		2016	2015
		Taka	Taka
<b>Cash flows from operating activities:</b>			
Profit / (Loss) before tax for the year		(5,103,572)	12,141,474
Add: Depreciation during the year		29,656,949	14,205,004
<b>(Increase)/ decrease in current assets:</b>		<b>(12,831,059)</b>	<b>(57,997,568)</b>
Advances, deposits and pre-payments			
Trade receivables		41,062	2,375,636
Inventories		-	701,623
		<b>(12,872,121)</b>	<b>(61,074,827)</b>
<b>Increase/ (decrease) in current liabilities:</b>		<b>(10,082,543)</b>	<b>34,999,739</b>
Trade & others payables		(42,978,931)	10,745,182
Advance received from third parties		8,498,372	24,626,414
Liabilities for expenses		24,463,455	(176,471)
Withholding taxes and value added taxes		(65,439)	(195,386)
<b>A. Net cash generated from operating activities</b>		<b>1,639,775</b>	<b>3,348,649</b>
<b>Cash flows from investing activities:</b>			
Addition to property, plant & equipment		(4,160,819)	(5,515,359)
<b>B. Net cash generated from investing activities</b>		<b>(4,160,819)</b>	<b>(5,515,359)</b>
<b>Cash flows from financing activities:</b>			
Share capital		-	-
Share money deposit		-	-
<b>C. Net cash generated from financing activities:</b>		<b>-</b>	<b>-</b>
<b>D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>		<b>(2,521,044)</b>	<b>(2,166,711)</b>
<b>E. Opening cash &amp; cash equivalents</b>		<b>7,060,304</b>	<b>9,227,015</b>
<b>F. Closing cash and cash equivalents (D+E)</b>	6	<b>4,539,260</b>	<b>7,060,304</b>

The accompanying notes 1-20 form an integral part of these financial statements.

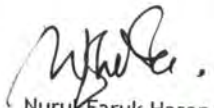
  
Nirupam Barua  
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As per our annexed report of same date

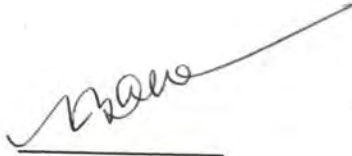
Dhaka, Bangladesh  
Dated: 24 May 2016

  
Nurul Faruk Hasan & Co.  
Chartered Accountants

**Renaissance Jewellery Bangladesh Pvt. Limited**  
**Statement of Changes in Shareholders' Equity**  
For the year ended 31 March 2016

<u>Notes</u>	<u>Share Capital Taka</u>	<u>Share money deposit Taka</u>	<u>Retained Earnings Taka</u>	<u>Total Taka</u>
Balance as on 01 April 2013	147,936,600	64,269,862	(48,033,346)	164,173,116
Profit / (Loss) for the year	-	-	(8,628,171)	(8,628,171)
<b>Balance as at 31 March 2014</b>	<b>147,936,600</b>	<b>64,269,862</b>	<b>(56,661,517)</b>	<b>155,544,945</b>
Balance as on 01 April 2014	147,936,600	64,269,862	(56,661,517)	155,544,945
Profit / (Loss) for the year	-	-	12,141,474	12,141,474
<b>Balance as at 31 March 2015</b>	<b>147,936,600</b>	<b>64,269,862</b>	<b>(44,520,044)</b>	<b>167,686,418</b>
Balance as on 01 April 2015	147,936,600	64,269,862	(44,520,044)	167,686,418
Allotment during the year	64,269,700	(64,269,700)	-	-
Profit / (Loss) for the year	-	-	(5,103,572)	(5,103,572)
<b>Balance as at 31 March 2016</b>	<b>212,206,300</b>	<b>162</b>	<b>(49,623,616)</b>	<b>162,582,846</b>

The accompanying notes 1-20 form an integral part of these financial statements.



Nirupam Barua  
General Manager- Finance & Commercial



Amar Sudhakar Mayekar  
Director



Hitesh Shah  
Managing Director

As per our annexed report of same date

Dhaka, Bangladesh  
Dated: 24 May 2016



Nurul Faruk Hasan & Co.  
Chartered Accountants

**Renaissance Jewellery Bangladesh Pvt. Limited**  
**Notes to the Financial Statements**  
For the year ended 31 March 2016

**1.0 Introduction****1.1 Background of the organization**

Renaissance Jewellery Bangladesh Pvt. Limited is a private company limited by shares and the company was incorporated with the Registrar of Joint Stock Companies in Bangladesh on 13th April 2011 under The Companies Act 1994 bearing registration # C - 92021/11. Renaissance Jewellery Bangladesh Pvt. Limited is a subsidiary company of Renaissance Jewellery Ltd, India holding 1,479,356 shares (99.99%) and balance 100 shares (0.01%) is owned by Mr. Sumit Shah.

Registered office of Renaissance Jewellery Bangladesh Pvt. Limited is situated at plot nos. 107 & 108, Adamjee Export Processing Zone (AEPZ), Adamjee Nagar, Narayangonj, Bangladesh.

Renaissance Jewellery Bangladesh Pvt. Limited obtained permission from Bangladesh Export Processing Zones Authority (BEPZA) vide reference # 03.314.014.07.00.106. 2011/660 dated 22 May 2011 for setting up a 'Diamonds and Jewellery manufacturing industry' in Adamjee Export Processing Zone (AEPZ) as 100% export oriented "A" type company.

**1.2 Objectives of the Company**

The major objectives of the company are as follows:

- To carry on business as 100% export oriented industry for diamonds, plain and stone-studded precious and semi-precious metal jewellery including chains and findings;
- To carry on business of trade or manufacture of diamond, jewellery and ornaments and components for such diamond, jewellery and ornaments by setting up a factory;
- To carry on business of raw materials necessary to manufacture precious, non-precious and semi-precious jewellery.

**1.3 Nature of the business**

The company is a 100% export oriented company. It engages in the business of manufacturing and export of jewellery or components for jewellery. The company has established a jewellery factory in Adamjee EPZ to manufacture Jewellery specially diamond jewellery, plain and stone-studded precious and semi-precious metal jewellery and exporting its products to USA, UK, Hong Kong, India and UAE.

**1.4 Statement of legal & reporting compliance**

These financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) . The financial statements also comply with the applicable sections of the Companies Act 1994, terms and conditions of the Bangladesh Export Processing Zones Authority (BEPZA) and other applicable laws, regulations, orders and instructions issued by the local authorities from time to time.



## 2.0 Summary of significant accounting policies

### 2.1 Basis of accounting

The financial statements have been prepared under historical cost convention following accrual basis of accounting.

### 2.2 Method of book-keeping

The company maintains books of account in Accounting Software "Tally" for recording and accounting of its financial transactions.

### 2.3 Revenue recognition

Revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities. Revenues are recognized on shipment of goods when risks and rewards are transferred, and invoices are issued. Revenues are measured at the fair value of the consideration received or receivable.

### 2.4 Income Tax

The Company is located at Adamjee EPZ area as an 'A' type industry and enjoying tax holiday @50% upto 24 march 2017, as per SRO No# 219-Act/Income Tax/2012 dated 27 June 2012. The company has taken Income Tax Exemption certificate from National Board of Revenue (NBR) under reference no. 08.01.0000.034.04.017.15 dated 01 February 2015. Minimum tax @ 0.10% on gross receipt has been provided in the financial statement u/s 16CCC of Income Tax Ordinance 1984.

### 2.5 Employees' benefit schemes

#### i) Provident fund

The Company operates a recognized provident fund scheme with equal contribution @ 8.33% of basic salary by the employees and also by the Company. The fund is administered by the Board of Trustees.

#### ii) Compensation/Gratuity scheme

The Company introduced an unfunded gratuity scheme for its all eligible permanent staffs from 1 April 2015. Provision for gratuity has been made in the the financial statement according to company's gratuity policy in the year from April 2015 to March 2016 for the staff competing one year of service from the date of joining. Gratuity is payable to the staff after completion of minimum five years continued service in the company.

### 2.6 Property, plant and equipment

Property, plant & equipment are measured at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant & equipment comprises its purchase price, import duties and non refundable taxes after deducting trade discount and rebates. Property, plant & equipment also include capitalized borrowing cost.

**2.7 Depreciation on Fixed Assets**

- a) Depreciation on the additions during the year is charged for whole year. No depreciation is charged at the year of disposal.
- b) Fixed assets except land are depreciated on reducing balance method at the annual rates shown below:

<u>Category</u>	<u>From 1 April 2015 to 31 March 2016</u>	<u>Upto 31 March 2015</u>
	<u>Rate(%)</u>	<u>Rate(%)</u>
Air conditioner	10%	20%
Vehicles	20%	20%
Computer	30%	20%
Electrical installations	20%	10%
Furniture and fittings	10%	10%
Building	20%	5%
Office equipments	10%	20%
Plant and machinery	20%	10%

**2.8 Advances, deposits & pre-payments**

Advances, deposits & pre-payments include advances for logistics and procurement services and security deposits for office space, utilities, others office running expenses etc.

**2.9 Inventories**

Inventories consisting of silver grains, gold and silver findings, diamonds, precious and semi-precious stones etc. are valued at lower of market value and carrying amount of items. Beside this, other accessories items are included as consumables in inventory.

**2.10 Cash and cash equivalents**

Cash and cash equivalents comprise of cash in hand and cash at bank that are readily convertible to a known amount of cash and are subject to insignificant risk of change in value.

**2.11 Share capital**

The authorized share capital of the company is Taka 350,000,000 divided into 2,250,000 ordinary shares of Taka 100 each and 1,250,000 preference shares of Taka 100 each and issued, subscribed & paid up share capital of the company is Taka 147,936,600 divided into 1,479,366 ordinary shares of Taka 100 each.

**2.12 Retained earnings**

Retained earnings comprise of accumulated income/(loss).

**2.13 Trade & other payables**

The company recognises liability when its obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.

**2.14 Withholding taxes & value added taxes**

Income tax and VAT deducted at source are recorded as withholding Tax or VAT, as applicable, at the time of deduction and paid to government exchequer according to the requirements.

**2.15 Foreign exchange gain/(loss)**

Transactions in foreign currencies are recorded in the books of account at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies at the date of statement of financial position are translated into Bangladesh Taka at the rate of exchange prevailing at that date. All exchange differences were recognised in the statement of comprehensive income.

**2.16 Reporting Period**

The reporting period of the company covers period from 01 April 2015 to 31 March 2016 consistently.

**2.17 General**

- Figures appearing in the financial statements have been rounded off to the nearest Taka.
- Previous year's figures and titles of accounts have been rearranged wherever necessary to conform to current year's presentation.

		<u>As at 31 March</u>	
		<u>2016</u>	<u>2015</u>
		<u>Taka</u>	<u>Taka</u>
<b>3</b>	<b>Property, plant and equipment</b>		
	<u>Costs</u>		
	Opening balance	186,925,612	181,410,253
	Add: Addition during the year	4,160,819	5,515,359
	Less: Disposal and/or adjustment during the year	-	-
	<b>Closing balance</b>	<b>191,086,431</b>	<b>186,925,612</b>
	<u>Accumulated Depreciation</u>		
	Opening balance	30,490,375	16,285,371
	Add: Depreciation charged during the year	29,656,949	14,205,004
	Less: Disposal and/or adjustment during the year	-	-
	<b>Closing balance</b>	<b>60,147,324</b>	<b>30,490,375</b>
	<b>Written down value</b>	<b>130,939,107</b>	<b>156,435,237</b>
	Details are enclosed in Annex-1		
<b>4</b>	<b>Advances, deposits and pre-payments</b>		
	Loans & advances	4.1 1,272,051	648,688
	Security deposits	4.2 5,164,707	5,143,707
	Prepaid expenses	-	685,425
		<b>6,436,758</b>	<b>6,477,820</b>
<b>4.1</b>	<b>Loans &amp; advances</b>		
	Bangla Track limited	216,000	216,000
	Advance for Expenses - E.D	100,230	100,230
	eDesign Engineering	200,000	-
	Ifad Enterprise	69,750	-
	Nabin Steel Works	27,000	25,000
	LM Finishing Systems	-	-
	Metalor Technologies	-	-
	Pino Alprandini	513,071	-
	Cascade Star International	-	129,458
	Ismat Ara Enterprise	81,000	120,000
	Omni Power	25,000	20,000
	Osmo Corporation	20,000	18,000
	Linde Bangladesh	20,000	20,000
		<b>1,272,051</b>	<b>648,688</b>

	As at 31 March	
	2016	2015
	Taka	Taka
<b>4.2 Security deposits</b>		
Guest House	122,000	101,000
Telephone-BEPZA	14,878	14,878
Electricity-(35 KW)	27,509	27,509
Electricity-BEPZA	4,158,011	4,158,011
Lease rent-BEPZA	804,232	804,232
Water Connection-BEPZA	38,077	38,077
	<u>5,164,707</u>	<u>5,143,707</u>

<b>5 Inventories</b>			
Precious materials (Imported)	5.1	98,545,681	89,045,077
Consumable materials	5.2	17,843,071	19,184,491
Closing WIP	5.3	955,440	1,443,017
Closing FG	5.4	16,311,956	11,111,443
		<u>133,656,148</u>	<u>120,784,027</u>

Precious materials are imported from India through the parent company, Renaissance Jewellery Ltd., India.

<b>5.1 Precious materials</b>			
Opening stock		89,045,077	31,616,800
Add: Purchase during the year		236,538,660	275,655,552
Less: Consumption during the year		(222,430,615)	(193,978,492)
Less: Ship back			(22,314,169)
<b>Total Material Stock</b>		<u>103,153,122</u>	<u>90,979,691</u>
Less: Cost of Material in WIP		(506,790)	(222,366)
Less: Cost of Material in FG		(4,100,651)	(1,712,248)
<b>Closing precious materials</b>		<u>98,545,681</u>	<u>89,045,077</u>

<b>5.2 Consumable materials</b>			
Opening stock		19,184,491	15,995,014
Add: Purchase during the year		14,338,074	17,609,058
Less: Consumption during the year		(15,679,494)	(14,419,581)
<b>Closing stock</b>		<u>17,843,071</u>	<u>19,184,491</u>

		<u>As at 31 March</u>	
		<u>2016</u>	<u>2015</u>
		<u>Taka</u>	<u>Taka</u>
<b>5.3 Conversion cost of WIP as on 31 March 2015</b>			
	Material cost involved	506,790	222,366
	Conversion cost involved	448,650	1,220,651
		<u>955,440</u>	<u>1,443,017</u>
<b>5.4 Conversion cost of FG as on 31 March 2015:</b>			
	Material cost involved	4,100,651	1,712,248
	Conversion cost involved	12,211,305	9,399,195
		<u>16,311,956</u>	<u>11,111,443</u>
<b>6 Cash &amp; cash equivalents</b>			
	Cash in hand	1,283,837	792,828
	Cash at bank	3,638,577	6,267,476
		<u>4,922,414</u>	<u>7,060,304</u>
<b>6.1 Cash in hand</b>			
	Cash in hand	208,568	792,828
	Pay Order	1,017,220	-
	IOU in Hand	58,049	-
		<u>1,283,837</u>	<u>792,828</u>
<b>6.2 Cash at bank</b>			
	DBBL - 111.110.21218 -BDT	46,684	28,639
	HSBC - 001-344977-016-USD *	-	1,762
	HSBC - 050-001858-005-USD-Offshore *	-	55,765
	SCB - 01-1146114-01-BDT	27,032	30,633
	SCB - 01-6701361-01-USD	3,254,536	221,768
	SBI - 05120447020201 - BDT	(234,952)	184,931
	SBI - 06120006120201 - USD	545,277	5,743,978
		<u>3,638,577</u>	<u>6,267,476</u>

\* Bank accounts HSBC - 001-344977-016-USD and HSBC - 050-001858-005-USD-Offshore were closed on 13 April 2014 and 29 April 2014 respectively.

		<u>As at 31 March</u>	
		<u>2016</u>	<u>2015</u>
		<u>Taka</u>	<u>Taka</u>
<b>7 Share capital</b>			
<b>7.1 Authorised capital</b>			
2,250,000 ordinary shares of Taka 100 each		225,000,000	225,000,000
1,250,000 preference shares of Taka 100 each		125,000,000	125,000,000
		<u>350,000,000</u>	<u>350,000,000</u>
<b>7.2 Issued, subscribed &amp; paid up capital</b>			
2,122,063 ordinary shares of Taka 100 each		212,206,300	147,936,600
		<u>212,206,300</u>	<u>147,936,600</u>
<b>7.3 Position of shareholders:</b>			
	<u>% of holdings</u>	<u>Issue per share</u>	<u>No of shares</u>
Renaissance Jewellery Ltd., India	99.995%	Taka 100	2,121,963
Mr. Sumit Shah	0.005%	Taka 100	100
	<u>100.00%</u>		<u>2,122,063</u>
			<u>1,479,366</u>

Paid up capital above Tk. 100,000,000 is subject to a permission from the Bangladesh Securities and Exchange Commission which was taken on October 19, 2014, ref no# BSEC/CI/CPLC (Pvt.)-539/2013/707.

**8 Share money deposit**

Opening balance	8.1	64,269,862	64,269,862
Add: Addition during the year			
Less: Share issued during the year		(64,269,700)	-
<b>Closing Balance</b>		<u>162</u>	<u>64,269,862</u>

**8.1 Opening balance**

<u>Date of Remittance</u>	<u>Purpose of Remittance</u>	<u>Remittance USD</u>	<u>Taka</u>
7-May-12	Equity Capital	399,940	125
3-Jul-12	Equity Capital	399,940	32,355,068
22-Oct-12	Equity Capital	199,990	16,019,199
13-Jan-13	Equity Capital	199,940	15,895,470
		<u>1,199,810</u>	<u>64,269,862</u>

**9 Retained earnings**

Opening balance	(44,520,044)	(56,661,518)
Add: Profit/(loss) during the year	(5,103,572)	12,141,474
<b>Closing balance</b>	<u>(49,623,616)</u>	<u>(44,520,044)</u>

	<u>As at 31 March</u>	
	<u>2016</u>	<u>2015</u>
	<u>Taka</u>	<u>Taka</u>
<b>10 Trade &amp; others payables</b>		
BEPZA	720,814	572,238
Central Security Services	125,500	122,870
Renaissance Jewellery Ltd , India*	31,686,278	55,235,865
Shabdi Shah Enterprises	50,000	50,000
AMR Corporation	80,078	69,167
Fazle Rabbi Md. Maruf	42,000	-
Daimon Logistics	114,765	-
Md. Farid Sheikh		42,700
Md. Mahdi Hasan	50,000	50,000
M/s. Haider Enterprize		38,152
RB International	45,000	45,000
Swift Logistic Services Limited	144,123	358,213
FreeBird Gems Jewelry Co. Ltd.		106,906
Renaissance Jewellery Ltd. NY	17,702,034	37,048,413
	<u>50,760,592</u>	<u>93,739,523</u>
* Payable to Renaissance Jewellery Ltd, India has been reduced by USD 73,755.88 equivalent to BDT 5,727,144 which was paid twice against same invoice.		
<b>11 Advance received from parties</b>		
Real Stones Ltd., Hong Kong		14,363,000
Difference Jewellery LLC., USA		39,011
Renaissance Jewellery Ltd., USA	31,627,738	10,224,403
Elegant Gems, Hong Kong	1,497,048	-
	<u>33,124,786</u>	<u>24,626,414</u>
<b>12 Liabilities for expenses</b>		
Wages and allowances	2,734,355	2,688,203
Salary and allowances- production Staff	284,693	274,805
Salary and allowances- officers	831,553	780,971
Expatriate Salary	21,019,962	-
Provision for audit fee	184,000	184,000
Tax Advisors fees	46,000	-
PF payable	310,602	297,752
Guest house expenses	80,952	72,931
Provision for gratuity	3,270,000	-
	<u>28,762,117</u>	<u>4,298,662</u>
<b>13 Withholding taxes &amp; value added taxes</b>		
Salary tax payable	193,193	244,903
Tax deducted at sources	109,870	137,318
VAT deducted at sources	37,869	24,150
	<u>340,932</u>	<u>406,371</u>



		<u>Year to 31 March</u>	
		<u>2016</u>	<u>2015</u>
		<u>Taka</u>	<u>Taka</u>
<b>14</b>	<b>Revenue</b>		
	Ring	58,894,727	64,001,829
	Earring	77,789,528	80,792,755
	Pendent	246,469,375	188,578,411
		<u>383,153,630</u>	<u>333,372,995</u>
<b>15</b>	<b>Cost of Goods Sold</b>		
	Materials consumed	242,717,550	192,114,175
	Production Wages & Salaries	48,036,009	48,211,189
	Factory Overhead	41,875,145	25,924,520
	<b>Cost of Goods Manufactured</b>	<u>332,628,704</u>	<u>266,249,884</u>
	Add : Opening Cost of WIP	1,443,017	12,518,836
	Opening Cost of FG	11,111,443	17,797,063
	Less Closing Cost of WIP	(955,440)	(1,443,017)
	Closing Cost of FG	(16,311,956)	(11,111,443)
	<b>Cost of Goods Sold</b>	<u>327,915,768</u>	<u>284,011,322</u>
<b>15.1</b>	<b>Materials consumed</b>		
	Opening stock of Raw materials	108,229,568	29,393,302
	Add: Purchase during the year	250,876,734	270,950,441
	Less: Closing stock of Raw materials	(116,388,752)	(108,229,568)
		<u>242,717,550</u>	<u>192,114,175</u>
<b>15.2</b>	<b>Production Wages &amp; Salaries</b>		
	Wages & allowances - Workers	39,672,007	36,744,963
	P.F- Workers and production staff	1,447,410	1,773,331
	Gratuity workers and production staff	2,775,000	-
	Salary & allowances - Production Staff	4,141,592	9,591,695
	Worker recruitment	-	101,200
		<u>48,036,009</u>	<u>48,211,189</u>
<b>15.3</b>	<b>Factory overhead</b>		
	Power and water charges-Factory	7,766,887	6,577,737
	Rent, rates and taxes - Factory	814,000	814,971
	Shipping expenses- Inwards	2,160,446	3,200,811
	Staff welfare	2,067,980	1,961,267
	Factory maintenance expenses	580,755	551,530
	Security charges	1,590,253	-
	Depreciation - Factory	25,236,409	11,509,976
	House Keeping	1,001,676	921,322
	Workers Uniform	68,395	6,160
	Health & Safety	20,825	24,000
	Miscellaneous Expenses	567,519	356,746
		<u>41,875,145</u>	<u>25,924,520</u>

		<u>Year to 31 March</u>	
		<u>2016</u>	<u>2015</u>
		<u>Taka</u>	<u>Taka</u>
<b>16</b>	<b>Administrative expenses</b>		
	Salary and allowances- local	12,156,428	11,493,013
	P.F- Officers	470,027	-
	Expatriates salary	22,537,528	-
	Gratuity	495,000	-
	Communication expenses	964,494	1,155,462
	Insurance charges	685,426	962,880
	Shipping expenses - outward	6,780,932	6,253,713
	Travelling and conveyance	633,702	868,545
	Computer expenses	44,018	87,890
	Entertainment	199,859	313,826
	Postage and courier expenses	162,029	-
	Office Expenses	854,386	1,856,552
	Tax expenses		1,509,280
	Vehicle and transportation expenses	4,229,447	3,946,831
	Depreciation - Office	4,420,540	2,695,028
	Guest house expenses	3,571,166	3,417,135
	Security charges	-	1,601,837
	Audit Fees	184,000	184,000
	Income tax expense	94,500	-
	Legal and professional fees	474,400	331,496
		<b><u>58,957,882</u></b>	<b><u>36,677,488</u></b>
<b>16.1</b>	<b>Travelling and conveyance</b>		
	Conveyance charges	70,663	185,110
	Travelling foreign	563,039	683,435
		<b><u>633,702</u></b>	<b><u>868,545</u></b>
<b>16.2</b>	<b>Vehicle and transportation expenses</b>		
	Car rent	2,284,021	2,229,389
	Vehicle expenses	1,945,426	1,717,442
		<b><u>4,229,447</u></b>	<b><u>3,946,831</u></b>
<b>16.3</b>	<b>Guest house expenses</b>		
	Rent - guest house	567,000	518,000
	Guest house expenses	3,004,166	2,899,135
		<b><u>3,571,166</u></b>	<b><u>3,417,135</u></b>
<b>17</b>	<b>Non operating expenses</b>		
	Bank charges	401,218	583,635
		<b><u>401,218</u></b>	<b><u>583,635</u></b>

**18 Related party disclosures**

The company has entered into various intercompany transactions with its shareholders during the year. transaction with Related party as on 31 March 2016 are as follows :

Sl. No.	Name of the parties	Relationship	Nature of Transactions	Opening balance	Amount of transactions		Closing balances as at 31 March 2016
					Debit (BDT)	Credit (BDT)	
1	Renaissance Jewellery Ltd, India	Holding company	Purchase of raw materials	(55,235,865)	193,902,413	170,352,826	(31,686,278)
2	Renaissance Jewellery Ltd, NY	Associate company	Purchase of raw materials	(37,048,413)	84,179,155	64,832,776	(17,702,034)
			Sale of goods/ Advance receive from customer	(10,224,403)	196,184,253	217,587,588	(31,627,738)
3	Verigold Jewellery DMCC, Dubai UAE	Associate company	Sale of goods/ Advance receive from customer	-	50,218,224	50,218,224	-

**19 Number of Employees**

Total 426 employees are working in Renaissance Jewellery Bangladesh Pvt. Limited based on the salary statement for the month of March 2016. The details of categorization of employees' salary are given below:

Number of Employees' yearly salary less than Taka 36,000

Number of Employees' yearly salary more than Taka 36,000

Total

426	409
<u>426</u>	<u>409</u>

**20 Events after the statement of Financial Position date**

No significant event has been occurred after the statement of Financial Position date to be disclosed in the financial statements.

  
Nirupam Barua  
General Manager- Finance & Commercial

  
Amar Sudhakar Mayekar  
Director

  
Hitesh Shah  
Managing Director

**Annexure-1**
**Renaissance Jewellery Bangladesh Pvt. Limited**  
 Schedule of Property, Plant and Equipment

Name of Assets	Cost				Rate	Depreciation			Written down value as on 31.03.2016	
	Balance as on 01.04.2015	Additions during the year	Disposal during the year	Balance as on 31.03.2016		Balance as on 01.04.2015	Charged during the year	Disposal during the year		Balance as on 31.03.2016
Air conditioner	7,602,422	106,600	-	7,709,022	10%	2,623,520	508,550	-	3,132,070	4,576,952
Vehicles	2,775,752	-	-	2,775,752	20%	960,739	363,003	-	1,323,742	1,452,010
Computer	1,713,279	22,200	-	1,735,479	30%	592,997	342,744	-	935,741	799,738
Electrical installations	16,030,579	182,025	-	16,212,604	20%	2,963,684	2,649,784	-	5,613,468	10,599,136
Furniture and fittings	21,943,357	425,081	-	22,368,438	10%	4,070,136	1,829,830	-	5,899,966	16,468,472
Building	68,549,598	-	-	68,549,598	20%	6,573,845	12,395,151	-	18,968,996	49,580,602
Office equipments	3,621,199	8,200	-	3,629,399	10%	1,248,100	238,130	-	1,486,230	2,143,169
Plant and machinery	64,689,426	3,416,713	-	68,106,139	20%	11,457,355	11,329,757	-	22,787,112	45,319,027
<b>Balance as on 31.03.2016</b>	<b>186,925,612</b>	<b>4,160,819</b>	<b>-</b>	<b>191,086,431</b>		<b>30,490,375</b>	<b>29,656,949</b>	<b>-</b>	<b>60,147,324</b>	<b>130,939,107</b>
<b>Balance as on 31.03.2015</b>	<b>181,410,253</b>	<b>5,515,359</b>	<b>-</b>	<b>186,925,612</b>		<b>16,285,371</b>	<b>14,205,004</b>	<b>-</b>	<b>30,490,375</b>	<b>156,435,237</b>
<b>Balance as on 31.03.2014</b>	<b>161,748,826</b>	<b>19,661,427</b>	<b>-</b>	<b>181,410,253</b>		<b>-</b>	<b>16,285,371</b>	<b>-</b>	<b>16,285,371</b>	<b>165,124,882</b>

Allocation of Depreciation for the year :		
	Admin	Total
1 April 2015 to 31 March 2016	4,420,540	29,656,949
1 April 2014 to 31 March 2015	2,695,028	14,205,004