

Auditors' Report  
and  
Audited Financial Statements  
of  
Renaissance Jewellery Bangladesh Pvt. Limited  
For the year ended 31 March 2018

**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 2018, and the statement of profit or loss and other 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 2018, 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: 25 April 2017

  
Nurul Faruk Hasan & Co  
Chartered Accountants


Renaissance Jewellery Bangladesh Pvt. Limited

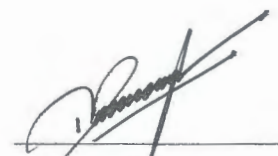
Statement of Financial Position

As at 31 March 2018

	Notes	2018 Taka	2017 Taka
<b>ASSETS</b>			
<b>Non current assets</b>		<b>90,014,033</b>	<b>113,246,689</b>
Property, plant and equipment	3	90,014,033	113,246,689
<b>Current assets</b>		<b>25,537,240</b>	<b>96,457,252</b>
Advances, deposits and pre-payments	4	6,600,981	13,038,887
Inventories	5	-	68,413,784
Cash and cash equivalents	6	18,936,259	15,004,581
<b>Total assets</b>		<b>115,551,273</b>	<b>209,703,941</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital &amp; reserves</b>		<b>109,146,228</b>	<b>165,968,997</b>
Share capital	7	212,206,300	212,206,300
Share money deposit	8	162	162
Retained earnings	9	(103,060,234)	(46,237,465)
<b>Current liabilities</b>		<b>6,405,045</b>	<b>43,734,944</b>
Trade & others payables	10	254,694	11,064,031
Advance received from customers	11	-	22,305,709
Liabilities for expenses	12	3,641,821	8,370,776
Withholding taxes and value added taxes	13	1,589	390,277
Provison for tax	14	2,506,941	1,604,151
<b>Total equity and liabilities</b>		<b>115,551,273</b>	<b>209,703,941</b>

The accompanying notes 1-22 form an integral part of these financial statements.

  
 Bikash Kumar Bhomik  
 Asst. Manager- Accounts & Finance

  
 Amar Sudhakar Mayekar  
 Director

  
 Hitesh Shah  
 Managing Director

As per our annexed report of same date


Dhaka, Bangladesh  
 Dated: 25 April 2018

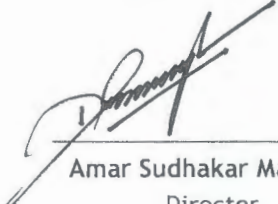
  
 Nurul Faruk Hasan & Co  
 Chartered Accountants

**Renaissance Jewellery Bangladesh Pvt. Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
For the year ended 31 March 2018

	<u>Notes</u>	<u>2018</u> <u>Taka</u>	<u>2017</u> <u>Taka</u>
<b>Operating income</b>			
Revenue	15	187,249,042	342,218,576
<b>Cost of sales</b>			
Cost of goods sold	16	(184,657,481)	(279,105,467)
<b>Gross income/(loss)</b>		<b>2,591,561</b>	<b>63,113,109</b>
<b>Operating expenses</b>			
Administrative expenses	17	(62,666,708)	(58,293,183)
<b>Income/(loss) from operations</b>		<b>(60,075,147)</b>	<b>4,819,926</b>
<b>Non operating expenses</b>			
Foreign exchange gain/(loss)	18	(344,166)	(561,397)
Other income	21	(1,904,434)	731,773
		8,304,806	-
<b>Income/(loss) before taxation</b>		<b>(54,018,941)</b>	<b>4,990,302</b>
<b>Corporate income tax</b>			
Current Year		(2,803,828)	(1,604,151)
Previous Year		2,506,941	1,604,151
		296,887	-
<b>Net profit/(loss) after taxation</b>		<b>(56,822,769)</b>	<b>3,386,151</b>

The accompanying notes 1-22 form an integral part of these financial statements.

  
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**Bikash Kumar Bhomik**  
Asst. Manager- Accounts & Finance

  
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**Amar Sudhakar Mayekar**  
Director

  
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**Hitesh Shah**  
Managing Director

As per our annexed report of same date

Dhaka, Bangladesh  
Dated: 25 April 2018


  
**Nurul Faruk Hasan & Co**  
Chartered Accountants

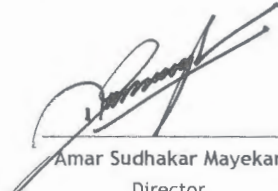
**Renaissance Jewellery Bangladesh Pvt. Limited**

**Statement of Cash Flows**  
For the year ended 31 March 2018

	<u>2018</u>	<u>2017</u>
<u>Notes</u>	<u>Taka</u>	<u>Taka</u>
<b>Cash flows from operating activities:</b>		
Profit / (Loss) before tax for the year	(54,018,941)	4,990,302
Less: Tax Payment	(3,116,082)	(2,064,485)
Add: Depreciation during the year	17,832,355	22,697,884
<b>(Increase)/ decrease in current assets:</b>	<b>76,066,734</b>	<b>60,321,566</b>
Advances, deposits and pre-payments	7,652,950	(4,920,798)
Inventories	68,413,784	65,242,364
<b>Increase/ (decrease) in current liabilities:</b>	<b>(38,232,689)</b>	<b>(70,857,633)</b>
Trade & others payables	(10,809,337)	(39,696,561)
Advance received from third parties	(22,305,709)	(10,819,076)
Liabilities for expenses	(4,728,955)	(20,621,341)
Provision for Audit fees	-	230,000
Withholding taxes and value added taxes	(388,688)	49,345
<b>A. Net cash generated from operating activities</b>	<b>(1,468,623)</b>	<b>15,087,634</b>
<b>Cash flows from investing activities:</b>		
Addition to property, plant & equipment	(5,764,874)	(5,005,466)
Disposal of Property, Plant & Equipment	11,165,175	-
<b>B. Net cash generated from investing activities</b>	<b>5,400,301</b>	<b>(5,005,466)</b>
<b>Cash flows from financing activities:</b>		
<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>3,931,678</b>	<b>10,082,168</b>
<b>E. Opening cash &amp; cash equivalents</b>	<b>15,004,581</b>	<b>4,922,414</b>
<b>F. Closing cash and cash equivalents (D+E)</b>	<b>18,936,259</b>	<b>15,004,581</b>

The accompanying notes 1-22 form an integral part of these financial statements.

  
Bikash Kumar Bhomik  
Asst. Manager- Accounts & Finance

  
Amar Sudhakar Mayekar  
Director

  
Hitesh Shah  
Managing Director

As per our annexed report of same date

Dhaka, Bangladesh  
Dated: 25 April 2018

  
Nurul Faruk Hasan & Co  
Chartered Accountants

Renaissance Jewellery Bangladesh Pvt. Limited

Statement of Changes in Shareholders' Equity

For the year ended 31 March 2018

<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 2016	212,206,300	162	(49,623,616)	162,582,846
Profit / (Loss) for the year	-	-	3,386,151	3,386,151
Balance as at 31 March 2017	<u>212,206,300</u>	<u>162</u>	<u>(46,237,465)</u>	<u>165,968,997</u>
Balance as on 01 April 2017	212,206,300	162	(46,237,465)	165,968,997
Profit / (Loss) for the year	-	-	(56,822,769)	(56,822,769)
Balance as at 31 March 2018	<u>212,206,300</u>	<u>162</u>	<u>(103,060,234)</u>	<u>109,146,228</u>

*BK.*

Bikash Kumar Bhomik  
Asst. Manager- Accounts & Finance

*[Signature]*  
Amar Sudhakar Mayekar  
Director

*[Signature]*  
Hitesh Shah  
Managing Director

As per our annexed report of same date

Dhaka, Bangladesh  
Dated: 25 April 2018

*[Signature]*  
Nurul Faruk Hasan & Co  
Chartered Accountants

# Renaissance Jewellery Bangladesh Pvt. Limited

## Notes to the Financial Statements

For the year ended 31 March 2017

### 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 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 enjoyed tax holiday @25% July 2016 - June 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. The higher of applicable tax on export process or applicable tax at regular income has been provided in the financial statements.

### 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 finalcial statement according to company's gratuity policy in the year form April 2017 to March 2018 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 2017 to 31 March 2018 Rate(%)</u>
Air conditioner	10%
Vehicles	20%
Computer	30%
Electrical installations	20%
Furniture and fittings	10%
Building	20%
Office equipments	10%
Plant and machinery	20%

## 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 212,206,300 divided into 2,122,063 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 for the financial statements of the company covers from 01 April 2017 to 31 March 2018.

### 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.

		As at 31 March	
		2018	2017
		Taka	Taka
3	Property, plant and equipment		
	<u>Costs</u>		
	Opening balance	196,091,897	191,086,431
	Add: Addition during the year	5,764,874	5,005,466
	Less: Disposal and/or adjustment during the year	(19,469,981)	-
	Closing balance	<u>182,386,790</u>	<u>196,091,897</u>
	<u>Accumulated Depreciation</u>		
	Opening balance	82,845,208	60,147,324
	Add: Depreciation charged during the year	17,832,355	22,697,884
	Less: Disposal and/or adjustment during the year	(8,304,806)	-
	Closing balance	<u>92,372,757</u>	<u>82,845,208</u>
	Written down value	<u>90,014,033</u>	<u>113,246,689</u>
	Details are enclosed in Annex-1		
4	Advances, deposits and pre-payments		
	Loans & advances	4.1 1,531,274	7,835,180
	Security deposits	4.2 5,069,707	5,203,707
		<u>6,600,981</u>	<u>13,038,887</u>
4.1	Loans & advances		
	Bangla Track limited	216,000	216,000
	Advance for Expenses (i.i)	100,230	100,230
	eDesign Engineering	-	600,000
	Nabin Steel Works	-	21,000
	Omni Power	-	20,000
	Dimo Corporation	-	20,000
	Linde Bangladesh	-	20,000
	Advance income tax on export proceeds	4.1.1 1,215,044	1,681,331
	OTEC	4.1.2 -	1,859,488
	Prepaid Expenses- Insurance Premium	-	208,409
	Masteix	4.1.2 -	1,088,722
		<u>1,531,274</u>	<u>7,835,180</u>
4.1.1	Advance income tax		
	Income tax for income year 2017-2018	1,215,044	
		<u>1,215,044</u>	

4.1.2 Advance of BDT 3,859,488 and 1,088,722 from OTEC and Masteix have been realised during the year.

	As at 31 March	
	2018	2017
	Taka	Taka
<b>4.2 Security deposits</b>		
Guest House	27,000	161,000
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>5,069,707</u>	<u>5,203,707</u>

<b>5 Inventories</b>		
Precious materials (Imported)	5.1	47,082,616
Consumable materials	5.2	13,413,614
Closing WIP	5.3	2,261,356
Closing FG	5.4	5,656,198
		<u>68,413,784</u>

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

<b>5.1 Precious materials (Imported)</b>		
Opening stock	47,082,616	103,153,122
Add: Purchase during the year	77,434,301	149,213,108
Less: Consumption during the year	(115,504,751)	(182,616,025)
Less: Ship back	(9,012,166)	(22,667,590)
Closing precious materials	-	<u>47,082,616</u>

<b>5.2 Consumable materials</b>		
Opening stock	13,413,614	17,843,071
Add: Purchase during the year	4,672,971	8,655,128
Less: Consumption during the year	(6,867,640)	(13,084,585)
Less: Written off during the year	(11,218,945)	
Closing stock	-	<u>13,413,614</u>

5.2.1 The consumable materials were written off as it became unusable and were not saleable to market.

<b>5.3 Conversion cost of WIP</b>		
Conversion cost involved	-	2,261,356
	-	<u>2,261,356</u>

<b>5.4 Conversion cost of FG</b>		
Conversion cost involved	-	5,656,198
	-	<u>5,656,198</u>

		As at 31 March			
		2018	2017		
		Taka	Taka		
6	Cash & cash equivalents				
	Cash in hand	৳.1 189,989	1,143,985		
	Cash at bank	৳.2 18,746,270	13,860,596		
		<u>18,936,259</u>	<u>15,004,581</u>		
6.1	Cash in hand				
	Cash in hand	189,989	359,693		
	IGU in hand	-	584,142		
		<u>189,989</u>	<u>1,143,985</u>		
6.2	Cash at bank				
	DBBL- 111.110.21218 -BDT	126,561	130,751		
	SCB- 01-1146114-01-BDT	-	-		
	SCB- 01-6701361-01-USD	-	390,293		
	SBI- 05120447020201 - BDT	95,375	616,117		
	SBI- 06120006120201 - USD	17,280	1,208,507		
	Woori Bank- CDA923931249- USD	18,117,016	11,453,716		
	Woori Bank- CDA965000562- BDT	390,038	61,212		
		<u>18,746,270</u>	<u>13,860,596</u>		
7	Share capital				
7.1	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>		
7.2	Issued, subscribed & paid up capital				
	2,122,063 ordinary shares of Taka 100 each	212,206,300	212,206,300		
		<u>212,206,300</u>	<u>212,206,300</u>		
7.3	Position of shareholders:	% of holdings	Issue per share	No of shares	No of shares
	Renaissance Jewellery Ltd., India	99.995%	Taka 100	2,121,963	2,121,963
	Mr. Sumit Shah	0.005%	Taka 100	100	100
		<u>100.00%</u>		<u>2,122,063</u>	<u>2,122,063</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/C1/CPLC (PVL)-539/2013/707.

	As at 31 March	
	2018	2017
	Taka	Taka
<b>8 Share money deposit</b>		
Opening balance	162	162
Add: Addition during the period	-	-
Less: Share issued during the year	-	-
Closing Balance	<u>162</u>	<u>162</u>
<b>9 Retained earnings</b>		
Opening balance	(46,237,465)	(49,623,616)
Add: Profit/(loss) during the year	(56,822,769)	3,386,151
Closing balance	<u>(103,060,234)</u>	<u>(46,237,465)</u>
<b>10 Trade &amp; others payables</b>		
BEPZA Utilities bill	168,094	454,709
Central Security Services	-	139,665
Renaissance Jewellery Ltd., India'	-	3,982,040
Shabdi Shah Enterprises	-	50,000
AMR Corporation	-	75,240
Fazle Rabbi Md. Maruf	-	40,645
Md. Mahdi Hasan	-	50,000
Renaissance Jewellery Ltd. NY	-	6,226,732
Maya L'Imuisino Services	-	45,000
Dhaka Property Services Ltd.	44,600	-
Majibur Rahman	42,000	-
	<u>254,694</u>	<u>11,064,031</u>
<b>11 Advance received from customers</b>		
Renaissance Jewellery Ltd., USA	-	4,310,833
Elegant Gems, Hong Kong	-	17,994,876
	-	<u>22,305,709</u>
<b>12 Liabilities for expenses</b>		
Wages and allowances	8,662	3,299,834
Salary and allowances- production staff	-	242,082
Salary and allowances- officers	-	818,800
Office Staff Salary	458,586	-
Expatriate Salary	-	1,803,883
Provision for audit fees	230,000	230,000
PF payable	51,313	288,302
Guest house expenses	4,500	26,475
Provision for gratuity	2,888,760	2,661,400
	<u>3,641,821</u>	<u>8,370,776</u>
<b>13 Withholding taxes &amp; value added taxes</b>		
Salary tax payable	-	58,214
Tax deducted at sources	1,589	114,219
VAT deducted at sources	-	217,844
	<u>1,589</u>	<u>390,277</u>

	As at 31 March	
	2018	2017
	Taka	Taka
<b>14 Provision for tax</b>		
Opening balance	8,604,151	383,154
Add: Provision for the year	2,506,941	1,604,151
Less: Adjustment during the year	(1,604,151)	(383,154)
Closing balance	<u>2,506,941</u>	<u>1,604,151</u>

	Year ended 31 March	
	2018	2017
	Taka	Taka
<b>15 Revenue</b>		
Ring	28,087,356	52,602,417
Saving	37,449,808	69,477,215
Pendent	121,711,878	220,118,943
	<u>187,249,042</u>	<u>342,218,576</u>

15.1 Production as well as sales of the company were postponed from the month of October 2017 and December 2017, respectively. Consequently revenue for the year 2017-18 was comparatively less than the previous year.

<b>16 Cost of Goods Sold</b>			
Materials consumed	16.1	122,372,391	195,700,609
Production Wages & Salaries	16.2	30,985,677	43,240,771
Factory Overhead	16.3	23,381,859	35,421,686
<b>Cost of Goods Manufactured</b>		<u>176,739,927</u>	<u>274,363,066</u>
Add: Opening Cost of WIP		2,261,356	448,650
Opening Cost of FG		5,656,198	12,211,305
Less: Closing Cost of WIP			(2,261,356)
Closing Cost of FG			(5,656,198)
<b>Cost of Goods Sold</b>		<u>184,657,481</u>	<u>279,105,467</u>

<b>16.1 Materials consumed</b>			
Opening stock of Raw materials		60,496,230	120,996,193
Add: Purchase during the year		82,107,272	157,868,236
Less: Ship back		(9,012,166)	(22,667,990)
Less: Closing stock of Raw materials		(11,218,945)	(60,496,230)
		<u>122,372,391</u>	<u>195,700,609</u>

<b>16.2 Production Wages &amp; Salaries</b>			
Wages & allowances - Workers		27,152,272	37,925,399
P.F. Workers and production staff		790,589	1,488,774
Salary & allowances - Production Staff		2,834,816	2,782,498
Worker recruitment			44,100
		<u>30,985,677</u>	<u>43,240,771</u>

<b>16.3 Factory overhead</b>			
Power and water charges-Factory		1,445,919	6,571,592
Rent, rates and taxes - Factory		629,515	820,448
Shipping expenses- inwards		1,463,347	2,238,639
Staff welfare		1,701,690	2,007,476
Factory maintenance expenses		333,300	1,223,043
Security charges		1,398,052	1,641,583
Depreciation - Factory		12,710,298	19,378,408
Noise Keeping		873,555	1,061,391
Workers Uniform		19,920	51,800
Miscellaneous Expenses		306,263	447,306
		<u>23,381,859</u>	<u>35,421,686</u>



		Year ended 31 March	
		2018	2017
		Taka	Taka
<b>17</b>	<b>Administrative expenses</b>		
	Salary and Wages allowances - Local officers, workers & Production	11,485,605	11,999,886
	P.F - Officers & Workers	423,463	391,375
	Contractors salary	12,883,627	23,382,107
	Gratuity	4,044,600	75,240
	Communication expenses	913,736	1,046,664
	Insurance charges	736,430	527,548
	Shipping expenses - outward	5,219,444	4,823,939
	Traveling and conveyance	165,299	470,189
	Entertainment	177,470	295,589
	Postage and courier expenses	22,218	104,022
	Office expenses - Admin & Factory	2,315,009	646,217
	Vehicle and transportation expenses	3,494,210	4,458,346
	Depreciation - Office & Factory	5,122,057	3,319,476
	Guest house expenses	1,617,338	3,504,624
	Audit fees	230,000	230,000
	Income tax expense	1,853,507	1,477,111
	Legal and professional fees	743,750	1,541,250
	Written off consumable inventories	11,218,945	
		<u>62,666,708</u>	<u>88,293,183</u>
<b>17.1</b>	<b>Traveling and conveyance</b>		
	Conveyance charges	58,610	64,262
	Traveling foreign	106,689	405,927
		<u>165,299</u>	<u>470,189</u>
<b>17.2</b>	<b>Vehicle and transportation expenses</b>		
	Car rent	1,837,668	2,400,215
	Vehicle expenses	1,656,542	2,057,131
		<u>3,494,210</u>	<u>4,458,346</u>
<b>17.3</b>	<b>Guest house expenses</b>		
	Roof - guest house	633,000	671,000
	Guest house expenses	984,338	2,833,624
		<u>1,617,338</u>	<u>3,504,624</u>
<b>17.4</b>	<b>Office expenses - Admin &amp; Factory</b>		
	Office expenses- Admin	1,323,072	646,217
	Office expenses- Factory	991,937	
		<u>2,315,009</u>	<u>646,217</u>
<b>17.5</b>	<b>Depreciation - Office &amp; Factory</b>		
	Depreciation expenses- Admin	3,008,500	3,319,476
	Depreciation expenses- Factory	2,113,557	
		<u>5,122,057</u>	<u>3,319,476</u>
<b>18</b>	<b>Non operating expenses</b>		
	Bank charges	(344,166)	(561,397)
		<u>(344,166)</u>	<u>(561,397)</u>

19. 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 2018 are as follows:-

Sl. No.	Name of the parties	Relationship	Nature of Transactions	Opening balance	Amount of transactions		Closing balances as at 31 March 2018
					Debit (BDT)	Credit (BDT)	
1	Renaissance Jewellery Ltd, India	Holding company	Purchase of raw materials	(3,952,040)	45,095,902	41,113,862	-
2	Renaissance Jewellery Ltd, NY	Associate company	Purchase of raw materials	(6,226,732)	34,615,142	28,388,410	-
			sale of goods/ Advance receive from customer	(4,310,834)	4,958,314	647,480	-

20. Number of Employees

Total 12 employees are working in Renaissance Jewellery Bangladesh Pvt. Limited based on the salary statement for the month of March 2018. The details of categorization of employees' salary are given below:

Number of Employees: yearly salary less than Taka 36,000	2	
Number of Employees: yearly salary more than Taka 36,000	10	325
<b>Total</b>	<b>12</b>	<b>325</b>

21. Other income

Gain on disposal of machineries

Name of machinery	Date of acquisition	Written down value	Proceeds from disposal	Gain/(Loss)
NYG laser welding machine	21-Apr-15	996,372	2,490,929	1,494,557
NYG laser welding machine	4-Jul-13	-	2,492,211	2,492,211
NYG laser welding machine	29-Nov-15	7,507,567	2,512,612	1,005,045
Ormeo Finishing Machine	4-May-17	4,468,260	4,468,260	-
Euro Tecniche Enamelling System	7-Dec-17	3,087,590	3,859,488	771,898
Finishing Equipment	6-Oct-13	-	2,541,095	2,541,095
Was Injector	20-Mar-17	1,105,386	1,105,386	-
<b>Total</b>		<b>11,165,175</b>	<b>19,469,981</b>	<b>6,304,806</b>

22. Events after the statement of Financial Position date

The management of the company had a plan to shift the product line from existing fashion Jewellery to casting CNC Jewellery. The existing machineries as well as work force were to be replaced by new machineries and workforce having computer skills, respectively.

Bikash Kumar Bhomik  
Asst. Manager - Accounts & Finance

Amar Sudhakar Mayekar  
Director

Hitesh Shah  
Managing Director

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

Name of Assets	Cost				Rate	Depreciation				Written down value as on 31.03.2018
	Balance as on 01.04.2017	Additions during the year	Disposal during the year	Balance as on 31.03.2018		Balance as on 01.04.2017	Charged during the year	Disposal during the year	Balance as on 31.03.2018	
Air conditioner	7,869,022	-	-	7,869,022	10%	3,571,015	429,701	-	4,000,716	3,867,306
Vehicles	2,775,752	-	-	2,775,752	20%	1,588,948	237,361	-	1,826,309	949,443
Computer	1,874,184	-	-	1,874,184	30%	1,169,525	211,398	-	1,380,923	493,261
Electrical installations	16,383,304	-	-	16,383,304	20%	7,581,318	1,760,397	-	9,341,715	7,041,589
Furniture and fittings	22,704,913	-	-	22,704,913	10%	7,504,947	1,519,997	-	9,024,944	13,679,969
Building	68,549,598	-	-	68,549,598	20%	28,024,795	8,104,961	-	36,129,756	32,419,842
Office equipments	3,660,300	-	-	3,660,300	10%	1,693,000	196,730	-	1,889,730	1,770,570
Plant and machinery	72,274,824	5,764,874	19,469,981	58,569,717	20%	31,710,660	5,371,811	8,304,806	28,777,665	29,792,052
<b>Balance as on 31.03.2018</b>	<b>196,091,897</b>	<b>5,764,874</b>	<b>19,469,981</b>	<b>182,386,790</b>		<b>82,845,208</b>	<b>17,832,355</b>	<b>8,304,806</b>	<b>92,372,757</b>	<b>90,014,033</b>
<b>Balance as on 31.03.2017</b>	<b>191,086,431</b>	<b>5,005,466</b>	<b>-</b>	<b>196,091,897</b>		<b>60,147,324</b>	<b>22,697,884</b>	<b>-</b>	<b>82,845,208</b>	<b>113,246,689</b>
<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>60,147,323</b>	<b>130,939,107</b>

**Allocation of Depreciation for the year :**

1 April 2017 to 31 March 2018

1 April 2016 to 31 March 2017

Production	Admin	Total
14,823,855	1,008,500	17,832,355
19,378,408	1,119,476	22,697,884