

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

(As required to be furnished under Regulations 36(3) of SEBI (LODR) Regulations 2015)

Name of Director	Mr. Niranjan A. Shah
Date of Birth	18/01/1947
Date of Appointment	01/01/2003
Qualifications	SSC
Expertise in specific functional area	He has over 45 years of experience in the Gems and Jewellery industry having an exposure to the entire range of activities.
Directorships held in other Public companies (excluding Section 8 companies)	-
Memberships / Chairmanships of committees of other Public Limited companies <i>(includes only Audit Committee and Shareholders Relationship Committee)</i>	-
Number of Equity shares held in the Company	641409 (3.40%) as of March 31, 2020



Directors' Report

Dear Members,

The Directors take great pleasure in presenting the 31st report on the business and operations of your Company along with the Annual Report and Audited Financial Statements for the Financial Year 2019-20.

FINANCIAL HIGHLIGHTS

Your Company earned a Profit Before Tax (PBT) of ₹ 397.04 million, as compared to PBT of ₹ 353.45 million in the previous year. Highlights of the financial performance (Standalone) are as follows:

	(₹ In Million)	
	F.Y. 2019-20	F.Y. 2018-19
Sales	12606.54	12591.54
Gross Profit	948.34	1177.31
PBID	652.10	544.88
Less: Interest	104.41	96.23
Less: Depreciation	109.92	88.34
PBT	397.04	353.45
Provision for Tax	79.02	88.10
PAT	318.02	265.35

The consolidated revenue from operations of the Company for the year ended March 31, 2020 was ₹ 25018.46 million (P.Y. ₹ 25717.51 million), an decrease of 2.72 % on a year-on-year basis. An Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 1708.18 million (P.Y. ₹ 1342.10 million) an increase of 27.28% on a year-on-year basis. Profit After Tax (PAT) was ₹ 922.23 million (P.Y. ₹ 852.60 million) an increase of 8.17% on a year-on-year basis. The detailed analysis of the Company's business is given in the Management's Discussion and Analysis Report that forms part of this Annual Report.

DIVIDEND

Your Board of Directors has not recommended any dividend for the financial year ended March 31, 2020.

TRANSFER TO RESERVES

During the year under review, your Company has not transferred any amount to General Reserve Account.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 (2) (e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015), is presented in a separate section forming part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

As stipulated under Listing Regulations, Business Responsibility Report forms part of the Annual Report.

MATERIAL CHANGES & COMMITMENTS

No material changes and commitments, affecting the financial position of the Company have occurred after the end of the financial year 2019-20 and till the date of this report.

OUTBREAK OF COVID-19 – A GLOBAL PANDEMIC

Due to outbreak of CoVID-19 pandemic the Indian economy was under complete lockdown for almost two months. This has caused tremendous production shortages and supply chain issues leading to revenue losses to the business.

Further, our major customers had also postponed their orders in pipeline as their stores remain closed with no clear visibility when they will be able to fully resume their operations.

Exports were completely shut since mid-March to mid-May which led to low sales during Q1 FY21. We believe this will continue in Q2 FY21 as well and things will start picking up in Q3 FY21, eventually normalizing in Q4 FY21.

Directors' Report (Contd...)

Our domestic venture IRASVA store remained closed throughout the lockdown leading to no revenues during this period. Once we resume operations we believe the demand will remain tepid owing to lower disposable income amongst people. Also, we plan to defer new stores launches to Q3 of FY21 on account of the on-going crisis.

The lockdown across India from 25th March 2020 has ensured our production was at a complete standstill. However, we have been able to resume partial production at our Bhavnagar facility since 25th April 2020. Our Mumbai factory was also partially operational from 14th May 2020.

The Company has taken a variety of safety steps, such as medical facilities for employees inside the plant premises, sanitization and fumigation in the plant. Company also adheres to providing sufficient space for ensuring social distancing and will continuously follows guidelines as prescribed by the government. Also a significant number of our non-factory employees continue to work from home.

We have recently started receiving confirmed orders and exports have commenced to US, UK and HK in a limited way. Even during the lockdown e-commerce was operational in all our major markets. Furthermore, US has also started opening gradually and most of the retailers have close to half their locations open now.

Due to measures taken to contain the spread of CoVID 19 such as travel bans, quarantines, social distancing and closures of non-essential services etc. there are significant disruptions to businesses worldwide, resulting in an economic slowdown. Most of the customers had shut their retail outlets from Mid-March to Mid-May. Even after re-opening things are returning slowly to normalcy and sales are lower than normal.

Your Company has submitted with Stock Exchanges the disclosure of material impact of CoVID 19 pandemic on the business of the Company, in accordance with the SEBI Advisory on disclosure of material impact of CoVID 19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SUBSIDIARIES

As on signing date of this report, your Company had following direct and indirect subsidiary companies:

DIRECT SUBSIDIARY COMPANIES:

1. Renaissance Jewelry New York Inc., USA
2. Verigold Jewellery (UK) Ltd., London
3. Renaissance Jewellery Bangladesh Pvt. Ltd., Bangladesh
4. Verigold Jewellery DMCC, Dubai

INDIRECT (STEP-DOWN) SUBSIDIARY COMPANIES:

1. Renaissance Jewellery DMCC, Dubai
(Subsidiary of Verigold Jewellery DMCC, Dubai)
2. Jay Gems Inc., USA
(Subsidiary of Renaissance Jewelry New York Inc)
3. Essar Capital LLC, USA
(Subsidiary of Jay Gems Inc., USA)
4. Verigold Jewellery (Shanghai) Trading Company Limited, China
(Subsidiary of Verigold Jewellery DMCC, Dubai)

Amalgamation of wholly owned subsidiaries (WOS) of the Company

During the financial year under review, the Scheme of Amalgamation (Merger) of N. Kumar Diamond Exports Limited (NKDEL) and House Full International Limited (HFIL) and with Renaissance Global Limited (RGL) (formerly Renaissance Jewellery Limited), has been sanctioned by Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") with appointed date April 01, 2017, pursuant to its order dated April 22, 2019.

The said Scheme of Amalgamation has become effective on May 08, 2019 after filing the certified copy of NCLT order with Registrar of Companies, Mumbai. Hence the NKDEL and HFIL stand dissolved without winding up from the effective date.

Directors' Report (Contd...)

Since NKDEL and HFIL are direct and indirect wholly owned subsidiaries of RGL, there was no issue and allotment of Shares of RGL to the shareholders of the HFIL and NKDEL.

Strike off the name of House Full Supply Chain Management Limited

During the financial year under review, Registrar of Companies, vide Public Notice No. ROC-MLIMISec. 248(2)/STK-6110971 dated 10.04.2019 has strike off the name of House Full Supply Chain Management Limited from the Register of Companies against the strike off application filed by the Company under section 248(2) of the Companies Act, 2013 with Registrar of Companies (ROC), Mumbai, on December 04, 2018 for strike off the name of Company from the records of ROC.

FINANCIAL STATEMENTS/REPORTS OF THE SUBSIDIARIES:

As on signing date of this Report, the Company has eight subsidiaries including four wholly owned direct subsidiary and four step-down subsidiaries. The Board of Directors of the Company reviewed the affairs of subsidiaries of the Company. The Consolidated Financial Statements of the Company are prepared in accordance with the relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

Further, a statement containing the salient features of the financial statement of the subsidiaries in the format prescribed i.e. Form AOC-1, (Pursuant to first Proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) has been attached separately to this Annual Report. The Company will make available the accounts of subsidiaries to any member of the Company on request.

CONSOLIDATED ACCOUNTS

In accordance with the requirements of Companies Act, 2013 and Accounting Standards AS-110 prescribed by the Institute of Chartered Accountants of India, the Consolidated Financial Statements of the Company and its subsidiary is provided in this Annual Report.

SHARE CAPITAL

Post amalgamation increase in Authorised Share Capital

Consequent to the Amalgamation by absorption of wholly owned subsidiaries viz. N. Kumar Diamond Exports Limited and House Full International Limited and, with the Company, the Authorised Share Capital of the Company stand increased from ₹ 27,00,00,000 (Rupees Twenty Seven Crore) to ₹ 98,70,00,000 (Rupees Ninety Eight Crore Seventy Lakh Only) divided into 8,87,00,000/- (Eight Crore Eighty Seven Lakhs) Equity shares of ₹ 10/- (Rupees Ten only) each and 1,00,00,000 (One Crore) 0% optionally convertible or redeemable non-cumulative preference share of ₹ 10/- each.

RJL - Employees Stock Option Plan 2018 (RJL ESOP 2018)

During the financial year 2018-19, the Company had introduced and implemented the "RJL – Employees Stock Option Plan 2018" ('ESOP-2018/the Scheme') through RJL Employee Welfare Trust (the Trust) to create, grant, offer, issue and allot at any time in one or more tranches such number of stock options not exceeding 10,00,000 equity shares of face value of ₹ 10 each, convertible into Equity Shares of the Company ("Options")

Following is the bifurcation of 10,00,000 options

Type A - 1,96,376 options -

Under Type A options, the RJL Employee Welfare Trust shall grant such number of options which when converted into Equity Shares shall not exceed 1,96,376 Equity Shares already held by such Trust as on the date of this Scheme.

Type B – 8,03,624 options-

Under Type B options, 8,03,624 options shall be granted as under:

- (i) Fresh issue –
Fresh options shall be granted by the Board or Compensation Committee as may be authorized by the Board to the eligible employees; and/or
- (ii) Secondary acquisition –
In case of surplus money, RJL Employee Welfare Trust shall have authority to acquire shares from the market and depending upon the available pool, options shall be granted to the eligible employees.

The ESOP 2018 is in line with the SEBI SBEB Regulations. A certificate from the Auditors of the Company that the Scheme is implemented in accordance with the SBEB Regulations and the resolutions passed by the members would be placed before the members at the

Directors' Report (Contd...)

ensuing AGM and a copy of the same shall be available for inspection at the Registered Office of the Company.

During the FY 2019-20 the Company did not make any grant under RJL ESOP- 2018 hence there was no movement of options to be disclosed, as required under Regulation 14 of SEBI SBEB Regulations.

The applicable disclosures as stipulated under SEBI SBEB Regulations read with the circular issued by SEBI on 16th June 2015 and Rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014, as on March 31, 2020, are given below:

Disclosures with respect to Employees Stock Option Scheme of the Company

	ESOP 2018
Date of shareholders' approval:	August 7, 2018
Lock-in period:	Lock-in period
	Up to 1 year from the date of transfer of shares from RJL Employee Welfare Trust's Demat account to Demat account of employee
The details of the number of shares issued under ESOP	No grant made during FY 2019-20
The price at which such shares are issued	NA
Employee-wise details of the shares issued to;	NA
(i) senior managerial personnel;	NA
(ii) any other employee who is issued shares in any one year amounting to 5% or more shares issued during that year;	NA
(iii) identified employees who were issued shares during any one year equal to or exceeding 1% of the issued capital of the company at the time of issuance;	NA
Consideration received against the issuance of shares, if scheme is implemented directly by the company	NA
Loan repaid by the Trust during the year from exercise price received	-

• **Issue of equity shares with differential rights**

During the financial year under review, there was no issue of equity shares with differential rights in terms of Rule 4 (4) of Companies (Share Capital and Debentures) Rules, 2014.

• **Issue of sweat equity shares**

During the financial year under review, there was no issue of sweat equity shares as provided in rule 8 (13) of Companies (Share Capital and Debentures) Rules, 2014.

LISTING

At present 18,879,440 Equity Shares of the Company are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company has paid the applicable listing fees to these Stock Exchanges for the financial year 2020-21. The Company's shares are compulsorily tradable in electronic form and the Company has established connectivity with both the depositories, i.e. Central Depository Services (India) Ltd. (CDSL) & National Securities Depository Ltd. (NSDL).

Your Company has fully complied with the Securities and Exchange Board of India Circular – Cir/ISD/3/2011, dated June 17, 2011 by achieving 100% of promoter's and promoter group's shareholding in dematerialized form. Therefore, the securities of Company are traded in the normal segment of the Exchanges.

AWARDS/RECOGNITION

Your Company has always strived for the best quality and designs adhering necessary Ethical Standards. The Company has been consistently receiving recognition by various Trade Organizations and Councils, for its' performance and achievements. Following are some of the awards/recognition received by the Company in the past:

- GJEPC Award for being the largest exporter of Studded Precious Metal Jewellery in 2018.
- GJEPC Award for outstanding Export Performance under the category "Studded Precious Metal Jewellery Exports", in 2017.
- GJEPC Award for topping Export Performance under the category "Studded Precious Metal Jewellery Exports", in 2016.
- Accorded with membership of Responsible Jewellery Council (RJC), in 2016.

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- GJEPC Award for outstanding Export Performance under the category "Studded Precious Metal Jewellery Exports", in 2015.
- GJEPC Award for outstanding Export Performance under the category "Studded Precious Metal Jewellery Exports", in 2012.
- GJEPC Award for topping the Export Performance under the category "Studded Precious Metal Jewellery Exports from EPZ/EOU Complexes" in 2011.
- Emerging India Awards 2009.
- GJEPC Award for being the largest exporter of Studded Precious Metal Jewellery in 2008.
- Wal-Mart's 'International Supplier of the Year' Award, in 2004.
- SEEPZ-SEZ Star 2000-2001 Award.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by Securities and Exchange Board of India. The Company has taken appropriate steps and measures to comply with all the applicable provisions of Regulation 17 to 27 of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013.

A separate report on Corporate Governance, as stipulated under Regulation 34(3) read with Schedule V of SEBI (LODR) Regulations, 2015, along with certificates of Practicing Company Secretary of the Company, forms an integral part of this Annual Report. A certificate from the Managing Director and CFO of the Company confirming internal controls and checks pertaining to financial statements for the year ended March 31, 2020 was placed before the Board of Directors and the Board has noted the same.

CASH FLOW STATEMENT

In conformity with the provisions of Regulation 34 (2) (c) of the SEBI (LODR) Regulations, 2015, the cash flow statement for the year ended March 31, 2020 is annexed hereto.

DIRECTORS & KEY MANAGERIAL PERSONNEL

As per the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015, the Company is compliant of the requirement of having at least 50% of the total number of Directors as Non- Executive Directors and one lady director on the Board of the Company.

Pursuant to the provisions of Sections 149(10), and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and Regulation 16 of SEBI(Listing Obligations and Disclosures Requirements) Regulations 2015, based on the recommendation of the Nomination and Remuneration Committee and the Board, the members' at their 30th Annual General Meeting held on August 07, 2019 ,by passing special resolutions, had re-appoint Mr. Veerkumar C. Shah, Mr. Vishwas V. Mehendale, Mr. Anil K. Chopra, Mr. Arun P. Sathe and Mrs. Madhavi S. Pethe as Independent Directors on the Board of the Company, for a further period of 5 (five) years to hold the office up to conclusion of the 35th Annual General Meeting proposed to be held in 2024.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Niranjana Shah (DIN: 00036439), Executive Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

Brief resume of the Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas and names of companies in which they hold Directorships and Membership/ Chairmanship of Board Committees, as stipulated under Regulation 17 of SEBI (LODR) Regulations, 2015 are provided in the Notice forming part of this Annual Report.

As on date of this Report, the Board consists of nine Directors comprising one Executive Chairman, five Independent Directors, two Executive Directors and one Non Executive Director. Out of five independent directors one is lady independent director. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

KEY MANAGERIAL PERSONNEL (KMP)

Pursuant to the provisions of Section 203 of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the following are whole-time Key Managerial Personnel of the Company as on March 31, 2020:

1. Mr. Hitesh Shah - Managing Director
2. Mr. G. M. Walavalkar – Company Secretary
3. Mr. Dilip Joshi – Chief Financial Officer

During the year under review, there is no change in the Board of Directors and KMP of the Company.

Directors' Report (Contd...)

DECLARATION BY INDEPENDENT DIRECTOR

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) and Regulation 25 of SEBI (LODR) Regulations, 2015.

Pursuant to provision of Regulation 17A of SEBI (LODR) Regulations, 2015, none of the Non-Executive Directors serve as an Independent Directors on more than seven listed Companies and none of the Executive Directors serve as an Independent Director on any listed Company.

Independent directors databank registration:

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all Independent directors of the Company have registered themselves with online databank for Independent Directors maintained by Indian Institute of Corporate Affairs (IICA).

The Company has received declarations from all the Independent Directors of the Company confirming that they have registered their names in the Independent Directors' databank maintained by Indian Institute of Corporate Affairs (IICA) as prescribed by MCA.

ANNUAL EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Pursuant to the provision of Section 134(3) (p) read with Rule 8(4) of Companies (Accounts) Rules, 2014 and part D of Schedule II of SEBI (LODR) Regulations, 2015 the Nomination and Remuneration Committee has devised a criteria for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

The Independent Directors and Non-Independent Directors at their respective meetings evaluated performance of fellow directors based on factors like leadership quality, attitude, initiatives and responsibility undertaken, decision making, commitment and achievements during the financial year under review.

MEETING OF INDEPENDENT DIRECTORS

Clause VII (1) of the schedule IV of the Companies Act 2013 and Regulation 25(3) of SEBI (LODR) Regulations, 2015 requires the independent directors of the company to hold at least one separate meeting in a financial year without the presence of non-independent Directors and any other member of the Management.

In view of outbreak of CoVID-19 pandemic and the relaxation given by MCA vide Circular 11/2020 dated March 24, 2020, the Independent Directors of the Company were not able to hold a separate meeting to review the performance of Non-Independent Directors including Executive Chairman and Managing Director and the Board as a whole for the financial year 2020-21.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

The Company has formulated Familiarisation Program to familiarise the Independent Directors with the Company and its business. The details of the program and related matters are posted on the website of the Company www.renaissanceglobal.com.

NOMINATION AND REMUNERATION POLICY

The policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors, in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (LODR) Regulations, 2015.

This policy lays down the criteria for determining qualifications, positive attributes and independence of directors and evaluation of Independent Director and the Board. This policy also includes the Policy on Board diversity. The said Nomination and Remuneration policy is posted on the website of the Company www.renaissanceglobal.com.

DISCLOSURE OF PECUNIARY RELATIONSHIP

There was no pecuniary relationship or transactions of the Non-Executive Independent Directors vis-à-vis the Company during the year under review. Also, no payment, except sitting fees, was made to any of the Non-Executive Independent Directors of the Company. No convertible instruments are held by any of the Non-Executive Directors.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under provisions of Section 134 (3) (c) of the Companies Act, 2013 the Directors hereby state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013, have been followed and there are no material departures from the same;

Directors' Report (Contd...)

- b) selected accounting policies were applied 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 as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of the Directors' knowledge and ability;
- d) the annual accounts have been prepared on a 'going concern' basis;
- e) internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and are operating effectively and
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS

As per Section 139 of the Companies Act, 2013 ('the Act'), read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in 29th Annual General Meeting held on August 07, 2018 had approved the appointment of M/s Chaturvedi and Shah LLP, Chartered Accountants (Firm Registration No:101720W) as the Statutory Auditors of the Company for an initial term of 5 years i.e. from the conclusion of 29th Annual General Meeting until the conclusion of 34th Annual General Meeting of the Company to be held in the year 2024, subject to ratification by the shareholders every year, if so required under law.

The requirement of ratification of appointment of Auditors by members at every Annual General Meeting is done away with by the Ministry of Corporate Affairs vide its notification dated May 7, 2018. Hence, the members' resolution seeking ratification for continuance of their appointment at this AGM is not being sought.

M/s Chaturvedi and Shah LLP, has furnished a certificate of their eligibility and consent under Section 139 and 141 of the Act and the Companies (Audit and Auditors) Rules 2014 for their continuance as the Auditors of the Company for the FY 2020-21. In terms of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

AUDITORS' REPORT

The Statutory Auditors' Report for FY 2019-20 on the financial statement of the Company forms part of this Annual Report. The Statutory Auditors' report on the financial statements for FY 2019-20 does not contain any qualifications, reservations or adverse remarks or disclaimer. The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso to Section 143(12) of the Act. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments by the Board.

INTERNAL AUDITORS

In accordance with provisions of Sections 138 of the Companies Act, 2013 and pursuant to the recommendation of the Audit Committee, M/s J. K. Shah & Co., Chartered Accountants, Mumbai have been appointed as Internal Auditors of the Company for conducting Internal Audit of the Company for the Financial Year 2019-20.

The Internal Auditors independently evaluate the internal controls, adherence to and compliance with the procedures, guidelines and statutory requirements. The Audit Committee of Board periodically reviews the reports of the internal auditors and corrective actions taken by the Management with regard thereto.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

SECRETARIAL AUDITOR

In accordance with provisions of Sections 204 of the Companies Act, 2013, the Board has appointed M/s V. V. Chakradeo & Co., Practising Company Secretaries, Mumbai, as Secretarial Auditors of the Company to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is enclosed herewith as **Annexure - I** forming part of this Director's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the Audit Committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

Directors' Report (Contd...)

MAINTENANCE OF COST RECORDS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SECTION 148 OF THE COMPANIES ACT, 2013

The provisions relating to maintenance of Cost Records as specified by the Central Government under Section 148 of the Companies Act, 2013 is not applicable to the Company.

DEPOSITS

There was no deposit accepted by the Company within the meaning of Section 58A of the Companies Act, 1956 and Rules made there under. During the financial year under review, the Company has neither invited nor accepted any deposit under Section 73 of the Companies Act, 2013 and the rules made there under and therefore, no amount of principal or interest was outstanding as of the date of the Balance Sheet.

Since the Company is exploring the opportunity to enter into the domestic sale of jewellery, the Domestic Division of the Company, in view to attract the customers and to increase the sales volume, is proposing to float Jewellery purchase Schemes. In these jewellery purchase Schemes the customers can purchase expensive Jewellery by depositing a fixed amount every month for the chosen tenure and at the end of the term buy the jewellery at a value that is equivalent to the total money deposited, including a bonus amount added by the Company upon maturity.

As per the explanation to the definition of 'deposit' given under the Acceptance of Deposit Rules of the Companies Act, 2013, the jewellery purchase schemes offered by the Company to its customers are deemed to be deposits and have to comply with Chapter V of the Act and the Deposit Rules before commencing acceptance/renewal of deposits from its Members and from Public.

Therefore, the Board of Directors of your Company at it's meeting held on June 29, 2020 has approved the proposal to float Jewellery purchase Schemes and recommended the same for approval of the shareholders by passing the Special Resolution at the ensuing Annual General Meeting of the Company.

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

Following is the information required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2020.

a) Conservation of Energy:

The Company continued energy conservation efforts during the year. It has closely monitored power consumption and running hours on day to day basis, thus resulting in optimum utilization of energy. The office and production areas are fitted with energy saving devices to conserve energy in the long run.

(i) the steps taken or impact on conservation of energy	Air Curtains have been installed in production areas where doors are required to keep open for operational purposes. These Air Curtains reduces penetration of insects and unconditioned air into a conditioned space resulting into preservation of air conditioning effect and low consumption of power.
(ii) the steps taken by the company for utilising alternate sources of energy	LEDs were installed in the company as alternate source of energy.
(iii) the capital investment on energy conservation equipments	Corpus for installing air curtains and LEDs is ₹ 1,00,000/- approximately.

b) Technology Absorption:

(i) the efforts made towards technology absorption	The Company continuously monitors and keep track of technological up gradation in the field of Jewellery manufacturing and the same are reviewed and considered for implementation. Your Company continued its focus on quality up-gradation and product enhancements.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none"> a. Enhanced productivity & reduction in production time b. Total traceability of each piece during entire manufacturing process through customized software c. Reduction in re-work & rejection in manufacturing. d. Enhancement of product spectrum e. Improvement in quality of existing products.

Directors' Report (Contd...)

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of FY)-	
(a) the details of technology imported;	NA
(b) the year of import;	
(c) whether technology been fully absorbed;	
(d) if not fully absorbed, areas where absorption has not taken place & reasons thereof; and	
(iv) the expenditure incurred on Research and Development	As per the established Accounting Policy expenditure incurred on Research & Development remains merged with the respective heads.

c) Foreign exchange earnings and outgo:

(₹ in Lakh)

	FY 2019-20	FY 2018-19
Foreign Exchange Earnings	122,221.45	125,694.53
Foreign Exchange Outgo	56,932.57	45,817.96

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

During the year under review, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Board of Directors of your Company at its meeting held on February 12, 2020 has approved the proposal to enter into franchisee agreement with M/s Verigold Jewellery India Private Limited (VJIPL) for exploring the opportunity to enter into the domestic sale of jewellery by becoming licensed franchisee of Irasva Jewellery brand owned by M/s Verigold Jewellery India Private Limited.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is posted on the Company's website www.renaissanceglobal.com.

Your Directors draw attention of the members to the related party disclosures sets out in the financial statements of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has established the Corporate Social Responsibility Committee (CSR Committee) which has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The said CSR Policy is posted on the Company's website www.renaissanceglobal.com.

The Company has identified four focus areas of engagement which are as under:

Medical, Health Care and Social Welfare: Affordable solutions for healthcare and social welfare through improved access, health awareness.

Educational: Access to quality education, training and skill enhancement.

Humanitarian: Creating sustainable livelihood, addressing poverty, hunger and malnutrition.

Environmental, Animal Welfare, Cultural and Religious: ensuring environmental sustainability, ecological balance, animal welfare, conservation of natural resources and protection of national heritage, art and culture and religion.

As required under Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR activities is enclosed herewith as **Annexure - II** forming part of this Director's Report.

RISK MANAGEMENT

The Board of Directors has adopted Risk Management Policy for the Company which provides for identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company.

The Management, through a properly defined framework in terms of the aforesaid policy identifies, monitors, controls and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

The Audit Committee and the Board periodically discuss the significant business risks identified by the Management and review the measures taken for their mitigation.

Directors' Report (Contd...)

HUMAN RESOURCES

Employees are the key assets of the Company and the Company has created a healthy and productive work environment which encourages excellence. Your Company has put in place a scalable requirement and human resource management process, which enables it to attract and retain employees of the high caliber. The Company continuously invests in training staff in the latest technology.

PREVENTION OF SEXUAL HARASSMENT COMMITTEE

As per the requirement of Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, (POSH) your Company has a robust mechanism in place to redress the complaints reported under this Act. The Company has complied with provisions relating to the constitution of Internal Complaints Committee (ICC) under POSH.

The Internal Complaints Committee (ICC) composed of internal members and an external member who has extensive experience in the relevant field. The said Committee meets regularly and takes up programs to spread awareness and educate employees about prevention of Sexual Harassment at Workplace.

Following is the status of sexual harassment complaints during the financial year under review:

Sr. No.	Particulars	No of Complaints
1	Number of complaints filed during the financial year	Nil
2	Number of complaints disposed of during the financial year	Nil
3	Number of complaints pending as on end of the financial year.	Nil

OTHER DISCLOSURES**CSR Committee**

The CSR Committee comprises of Mr. Niranjan A. Shah as Chairman, Mr. Hitesh M. Shah and Mr. Anil K. Chopra, as other members.

Audit Committee

The Audit Committee comprises of Independent Directors namely Mr. Veerkumar C. Shah as Chairman, Mr. Arun P. Sathe and Mr. Vishwas V. Mehendale, as other members.

All the recommendations made by the Audit Committee were accepted by the Board.

Meetings of the Board

Five meetings of the Board of Directors were held during the financial year under review. For further details, please refer report on Corporate Governance enclosed in this Annual Report.

Particulars of Loans given, Investments made, Guarantees given and Securities provided

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient are provided in the Standalone Financial Statement.

Particulars of Employees

The disclosure pursuant to Section 197(12) read with rule 5(1) and 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed herewith as **Annexure - III** forming part of this Director's Report.

Compliance with Secretarial Standards on Board and General Meetings

During the Financial Year, your Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

Extract of Annual Return

An extract of Annual Return in **Form MGT-9** as provided under sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is enclosed herewith as **Annexure - IV** forming part of this Director's Report.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

In terms of Section 125 of the Companies Act, 2013, any unclaimed or unpaid Dividend relating to the financial year 2012-13 is due on September 28, 2020 for remittance to the Investor Education and Protection Fund (IEPF) established by the Central Government. For the unclaimed dividend relating to other financial years and the respective IEPF Transfer due dates, please refer the statement of IEPF transfer provided in Report on Corporate Governance.

During the financial year under review, the Company has transferred unclaimed dividend for FY 2011-12 amounting to ₹ 62,987/-, to the IEPF.