

**Auditors' Report and
Audited Financial Statements
of
Renaissance Jewellery Bangladesh Pvt. Limited
For the year ended 31 March 2015**



Tel : +880-2-841 2989, 841 0956
Fax : +880-2-841 7979
Email: info@bdo.com.bd
www.bdo.com.bd

Nurul Faruk Hasan & Co.
Chartered Accountants

JHK Windcel
Eastern Block, Level-4
KA-90 Pragoti Saroni (Bishwa Road)
Dhaka-1229, Bangladesh

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

We have audited the accompanying Statement of Financial Position of Renaissance Jewellery Bangladesh Pvt. Limited as at 31 March 2015 and the related Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Shareholders' Equity for the year then ended, and a summary of significant accounting policies, notes to the financial statements and other explanatory information.

Management's Responsibility for the Financial Statement

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

Auditors' Responsibility

Auditors' responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). 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 auditors' 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 auditors consider internal control relevant to the entity's preparation 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.

Basis for Qualified Opinion

As referred in Note 2.5, the company did not provide any provision for compensation or gratuity payable to its permanent employees at the time of separation and employment equivalent one month's salary for every completed year of service, had the provision for compensation/gratuity been provided the company's profit would have been reduced by that extent.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements - statement of financial position, statement of comprehensive income and statement of receipts & payments present fairly, in all material respects of the financial position of Renaissance Jewellery Bangladesh Pvt. Limited as at 31 March 2015 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standard.

Report on Other Legal and Regulatory Requirements

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

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 the law have been kept by the company so far as it appeared from our examination of those books;
- c. The financial statements dealt with by the report are in agreement with the books of account and returns.

Dhaka, Bangladesh
Dated: 30 April 2015

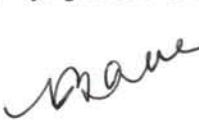


Nurul Faruk Hasan & Co.
Chartered Accountants

Renaissance Jewellery Bangladesh Pvt. Limited
Statement of Financial Position
As at 31 March 2015

	Notes	<u>As at 31 March</u>	
		<u>2015</u>	<u>2014</u>
		<u>Taka</u>	<u>Taka</u>
ASSETS			
Non current assets			
Property, plant and equipment	3	156,435,237	165,124,882
Current assets			
Advances, deposits and pre-payments	4	6,477,821	8,853,456
Trade Receivables	5	-	701,623
Inventories	6	120,784,028	59,709,201
Cash and cash equivalents	7	7,060,304	9,227,015
Total assets		290,757,389	243,616,177
EQUITY AND LIABILITIES			
Capital & reserves			
Share capital	8	147,936,600	147,936,600
Share money deposit	9	64,269,862	64,269,862
Retained earnings	10	(44,520,044)	(56,661,517)
Non-current liabilities			
Long term borrowings		-	-
Current liabilities			
Trade & others payables	11	93,739,523	82,994,341
Advance received from parties	12	24,626,414	-
Liabilities for expenses	13	4,298,662	4,475,133
Withholding taxes and value added taxes	14	406,371	601,757
Total equity and liabilities		290,757,389	243,616,177

The accompanying notes 1-21 form an integral part of these financial statements.



Nirupam Barua
General Manager- Finance & Commercial



Amar Sudhakar Mayekar
Executive Director



Hitesh Shah
Managing Director

As per our annexed report of same date.

Renaissance Jewellery Bangladesh Pvt. Limited**Statement of Comprehensive Income**

For the year ended 31 March 2015

	<u>Notes</u>	<u>Year to 31 March</u>	
		<u>2015</u> <u>Taka</u>	<u>2014</u> <u>Taka</u>
Operating income			
Revenue	15	333,372,995	214,856,197
Cost of sales			
Cost of goods sold	16	(284,011,322)	(183,457,431)
Gross income/(loss)		49,361,673	31,398,766
Operating expenses			
Administrative expenses	17	(36,677,488)	(39,624,332)
Income/(loss) from operations		12,684,185	(8,225,565)
Non operating expenses	18	(583,635)	(473,971)
Foreign exchange gain/(loss)		40,924	71,365
Income/(loss) before taxation		12,141,474	(8,628,171)
Less: Income tax provision			
Net profit/(loss) after taxation		12,141,474	(8,628,171)

The accompanying notes 1-21 form an integral part of these financial statements.


Nirupam Barua

General Manager- Finance & Commercial


Amar Sudhakar Mayekar

Executive Director


Hitesh Shah

Managing Director

As per our annexed report of same date

Dhaka, Bangladesh
Dated: 30 April 2015

Nurul Faruk Hasan & Co.
Chartered Accountants

Renaissance Jewellery Bangladesh Pvt. Limited

Statement of Cash Flows
For the year ended 31 March 2015

	<u>Year to 31 March</u>	
	<u>2015</u>	<u>2014</u>
<u>Notes</u>	<u>Taka</u>	<u>Taka</u>
<u>Cash flows from operating activities:</u>		
Profit / (Loss) before tax for the year	12,141,474	(8,628,171)
Add: Depreciation during the year	14,205,004	16,285,371
(Increase)/ decrease in current assets:	(57,997,568)	(50,962,691)
Advances, deposits and pre-payments	2,375,636	(2,340,045)
Trade receivables	701,623	(701,623)
Inventories	(61,074,827)	(47,921,023)
Increase/ (decrease) in current liabilities:	34,999,738	61,447,031
Trade & others payables	10,745,182	74,756,251
Retention money	-	-
Advance received from third parties	24,626,414	(15,610,000)
Liabilities for expenses	(176,471)	2,585,562
Withholding taxes and value added taxes	(195,386)	(284,782)
A. Net cash generated from operating activities	3,348,648	18,141,540
<u>Cash flows from investing activities:</u>		
Addition to property, plant & equipment	(5,515,359)	(19,661,427)
B. Net cash generated from investing activities	(5,515,359)	(19,661,427)
<u>Cash flows from financing activities:</u>		
Share capital	-	-
Share money deposit	-	-
C. Net cash generated from financing activities:	-	-
D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(2,166,711)	(1,519,887)
E. Opening cash & cash equivalents	9,227,015	10,746,902
F. Closing cash and cash equivalents (D+E)	7,060,304	9,227,015

The accompanying notes 1-21 form an integral part of these financial statements.

Nirupam Barua
General Manager- Finance & Commercial

Amar Sudhakar Mayekar
Executive Director

Hitesh Shah
Managing Director

As per our annexed report of same date

Renaissance Jewellery Bangladesh Pvt. Limited
Statement of Changes in Shareholders' Equity
For the year ended 31 March 2015

<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 2012	115,441,600	-	(8,276,948)	107,164,652
Allotment during the year	32,495,000	-	-	32,495,000
Share money deposit	-	64,269,862	-	64,269,862
Profit / (Loss) for the year	-	-	(39,756,398)	(39,756,398)
Balance as at 31 March 2013	147,936,600	64,269,862	(48,033,346)	164,173,116
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)
Balance as at 31 March 2014	147,936,600	64,269,862	(56,661,517)	155,544,945
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
Balance as at 31 March 2015	147,936,600	64,269,862	(44,520,044)	167,686,418

The accompanying notes 1-21 form an integral part of these financial statements.



Nirupam Barua

General Manager- Finance & Commercial



Amar Sudhakar Mayekar

Executive Director



Hitesh Shah

Managing Director

As per our annexed report of same date

Dhaka, Bangladesh
Dated: 30 April 2015



Nurul Faruk Hasan & Co.
Chartered Accountants

Renaissance Jewellery Bangladesh Pvt. Limited
Notes to the Financial Statements
For the year ended 31 March 2015

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, Narayanganj, 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 objects for which the company is established and major objectives 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 @100% upto 24 march 2015, 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.

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 does not maintain any compensation/gratuity fund for its employees as per practice. The Company pays compensation/ gratuity to its seperated employees in accordance with the BEPZA Rules as and when arise, and account for the payments as expenses accordingly.

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. 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>Rate(%)</u>
Air conditioner	20%
Vehicles	20%
Computer	20%
Electrical installations	10%
Furniture and fittings	10%
Building	5%
Office equipments	20%
Plant and machinery	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 2014 to 31 March 2015 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 whenever necessary to conform to current year's presentation.

		As at 31 March	
		<u>2015</u>	<u>2014</u>
		<u>Taka</u>	<u>Taka</u>
3 Property, plant and equipment			
<u>Costs</u>			
Opening balance		181,410,253	161,748,826
Add: Addition during the year		5,515,359	19,661,427
Less: Disposal and/or adjustment during the year		-	-
Closing balance		<u>186,925,612</u>	<u>181,410,253</u>
<u>Accumulated Depreciation</u>			
Opening balance		16,285,371	-
Add: Depreciation charged during the year		14,205,004	16,285,371
Less: Disposal and/or adjustment during the year		-	-
Closing balance		<u>30,490,375</u>	<u>16,285,371</u>
Written down value		<u>156,435,237</u>	<u>165,124,882</u>
Details are enclosed in Annex-1			
4 Advances, deposits and pre-payments			
Loans & advances	4.1	648,688	2,827,109
Security deposits	4.2	5,143,707	5,143,707
Prepaid expenses		685,426	882,640
		<u>6,477,821</u>	<u>8,853,456</u>
4.1 Loans & advances			
Bangla trac limited		216,000	216,000
Advance for Expenses - E.D		100,230	100,230
Gesswein Trading Pvt. Ltd.		-	171,048
Hispana		-	491,658
Nabin Steel Works		25,000	81,250
Navbharat Carbon Company		-	400,977
Precious Export Corporation		-	1,025,585
Sunita Fabrication Plastic Company		-	340,361
Cascade Star International		129,458	-
Ismat Ara Enterprise		120,000	-
Omni Power		20,000	-
Osmo Corporation		18,000	-
Linde Bangladesh		20,000	-
		<u>648,688</u>	<u>2,827,109</u>

		<u>As at 31 March</u>	
		<u>2015</u>	<u>2014</u>
		<u>Taka</u>	<u>Taka</u>
4.2 Security deposits			
Guest House		101,000	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>5,143,707</u>	<u>5,143,707</u>
5 Trade Receivables			
Difference Jewellery LLC, USA		-	701,623
		<u>-</u>	<u>701,623</u>
6 Inventories			
Precious materials (Imported)	6.1	89,045,077	13,398,288
Consumable materials	6.2	19,184,491	15,995,014
Closing WIP	6.3	1,443,017	12,518,836
Closing FG	6.4	11,111,443	17,797,063
		<u>120,784,028</u>	<u>59,709,201</u>
<p>Precious materials are imported from India through the parent company, Renaissance Jewellery Ltd., India.</p>			
6.1 Precious materials			
Opening stock		31,616,800	4,088,682
Add: Purchase during the year		275,655,552	159,977,720
Less: Consumption during the year		(193,978,492)	(131,533,522)
Less: Ship back		(22,314,169)	(916,080)
Total Material Stock		<u>90,979,691</u>	<u>31,616,800</u>
Less: Cost of Material in WIP		(222,366)	(5,860,344)
Less: Cost of Material in FG		(1,712,248)	(12,358,168)
Closing precious materials		<u>89,045,077</u>	<u>13,398,288</u>

		As at 31 March	
		<u>2015</u>	<u>2014</u>
		<u>Taka</u>	<u>Taka</u>
6.2 Consumable materials			
Opening stock		15,995,014	7,699,496
Add: Purchase during the year		17,609,058	21,007,431
Less: Consumption during the year		(14,419,581)	(12,711,913)
Closing stock		<u>19,184,491</u>	<u>15,995,014</u>
6.3 Conversion cost of WIP as on 31 March 2014			
Material cost involved	4,072	Unit	222,366
Conversion cost involved			5,860,343
			1,220,651
			<u>1,443,017</u>
			<u>12,518,836</u>
6.4 Conversion cost of FG as on 31 March 2014:			
Material cost involved	31,355	Unit	1,712,248
Conversion cost involved			12,358,167
			9,399,195
			<u>11,111,443</u>
			<u>17,797,063</u>
7 Cash & cash equivalents			
Cash in hand			792,828
Cash at bank		7.1	408,139
			6,267,476
			<u>7,060,304</u>
			<u>9,227,015</u>
7.1 Cash at bank			
DBBL - 111.110.21218 -TK			28,639
HSBC - 001-344977-011-TK			35,671
HSBC - 001-344977-016-USD *			-
HSBC - 050-001858-005-USD-Offshore *			268,747
SCB - 01-1146114-01-TK			1,762
SCB - 01-6701361-01-USD			1,762
SBI - 05120447020201 - BDT			55,765
SBI - 06120006120201 - USD			55,765
			30,633
			37,674
			221,768
			7,984,645
			184,931
			50,000
			5,743,978
			384,613
			<u>6,267,476</u>
			<u>8,818,876</u>

* These bank accounts are in the process of closing.

As at 31 March

<u>2015</u>	<u>2014</u>
<u>Taka</u>	<u>Taka</u>

8 Share capital
8.1 Authorised capital

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>

8.2 Issued, subscribed & paid up capital

1,479,366 ordinary shares of Taka 100 each	147,936,600	147,936,600
	<u>147,936,600</u>	<u>147,936,600</u>

8.3 Position of shareholders:

	<u>% of holdings</u>	<u>Issue per share</u>	<u>No of shares</u>	<u>No of shares</u>
Renaissance Jewellery Ltd., India	99.99%	Taka 100	1,479,266	1,479,266
Mr. Sumit Shah	0.01%	Taka 100	100	100
	<u>100.00%</u>		<u>1,479,366</u>	<u>1,479,366</u>

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

9 Share money deposit

<u>Date of Remittance</u>	<u>Remittance USD</u>	<u>Purpose of Remittance</u>	<u>Shares Allotted</u>	<u>Shares allotted Taka</u>	<u>Balance Taka (2013)</u>
7-May-12	399,940	Equity Capital	324,950	32,495,000	125
3-Jul-12	399,940	Investment	-	-	32,355,068
22-Oct-12	199,990	Investment	-	-	16,019,199
13-Jan-13	199,940	Investment	-	-	15,895,470
	<u>1,199,810</u>		<u>324,950</u>	<u>32,495,000</u>	<u>64,269,862</u>

10 Retained earnings

Opening balance	(56,661,517)	(48,033,346)
Add: Profit/(loss) during the year	12,141,474	(8,628,171)
Closing balance	<u>(44,520,044)</u>	<u>(56,661,517)</u>

	As at 31 March	
	2015	2014
	Taka	Taka
11 Trade & others payables		
BEPZA (for outstanding Electric and Water Bills of March 2014)	572,238	564,976
Central Security Services	122,870	135,654
Elite Security Service Limited	-	95,085
Renaissance Jewellery Ltd , India	55,235,865	56,037,606
Shabdi Shah Enterprises	50,000	50,000
Uniworld Logistics Limited	-	124,088
Active Logistic Limited	-	47,349
AMR Corporation	69,167	75,000
Candatex	-	103,419
Difference Jewellery LLC.	-	24,761,454
Mako Logistics Limited	-	748,771
Md. Farid Sheikh	42,700	40,339
Md. Mahdi Hasan	50,000	50,000
M/s. Haider Enterprize	38,152	4,172
National Agencies	-	24,878
RB International	45,000	45,000
Swift Logistic Services Limited	358,213	86,550
FreeBird Gems Jewelry Co. Ltd.	106,906	-
Renaissance Jewellery Ltd. NY	37,048,413	-
	93,739,523	82,994,341
12 Advance received from parties		
Real Stones Ltd., Hong Kong	14,363,000	-
Difference Jewellery LLC., USA	39,011	-
Renaissance Jewellery Ltd., USA	10,224,403	-
	24,626,414	-
13 Liabilities for expenses		
Wages and allowances	2,688,203	2,106,443
Salary and allowances- production Staff	274,805	257,900
Salary and allowances- officers	780,971	762,131
Provision for audit fee	184,000	143,750
PF payable	297,752	1,128,203
Guest house expenses	72,931	76,706
	4,298,662	4,475,133
14 Withholding taxes & value added taxes		
Salary tax payable	244,903	125,801
Tax deducted at sources	137,318	197,173
VAT deducted at sources	24,150	278,783
	406,371	601,757

		<u>Year to 31 March</u>	
		<u>2015</u>	<u>2014</u>
		<u>Taka</u>	<u>Taka</u>
15 Revenue			
Real Stones Ltd., Hong Kong		172,902,555	-
Difference Jewellery LLC., USA		45,461,092	214,856,197
Renaissance Jewellery Ltd., USA		115,009,347	-
		<u>333,372,995</u>	<u>214,856,197</u>
16 Cost of Goods Sold			
Materials consumed	16.1	192,114,175	162,463,947
Production Wages & Salaries	16.2	48,211,189	29,961,261
Factory Overhead	16.3	25,924,520	21,348,122
Cost of Goods Manufactured		<u>266,249,883</u>	<u>213,773,330</u>
Add : Opening Cost of WIP		12,518,836	-
Opening Cost of FG		17,797,063	-
Less : Closing Cost of WIP		(1,443,017)	(12,518,836)
Closing Cost of FG		(11,111,443)	(17,797,063)
Cost of Goods Sold		<u>284,011,322</u>	<u>183,457,431</u>
16.1 Materials consumed			
Opening stock of Raw materials		29,393,302	10,872,098
Add: Purchase during the year		270,950,441	180,985,151
Less: Closing stock of Raw materials		(108,229,569)	(29,393,302)
		<u>192,114,175</u>	<u>162,463,947</u>
16.2 Production Wages & Salaries			
Wages & allowances - Workers		36,744,963	26,851,953
P.F-Workers		1,773,331	-
Salary & allowances - Production Staff		9,591,695	3,102,268
Worker recruitment		101,200	7,040
		<u>48,211,189</u>	<u>29,961,261</u>
16.3 Factory overhead			
Power and water charges-Factory		6,577,737	6,582,332
Rent, rates and taxes - Factory		814,971	812,158
Shipping expenses- Inwards		3,200,811	4,060,162
Staff welfare		1,961,267	1,947,117
Factory maintenance expenses		551,530	370,666
Depreciation - Factory		11,509,976	7,575,688
House Keeping		921,322	-
Workers Uniform		6,160	-
Health & Safety		24,000	-
Miscellaneous Expenses		356,746	-
		<u>25,924,520</u>	<u>21,348,122</u>

		<u>Year to 31 March</u>	
		<u>2015</u>	<u>2014</u>
		<u>Taka</u>	<u>Taka</u>
17	Administrative expenses		
	Salary and allowances	11,493,013	10,260,983
	Communication expenses	1,155,462	1,380,238
	Insurance charges	962,880	1,090,468
	Shipping expenses - outward	6,253,713	3,624,560
	Travelling and conveyance	868,545	1,560,342
	Computer expenses	87,890	45,150
	Entertainment	313,826	194,607
	Office Expenses	1,856,552	1,418,793
	Tax expenses	1,509,280	-
	Vehicle and transportation expenses	3,946,831	4,285,112
	Depreciation - Office	2,695,028	8,709,683
	Guest house expenses	3,417,135	3,598,903
	Security charges	1,601,837	1,840,608
	Audit Fees	184,000	218,500
	Legal and professional fees	331,496	1,396,384
		<u>36,677,488</u>	<u>39,624,332</u>
17.1	Travelling and conveyance		
	Conveyance charges	185,110	405,268
	Travelling local	-	22,291
	Travelling foreign	683,435	1,132,783
		<u>868,545</u>	<u>1,560,342</u>
17.2	Vehicle and transportation expenses		
	Car rent	2,229,389	2,761,847
	Vehicle expenses	1,717,442	1,523,265
		<u>3,946,831</u>	<u>4,285,112</u>
17.3	Guest house expenses		
	Rent - guest house	518,000	703,000
	Guest house expenses	2,899,135	2,895,903
		<u>3,417,135</u>	<u>3,598,903</u>
18	Non operating expenses		
	Bank charges	583,635	473,971
		<u>583,635</u>	<u>473,971</u>

19 Related party disclosures

The company has entered into various intercompany transactions with its shareholders during the year. transaction Related party transaction as on 31 March 2015 are as follows :

Sl. No.	Name of the parties	Relationship	Nature of Transactions	Amount of transactions		Closing balances as at 31 March 2015
				Receivables (BDT)	Payable (BDT)	
1	Renaissance Jewellery Ltd, India	Share holder	Purchase of gold findings	193,408,592	248,644,457	(55,235,865)

20 Number of Employees

Total 409 employees are working in Renaissance Jewellery Bangladesh Pvt. Limited based on the salary statement for the month of March 2015. 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	409	405
Total	409	405

21 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
Executive Director



Hitesh Shah
Managing Director

Annexure-1

Renaissance Jewellery Bangladesh Pvt. Limited
Schedule of Property, Plant and Equipment

BDO

Name of Assets	Cost				Rate	Depreciation				Written down value as on 31.03.2015
	Balance as on 01.04.2014	Additions during the year	Disposal during the year	Balance as on 31.03.2015		Balance as on 01.04.2014	Charged during the year	Disposal during the year	Balance as on 31.03.2015	
Air conditioner	7,564,422	38,000	-	7,602,422	20%	1,512,884	1,110,636	-	2,623,520	4,978,902
Vehicles	2,775,752	-	-	2,775,752	20%	555,150	405,588	-	960,739	1,815,013
Computer	1,713,279	-	-	1,713,279	20%	342,656	250,342	-	592,997	1,120,282
Electrical installations	15,893,579	137,000	-	16,030,579	10%	1,589,358	1,374,326	-	2,963,684	13,066,895
Furniture and fittings	21,865,999	77,358	-	21,943,357	10%	2,186,600	1,883,536	-	4,070,136	17,873,221
Building	68,140,224	409,374	-	68,549,598	5%	3,393,653	3,180,192	-	6,573,845	61,975,753
Office equipments	3,593,699	27,500	-	3,621,199	20%	718,740	529,360	-	1,248,100	2,373,099
Plant and machinery	59,863,299	4,826,127	-	64,689,426	10%	5,986,330	5,471,025	-	11,457,355	53,232,071
Balance as on 31.03.2015	181,410,253	5,515,359	-	186,925,612		16,285,371	14,205,004	-	30,490,375	156,435,237
Balance as on 31.03.2014	161,748,826	19,661,427	-	181,410,253		-	16,285,371	-	16,285,371	165,124,882
Balance as on 31.03.2013	-	161,748,826	-	161,748,826		-	-	-	-	161,748,826

Nurul Faruk Hasan & Co.
Chartered Accountants