

RED HERRING PROSPECTUS

Dated November 2, 2007

Please read Section 60B of the Companies Act, 1956

100% Book Building Issue**RENAISSANCE JEWELLERY LIMITED**

Our Company was incorporated as Mayur Gem and Jewellery Export Private Limited on December 4, 1989. The name of our Company was changed to Renaissance Gem and Jewellery Export Private Limited with effect from April 16, 1997. The name of our Company was changed to Renaissance Jewellery Private Limited on April 5, 2002. Pursuant to conversion into a public limited company, our name was changed to Renaissance Jewellery Limited with effect from December 20, 2005. For details regarding changes of our registered office, see the Section titled "History and Certain Corporate Matters" beginning on page 71 of this Red Herring Prospectus.

Registered Office: Plot No 36A & 37, SEEPZ- SEZ, MIDC Marol, Andheri (East), Mumbai 400096, India; Tel: 91 22 40551200 Fax: 91 22 66938457;

Website: www.renjewellery.com Email: ipo@renjewellery.com;

Company Secretary and Compliance Officer: Ms. Manju B. Batham Tel: 91 22 40551369 Fax: 91 22 66938457;

Email: ipo@renjewellery.com; Website: www.renjewellery.com

PUBLIC ISSUE OF 5,324,240 EQUITY SHARES ("EQUITY SHARES") OF Rs. 10 EACH FOR CASH AT A PRICE OF Rs. [●] PER EQUITY SHARE ALONG WITH ONE DETACHABLE WARRANT FOR EVERY TWO EQUITY SHARES ALLOTTED AGGREGATING TO Rs. [●] MILLION (THE "ISSUE") BY RENAISSANCE JEWELLERY LIMITED ("RENAISSANCE" OR "RJL" OR "THE COMPANY" OR "OUR COMPANY" OR "THE ISSUER"). THE ISSUE OF EQUITY SHARES WILL CONSTITUTE 29.00% OF THE FULLY DILUTED POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY PRIOR TO EXERCISE OF DETACHABLE WARRANTS AND THE ISSUE SHALL CONSTITUTE 37.99% OF THE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY AFTER EXERCISE OF DETACHABLE WARRANTS, ASSUMING FULL EXERCISE OF DETACHABLE WARRANTS.

PRICE BAND: RS. 125 TO RS. 150 PER EQUITY SHARE OF FACE VALUE OF RS. 10/- EACH.

THE FACE VALUE OF THE EQUITY SHARES IS RS.10/-. THE FLOOR PRICE IS 12.5 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 15 TIMES OF THE FACE VALUE.

In case of revision in the Price Band, the Bidding Period shall be extended for 3 additional working days after such revision, subject to the Bidding Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release and by indicating the change on the website of the Book Running Lead Manager ("BRLM") and the terminals of the other members of the Syndicate.

This Issue is being made through a 100% Book Building Process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers (QIBs) on a proportionate basis, out of which 5% of the QIB portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remaining QIB portion shall be available for allocation to the QIB bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

RISK IN RELATION TO THE FIRST ISSUE

This being the first Issue of the Equity Shares and Warrants of our Company, there has been no formal market for the Equity Shares and Warrants of our Company. The face value of the equity share is Rs. 10 per Equity Share and the Issue Price is [●] times of the Face Value and the Warrant Exercise Price is at a fixed premium of 25% over the Issue Price. The Issue price (as determined by our Company in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the equity shares by way of book building) and the Warrant Exercise Price should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares, pursuant to the Issue and exercise of Warrants are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares/Warrants of our Company or regarding the price at which Equity Shares/Warrants will be traded after listing.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Equity Shares and Warrants offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. **Specific attention of the investors is invited to the statements on Risk Factors beginning on page xi of this Red Herring Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares and Warrants offered through this Red Herring Prospectus are proposed to be listed on the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). We have received in-principle approval from BSE and NSE for the listing of our Equity Shares and Warrants pursuant to letters dated July 30, 2007 and July 16, 2007, respectively. NSE shall be the Designated Stock Exchange.

IPO GRADING

This Issue has been graded by ICRA Limited and has been assigned the "ICRA IPO Grade 2" indicating below average fundamentals, through its letter dated October 24, 2007 which is valid for a period of two months. For details, see the section titled "General Information" on page 10 of this Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER

Edelweiss
Ideas create, values protect

Edelweiss Capital Limited

14th floor, Express Towers, Nariman Point, Mumbai - 400 021.

Tel: 91 22 4086 3535, **Fax:** 91 22 22882119

Website: www.edelcap.com

E-mail: renjewel.ipo@edelcap.com

Contact Person: Mr. Prem D'Cunha

REGISTRAR TO THE ISSUE

**INTIME SPECTRUM
REGISTRY LIMITED**

Intime Spectrum Registry Limited

C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai 400 078, India.

Tel: 91 22 25960320, **Fax:** 91 22 25960329

Website: www.intimespectrum.com

Email: rjipo@intimespectrum.com

Contact Person: Mr. Sachin Achar

ISSUE PROGRAMME

BID OPENS ON: NOVEMBER 19, 2007

BID CLOSES ON: NOVEMBER 21, 2007

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RENAISSANCE JEWELLERY LIMITED

DEFINITIONS AND ABBREVIATIONS

| Term | Description |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Issuer” or “Our Company” or “the Company” or “Renaissance Jewellery Limited” or “Renaissance” or “RJL” “we” or “our” or “us” | Unless the context otherwise requires, refers to Renaissance Jewellery Limited, a public limited company incorporated under the Companies Act. |
| Group Companies/Ventures of Promoters. | Fancy Jewellery Private Limited, Anika Jewellery Private Limited, House Full International Limited and M/s Sumit Diamond (partnership firm). |
| Promoters | Unless the context otherwise requires, refers to Mr. Niranjan A. Shah, Mr. Sumit N. Shah, Mr. Hitesh M. Shah, Mr. Bhupen C. Shah and Mr. Amit C. Shah |
| Promoter Group Company | N. Kumar Diamond Exports Limited. |
| Subsidiaries | Verigold Fine Jewellery Private Limited, Renaissance Retail Venture Private Limited and Renaissance Jewelry New York, Inc. |

CONVENTIONAL / GENERAL TERMS

| Term | Description |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Articles/Articles of Association/AoA | Articles of Association of our Company |
| Auditors | The statutory auditors of our Company being, M/s. J. K. Shah & Co., Chartered Accountants |
| Companies Act | The Companies Act, 1956, as amended from time to time |
| Depositories Act | The Depositories Act, 1996 as amended from time to time |
| Depository | A body corporate registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time |
| DP/Depository Participant | A depository participant as defined under the Depositories Act, 1996 as amended from time to time. |
| Equity Shares | Fully paid up equity shares of our Company of face value of Rs. 10 each |
| Insurance Act | Insurance Act, 1938, as amended from time to time. |
| Government/GOI | Government of India |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| IT Act/Income Tax Act | The Income Tax Act, 1961, as amended from time to time |
| Memorandum/Memorandum of Association/MOA | The Memorandum of Association of Renaissance Jewellery Limited |
| NRI/ Non-Resident Indian | A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 |
| Non Resident | A person who is not an NRI, an FII and is not a person resident in India |
| RoC | Registrar of Companies, Maharashtra, located at Mumbai |
| Registered Office of our Company | Plot No 36A & 37, SEEPZ- SEZ, MIDC MAROL, Andheri (E), Mumbai – 400096 |

ISSUE RELATED TERMS

| Term | Description |
|-----------|---------------------------------------------------------------------------------------------------------------|
| Allotment | Unless the context otherwise requires, Issue of Equity Shares pursuant to the Issue to the successful bidders |
| Allottee | The successful Bidder to whom the Equity Shares are / have been allotted |

RENAISSANCE JEWELLERY LIMITED

| Term | Description |
|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Applicable Conversion Price/ Warrant Conversion Price | The Applicable Conversion Price / Warrant Conversion Price shall be calculated in the following manner: Warrant Exercise Price shall be the price which is at a fixed premium of 25% over the Issue Price. Provided further, that in the event of any share split or issue of bonus shares by our Company, the Issue Price stated above shall be adjusted accordingly, for the purposes of arriving the Warrant Conversion Price |
| Applicable Allotment Date of Warrants | It will be a period of 10 working days from the date of expiry of the applicable Warrant Exercise Period. |
| Banker(s) to the Issue/ Escrow collection banks | HDFC Bank Limited, ICICI Bank Limited, Standard Chartered Bank, and Hongkong & Shanghai Banking Corporation Bank. |
| Bid | An indication to make an offer during the Bidding Period by a prospective investor to subscribe to the Equity Shares and Warrants of our Company at a price within the Price Band, including all revisions and modifications thereto |
| Bid Amount/Bid Price | The amount equal to highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid for this Issue |
| Bid/ Issue Opening Date | The date on which the members of the Syndicate shall start accepting Bids for this Issue, which shall be notified in widely circulated English national newspaper, a Hindi national newspaper and a Marathi newspaper with wide circulation where the registered office of our Company is situated |
| Bid/ Issue Closing Date | The date after which the members of the Syndicate will not accept any Bids for this Issue, which shall be notified in widely circulated English national newspaper, a Hindi national newspaper and a Marathi newspaper with wide circulation in the same place where the registered office of our Company is situated |
| Bid-cum- Application Form | The form in terms of which the Bidder shall make an offer to subscribe the Equity Shares of our Company and which will be considered as the application for Allotment of the Equity Shares in terms of this Red Herring Prospectus |
| Bidder | Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and Bid-cum Application form |
| Bidding/ Issue Period | The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days, and during which prospective Bidders can submit their Bids |
| Book Building Process | The book building process as provided in Chapter XI of the SEBI Guidelines, in terms of which the Issue is being made |
| Board | Board of Directors of Renaissance Jewellery Limited |
| BRLM/Book Running Lead Manager | Book Running Lead Manager to this Issue, in this case being Edelweiss Capital Limited |
| Credit Rating Agency | Means a body corporate registered under Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999; in this case being ICRA Limited. |
| CAN/ Confirmation of Allocation Note | The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares and Warrants in the Book Building Process |
| Cap Price | The highest end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted |
| Cut-off/Cut-off price | Refers to any price within the Price Band finalized by us in consultation with the BRLM. A Bid submitted at cut-off is a valid Bid at all price levels within the price band finalized in consultation with the BRLM |
| Designated Stock Exchange | NSE. |
| Designated Date | The date on which the funds are transferred from the Escrow Account of our Company to the Public Issue Account after the Prospectus is filed with the RoC, following which allotment shall be made to successful Bidders. |
| Director(s) | Directors of our Company, unless otherwise specified |

RENAISSANCE JEWELLERY LIMITED

| Term | Description |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Draft Red Herring Prospectus / Offer Document | The draft red herring prospectus issued in accordance with section 60B of the Companies Act which does not have complete particulars of the price at which the Equity Shares are offered and size of the Issue. It will become a Red Herring Prospectus after filing with the Registrar of Companies, Maharashtra, at Mumbai at least three days before the opening of this Issue. It will become a Prospectus after filing with the Registrar of Companies, Maharashtra, at Mumbai after the Pricing Date. |
| ECS | Electronic Clearing Service |
| Eligible NRI(s) | NRI(s) from such jurisdiction outside India where it is not unlawful to make a Bid in the Issue. |
| EPCG Scheme | Export Promotion Capital Goods Scheme |
| Equity Shares | Equity Shares of our Company of face value of Rs. 10 each, unless otherwise specified |
| Escrow Account | Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Bidders will issue cheques or drafts in respect of the Bid Amount when submitting a Bid. |
| Escrow Agreement | Agreement dated October 30, 2007 to be entered into among our Company, the Registrar, the Escrow Collection Bank(s), the BRLM and the Syndicate Members for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders. |
| Escrow Collection Bank(s) | The banks, which are registered with SEBI as Banker(s) to the Issue at which the Escrow Account(s) for the Issue will be opened, in this case being HDFC Bank Ltd., ICICI Bank Ltd. & Hongkong & Shanghai Banking Corporation Ltd. |
| Financial Year/fiscal/FY | Period of twelve months ended March 31 of that particular year, unless otherwise stated |
| First Bidder | The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form |
| Floor Price | The lowest end of the Price Band, below which the Issue Price will not be finalized and below which no Bids will be accepted |
| FVCI | Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI under applicable laws in India. |
| ICRA | ICRA Limited, with its registered office located at 1105, Kailash Building Eleventh Floor, 26, Kasturba Gandhi Marg, New Delhi 110 001, being the IPO grading agency appointed pursuant to clause 2.5A of the SEBI Guidelines. |
| IT Act | The Income tax Act, 1961, as amended from time to time. |
| Issue/Public Issue/IPO/Offer/ | Public Issue of 5,324,240 Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] million by our Company along with one detachable warrant for every two Equity Shares of our Company |
| Issue Price | The final price at which Equity Shares will be issued and allotted in terms of this Red Herring Prospectus, as determined by our Company in consultation with the BRLM, on the Pricing Date |
| Margin Amount | The amount paid by the Bidder at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount depending on the category of the Bidder or such additional margin, not exceeding 100% of the Bid Amount, which may be called for by our Company, in consultation with the BRLM. |
| Minimum Bid/allotment lot | 45 Equity Shares and in multiples of 45 Equity Shares thereof |
| Mutual Funds | Mutual Funds registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. |
| Mutual Funds Portion | The portion of the Issue, being 5% of the QIB portion or 133,106 Equity Shares and 66,553 Warrants (assuming QIB portion is 50% of the Issue to the Public) available for allocation on a proportionate basis to Mutual Funds only subject to valid bids received at or above the Issue Price. |
| Non Institutional Bidders | All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 1,00,000/- |

RENAISSANCE JEWELLERY LIMITED

| Term | Description |
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| Non Institutional Portion | The portion of the Issue being not less than 15% of this Issue i.e. 798,636 Equity Shares and 399,318 Warrants for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] lacs available for allocation to Non Institutional Bidders |
| OCB/ Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. |
| Pay-in Date | The Bid Closing Date or the last date specified in the CAN sent to Bidders as applicable |
| Pay-in-Period | This term means, with respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the Bid/Issue Closing Date, and with respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date |
| Person/Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, trust or any other entity or organisation, validly constituted and/ or incorporated in the jurisdiction in which it exists or operates, as the context requires. |
| Price Band | Being the price band of a minimum price (Floor Price) of Rs. 125 and the maximum price (Cap Price) of Rs. 150 and includes revisions thereof |
| Pricing Date | The date on which our Company in consultation with the BRLM finalizes the Issue Price |
| Profit Margin | Net profit as a percentage of Income |
| Prospectus | The Prospectus to be filed with the RoC containing, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building Process, the number of Equity Shares being issued through this Issue and certain other information |
| Public Issue Account | In accordance with section 73 of the Companies Act, 1956, an account opened with the Banker(s) to this Issue to receive monies from the Escrow account for this Issue on the Designated Date |
| Qualified Institutional Buyers or QIBs | Public financial institutions as specified in Section 4A of the Companies Act, FIs registered with SEBI, Scheduled Commercial banks, Mutual Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions, Indian Venture Capital Funds registered with SEBI, Foreign Venture Capital Investors registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with Insurance Regulatory and Development Authority (IRDA), Provident Funds with minimum corpus of Rs. 250 millions and Pension Funds with minimum corpus of Rs. 250 millions |
| QIB Margin Amount | An amount representing at least 10% of the Bid Amount |
| QIB Portion | The portion of this Issue being not more than 50% of the Issue, i.e., 2,662,120 Equity Shares and 1,331,060 Warrants for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] million which shall be available for allocation on proportionate basis to QIBs of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. |
| Red Herring Prospectus | This Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price, at which the Equity Shares and Warrants are offered and the size of the Issue. The RHP will be filed with the RoC at least three days before the opening of this Issue. It will become a Prospectus after filing with the RoC after the pricing and allocation |
| Refund Account | Account opened with an Escrow Collection Bank, from which refunds of the whole or part of the Bid Amount, if any, shall be made |
| Registered Office of our Company | Plot No 36A & 37, SEEPZ-SEZ, MIDC Marol, Andheri (East), Mumbai 400096, India. |
| Registrar/Registrar to the Issue | Intime Spectrum Registry Limited. |

RENAISSANCE JEWELLERY LIMITED

| Term | Description |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Retail Individual Bidders | Individual Bidders (including HUFs) who have not Bid for an amount in excess of Rs. 1,00,000/- in any of the bidding options in this Issue |
| Retail Portion | The portion of this Issue being not less than 35% of this Issue i.e. 1,863,484 Equity Shares and 931,742 Warrants at a price of Rs. [●] per Equity Share aggregating Rs. [●] million which shall be available for allocation to Retail Individual Bidder(s) |
| Revision Form | The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid-cum-Application Forms or any previous Revision Form(s) |
| RTGS | Real Time Gross Settlement |
| SEBI Act | The Securities and Exchange Board of India Act, 1992, as amended from time to time. |
| SEBI Guidelines | The SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time |
| SEBI MAPIN | SEBI (Central Database of Market Participants) Regulations, 2003, as amended from time to time |
| SEBI Takeover Regulations | SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended from time to time |
| SEBI Insider Trading Regulations | The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time. |
| Stock Exchanges | BSE and NSE |
| Syndicate/Members of the Syndicate | BRLM and the Syndicate Member collectively |
| Syndicate Agreement | The agreement to be entered into among our Company and the members of the Syndicate, in relation to the collection of Bids in this Issue |
| Syndicate Member | Edelweiss Securities Limited |
| TRS or Transaction Registration Slip | The slip or document issued by the Syndicate Member(s) to the Bidder as a proof of registration of the Bid on the online system of BSE/NSE |
| Underwriters | Members of the Syndicate who are signatories to the Underwriting Agreement |
| Underwriting Agreement | The Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date |
| Warrant(s) | The detachable warrant(s) being issued to every Person to whom Equity Share(s) shall be allotted pursuant to the Issue in the ratio of one detachable Warrant for every two Equity Shares, in accordance with the terms and conditions laid out in section titled "Terms of Issue" beginning on page 169 of this Red Herring Prospectus. |
| Warrant Exercise Period | Warrant Exercise Period shall be the period commencing from the completion of the 16 th month and be open up to the completion of the 18 th month from the date of Allotment of the Equity Shares and Warrants in the Issue |
| Warrant Allotment Date | Ten (10) working days from the date of expiry of the Warrant Exercise Period |

COMPANY/ INDUSTRY-RELATED TERMS

| Term | Description |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Additional Director | Director appointed pursuant to section 260 of the Companies Act, 1956. |
| Carat | The unit for determining weight of gemstones, 1 carat being equal to 0.2 grams |
| ELCB | Earth Leakage Circuit Breaker |
| EOU Unit | A 100% Export Oriented Unit set up under the provision of EOU scheme for manufacturing Studded Gold/Platinum/Silver Jewellery. The EOU Unit is located at Plot No 2302, Hill Drive, Talaja Road, Bhavnagar, Gujarat. |
| Installed Capacity | The maximum amount of production of gold/platinum/silver in Kilogram in a year for manufacturing of Studded Jewellery as estimated by us |

RENAISSANCE JEWELLERY LIMITED

| Term | Description |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Karatage | Unit to determine the purity of gold |
| Licensed Capacity | The maximum amount of production of gold/platinum/silver in Kilogram for the specified period for manufacturing of Studded Jewellery as sanctioned by the respective regulatory authority, being the Development Commissioner of SEEPZ-SEZ and Kandla |
| MCB | Miniature Circuit Breaker |
| Project | The purposes of present Issue of Equity Shares by our Company. The details of purposes of the objects of the Issue is provided in the section titled “Objects of the Issue” beginning on page 26 of this Red Herring Prospectus. |
| Studded Jewellery | Jewellery made of gold/platinum/silver which are studded by diamonds and/or precious stones or semi-precious stones |
| Unit I | A unit set up under the provision of SEZ Act for manufacturing studded gold/platinum/silver jewellery. The Unit I is located at Plot No 36A & 37, MIDC, SEEPZ-SEZ, Andheri (East), Mumbai - 400096, Maharashtra. |
| Unit II | A unit set up under the provision of SEZ Act for manufacturing studded gold/platinum/silver jewellery. The Unit II is located at G-42, Gem and Jewellery Complex III, MIDC, SEEPZ-SEZ, Andheri (East), Mumbai 400096, Maharashtra. |

ABBREVIATIONS

| Term | Description |
|----------------------|-----------------------------------------------------------------------------------------------------------------------|
| Act or Companies Act | Companies Act, 1956 and amendments thereto |
| AGM | Annual General Meeting of our Company |
| A.Y./ AY | Assessment Year |
| AS | Accounting Standards issued by the Institute of Chartered Accountants of India. |
| BSE | Bombay Stock Exchange Limited |
| CAGR | Compounded Annual Growth Rate |
| CAD | Computer -aided Design |
| CAM | Computer -aided Manufacturing |
| CLB | Company Law Board |
| CDSL | Central Depository Services (India) Limited |
| DCA | Department of Company Affairs |
| DG | Diesel Generator |
| DP | Depository Participant |
| DTA | Domestic Tariff Area |
| EBITDA | Earning Before Interest Taxation Depreciation and Amortization |
| EEFC | Exchange Earners Foreign Currency |
| EGM | Extra-ordinary General Meeting of our Company |
| EXIM Policy | Export Import Policy, 2002-2007 |
| EPS | Earnings Per Share |
| EPZ | Export Processing Zone |
| EOU | Export Oriented Unit |
| ESOP | Employee Stock Option Plan |
| ESOS | Employee Stock Option Scheme |
| EU | European Union |
| FCNR | Foreign Currency Non-Resident |
| FEMA | Foreign Exchange Management Act, 1999, as amended from time to time and the rules and regulations framed there under. |

RENAISSANCE JEWELLERY LIMITED

| Term | Description |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| FII | Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI |
| FIPB | Foreign Investment Promotion Board, Ministry of Finance, Government of India |
| FI | Financial Institution |
| FOB | Free on Board |
| F.Y. / FY / Fiscal /Financial Year | Period of twelve months ending on March 31 of the respective year |
| GJ | Gems and Jewellery |
| GJEPC | Gem & Jewellery Export Promotion Council |
| GOI | Government of India |
| HUF | Hindu Undivided Family |
| INR | Indian Rupee |
| IPO | Initial Public Offer |
| Kg | Kilogram |
| LIBOR | London Interbank Offered Rate |
| MF | Mutual Fund |
| MIDC | Maharashtra Industrial Development Corporation |
| NAV | Net Asset value |
| NEFT | National Electronic Funds Transfer |
| NSE | National Stock Exchange of India Limited |
| NSDL | National Securities Depository Limited |
| P/E ratio | Price/Earnings Ratio |
| PAN | Permanent Account Number |
| P.A. | Per Annum |
| PAT | Profit After Tax |
| PBT | Profit Before Tax |
| PBDIT | Profit Before Depreciation, Interest and Tax |
| PBIT | Profit Before Interest and Tax |
| Qty | Quantity |
| RBI | Reserve Bank of India |
| RONW | Return on Net Worth |
| SEBI | The Securities and Exchange Board of India |
| SEEPZ | Santacruz Electronics Export Processing Zone |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985. |
| SEZ | Special Economic Zone |
| SFT or Sq. Ft. or sq ft | Square Feet |
| UAE | United Arab Emirates |
| UIN | Unique Identification Number |
| USA/US | United States of America |
| USD/US\$/ | United States Dollar |
| WDV | Written Down Value |

Notwithstanding the foregoing, in the section titled “Main Provisions of the Articles of Association of our Company”, “Statement of Tax Benefits”, “Financial Information” and “Disclaimer Clause of BSE & NSE” beginning on page 198, 43, 94 and 162 respectively of this Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association of our Company, and otherwise in these respective sections.

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PRESENTATION OF FINANCIAL AND MARKET DATA

Financial Data

Unless indicated otherwise, the financial data in this Red Herring Prospectus is derived from our restated financial statements prepared in accordance with Indian GAAP and included in this Red Herring Prospectus. Our fiscal year commences on April 1 and ends on March 31, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Throughout this Red Herring Prospectus, all figures have been expressed in millions, unless otherwise stated. Unless the context otherwise requires, all references to one gender also refers to another gender and the word "lac" or "lakhs" or "lakh" means "100 thousand", the word "million" (mn) means "10 lacs", the word "crore" means "10 million" and the word "billion (bn)" means "100 crores" or "1000 millions". In this Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding off. Additionally, in the section titled "Industry", some figures have been expressed in Rs. billion.

Currency of Presentation

All references to "India" contained in this Red Herring Prospectus are to the Republic of India. All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US\$", "U.S. Dollar" or "US Dollars" are to United States Dollars, the official currency of the United States of America.

Market Data

Unless stated otherwise, industry data used throughout this Red Herring Prospectus has been obtained from industry publications including the following

- GJEPC-KPMG Report titled "The Global Gems and Jewellery Industry" (GJEPC-KPMG), 2006
- ICRA "The Indian Gems & Jewellery Sector, July, 2006
- Signet web-site, www.signetgroupplc.com
- Web-site of "The Gem & Jewellery Promotion Council"; www.gjepc.org

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry data used in this Red Herring Prospectus is reliable, it has not been verified by any independent source.

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EXCHANGE RATES

The following table sets forth, for each period indicated, information concerning the number of Rupees for which one US dollar could be exchanged. The row titled 'average' in the table below is the average of the daily rate for each day in the period.

| Fiscal year ended March 31 | Period end (in Rupees) | Period Average (In Rupees) |
|-----------------------------------|-------------------------------|-----------------------------------|
| 2003 | 48.33 | 48.43 |
| 2004 | 45.45 | 45.42 |
| 2005 | 43.61 | 44.63 |
| 2006 | 46.08 | 44.76 |
| 2007 | 43.59 | 45.29 |
| As at June 30, 2007 | 40.75 | 41.20 |

Source: www.rbi.org.in

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FORWARD-LOOKING STATEMENTS

We have included statements in this Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which our Company has its businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry.

For further discussion of factors that could cause our actual results to differ, see the sections titled “Risk Factors”, “Our Business” and “Management’s Discussion And Analysis Of Financial Condition And Results Of Operations” beginning beginning on pages xi, 55 and 135 respectively of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company or its Directors and officers or any Underwriter, nor any of their respective affiliates, nor the BRLM has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges for the Equity Shares allotted pursuant to this Issue.

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Company's Equity Shares and Warrants. To obtain a complete understanding of our Company, you should read this section in conjunction with the sections titled "Our Business" and "Management's Discussion And Analysis Of Financial Condition And Results Of Operations" beginning on pages 55 and 135 of this Red Herring Prospectus as well as other financial information contained in this Red Herring Prospectus. If any of the following risks or any of the other risks and uncertainties discussed in this Red Herring Prospectus actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares and Warrants could decline, and you may lose all or part of your investment.

These risks are not the only ones that we face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

Risks Related to our Company

1. *There are proceedings pending before the Foreign Exchange Appellate Tribunal against our Promoter-Directors and the shareholders of our Promoter Group Company, N. Kumar Diamond Exports Limited.*

Our Promoter Group Company, N. Kumar Diamond Exports Limited, and its Directors, Mr. Niranjana A. Shah, Mr. A.M Shah, Mr. Amit C. Shah, Mr. Bhupen C. Shah, Mr. Sumit N. Shah, and its shareholders, Ms. Pallavi Shah, Ms. Ashita Shah, Ms. Suchita Shah were served with Show Cause Notice No. T-4/150-B/ AD(SMS)/2000 dated June 12, 2000 for alleged contravention of provisions of Section 8(1) read with section 68(1) of FERA, in respect of seizure by the Enforcement Directorate of 55.59 carats of diamonds allegedly under-valued by US\$ 4,170 (Rs.1,82,780) and which amount was allegedly remitted through non-banking channels. Subsequently the Assistant Adjudicating Authority vide its orders all dated May 25, 2001 has directed confiscation of the 55.59 carats of rough diamonds seized by the authorities during search operations and has also imposed penalty on N. Kumar Diamond Exports Ltd, its Directors and the shareholders. Appeal has been filed before Foreign Exchange Regulation Appellate Board, Ministry of Law, New Delhi against the orders dated May 25, 2001. The operation of the aforesaid orders dated May 25, 2001 has been stayed and the penalties imposed have not been paid.

For further details please refer to the section titled "Outstanding Litigation & Material Developments" beginning on page 151 of this Red Herring Prospectus.

2. *We are involved in a number of legal proceedings, if decided against us, could impact our income and financial condition.*

Our Company is involved in various legal proceedings, which are pending at various stages of adjudication before the City Courts, High Courts and various Tribunals. Any rulings by appellate courts or tribunals against us would have a material impact on our cash flows which may affect our operations.

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Classification of these legal and other proceedings instituted by and against our Company are given in the following table:

Cases filed against our Company

| Sr No. | Nature of Case | Total Number of pending cases/ show cause notices/ summons | Financial Implication (to the extent quantifiable (Rs. in million) |
|--------|---------------------|------------------------------------------------------------|--------------------------------------------------------------------|
| 1. | Income Tax Cases | 2 | 6.11 |
| 2. | Customs Cases | 2 | 50.79 |
| 3. | Foreign Trade Cases | 2 | Not quantifiable |
| 4. | Stamp Duty Cases | 1 | 5.49 |

Cases filed by our Company

| Sr No. | Nature of Case | Total Number of pending cases/ show cause notices/ summons | Amount Involved (Rs in million) |
|--------|--------------------------------|------------------------------------------------------------|---------------------------------|
| 1 | Municipal Corporation Disputes | 2 | 0.86 |
| 2 | Income Tax Cases | 2 | 3.15 |
| 3 | Customs Cases | 3 | 3.60 |

The amount involved is the amount expressly claimed, being the liability and financial impact which may be incurred if it/they are unsuccessful in legal proceedings. However, it does not include those penalties, interests and costs, if any, which may be imposed which may have been pleaded but not quantified in the course of legal proceedings, or which the Court/Tribunal otherwise has the discretion to impose. The imposition and amount of such penalties/interest/costs are at the discretion of the Court/Tribunal where the case is pending. Such liability, if any, would crystallize only on the order of the Court / Tribunal where the case is pending.

For further details on the above litigation, please refer to the section titled “Outstanding Litigation and Other Material Developments” beginning on page 151 of this Red Herring Prospectus.

3. *Our Promoter Group Company ie. N.Kumar Diamond Exports Limited is involved in the following legal proceedings*

N. Kumar Diamond Exports Limited

| Sr No. | Nature of Case | Total Number of pending cases/ show cause notices/ summons | Amount Involved (Rs in million) |
|--------|----------------------------------|------------------------------------------------------------|---------------------------------|
| 1. | Foreign Exchange Regulation Case | 1 | 0.18 |
| 2. | Income Tax Cases | 1 | 1.02 |

4. *We had received in principle approvals from BSE and NSE and also received the observation letter from SEBI in 2006 for launch of our IPO, which our Company decided not to go through with.*

We had filed a Draft Red Herring Prospectus with SEBI and Stock Exchanges on April 28, 2006 for a Public Issue of 3,510,000 Equity Shares of Rs. 10 each. NSE and BSE had, vide letters dated June 22, 2006 and June 5, 2006, respectively, given in-principle approval for listing. SEBI had also issued its observation vide its Letter No. CFD/DIL/NB/JAK/72591/2006 dated July 27, 2006. However, on account of unfavourable market conditions, we did not proceed with the Issue.

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- 5. We have to renew, maintain and obtain statutory and regulatory permits and licenses as required to operate our business and any delay or inability to obtain the same may have an adverse impact on our business.**

Being in the manufacturing business, we require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue such permits, licenses or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and we cannot assure that we shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits/licenses/approvals. Failure by us to renew, maintain or obtain the required permits, licenses or approvals, or cancellation, suspension or revocation of any of our permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on our business.

- 6. We are yet to receive consents/renewals of certain statutory approvals required in the ordinary course of our business, and if we are unable to obtain these approvals, our business could be adversely affected.**

| Sr No. | Approval/Consent | Authority | Status |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------------------------------|
| 1. | Consolidated Consent under Section 25 and 26 of the Water (Prevention and Control of Pollution) Act, 1974, consent to establish/ Operate under Section 21 of Air (Prevention And Control of Pollution) Act 1981, and authorization under Rule 5 of Hazardous Waste (Management and Handling Rules 1989 for our Unit situated at G-42, G& J. | Maharashtra Pollution Control Board for grant | Renewal Application dated December 4, 2006. |

- 7. The following are the details of the tax related penalties levied against our Company**

| S. No. | Amount of penalty imposed (Rs.) | Brief particulars regarding penalty and reasons therefore | Remarks (paid/payable) |
|--------|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| 1. | 50,000/- | Penalty levied on the erstwhile Sur Style Jewellery Private Limited (now amalgamated with our Company) for non-fulfillment of export obligation and value addition for the period 1994-95 to 1996-97 | Paid |
| 2 | 11,000/- | Penalty levied on the erstwhile Sur Style Jewellery Private Limited (now amalgamated with our Company). The penalty has been paid under protest. Our Company's appeal against the order of the Additional Commissioner of Customs imposing the penalty is pending before the Commissioner of Customs (Appeals) | Paid |

- 8. There is potential conflict of interest between our Company and certain other promoter group entities**

Our Promoter Directors and certain Promoter Group entities are engaged in business activities similar to those undertaken by our Company i.e. in the diamond and jewellery business. While M/s Sumit Diamonds and N. Kumar Diamond Exports Limited are engaged in the business of manufacturing, export and import of cut and polished diamonds, Anika Jewellery Private Limited and Fancy Jewellery Private Limited are in the business of manufacturing and export of studded jewellery. Our Company has entered into non-compete agreements with these promoter group entities to address these conflict of interest situations. For further details of the agreements, please refer to section titled "Other Group Companies/Ventures of Promoters" beginning on page 131 of this Red Herring Prospectus.

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9. *Interest of our Promoters.*

Except as stated in the “Related Party Disclosures” beginning on page 111 of this Red Herring Prospectus, all the Promoters may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or committees thereof as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per provisions of the Articles of our Company. The Promoters, who are Executive Directors, are interested to the extent of remuneration paid to them for services rendered to our Company. Further, the Promoters are interested to the extent of Equity Shares they are holding and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

However, one of the ventures promoted by our Promoter ie Fancy Jewellery Private Limited is interested to the amount of lease rent payable to them for our branch office situated at Opera House to the extent of Rs. 9,000 per month.

10. *We have made applications for registration of trademarks, which are yet to be registered.*

We have made an application for registration of our trademark, which is pending registration. If such application for registration is not accepted or if any opposition is filed against our trademark applications we may lose the statutory protection available to us under the Trade Marks Act, 1999 for use of the trademark.

For further details, please refer to section titled “Our Business” beginning on page 55 of this Red Herring Prospectus.

11. *Our loan agreements contain several restrictive covenants.*

There are restrictive covenants in the agreement we have entered into with certain banks for our borrowings. These restrictive covenants require us to seek prior permission of from our lenders for various activities, including, amongst others, alteration of our capital structure or our Memorandum or Articles of association, undertaking new projects, undertaking any merger/amalgamation/restructuring, change in the shareholding pattern of our Directors, principal shareholders and promoters, entering into lending arrangements with other banks/financial institutions, etc. Though, we have received approval from our lenders being for this Issue, these restrictive covenants may also affect some of the rights of our shareholders, including the payment of dividends. For details of these restrictive covenants, see the section titled “Financial Indebtedness” beginning on page 67 of this Red Herring Prospectus.

12. *Any fluctuations in the cost of raw materials for our manufacturing processes may affect our profitability.*

Diamonds and gold typically constitute over 90% of our raw material cost. Diamonds form a significant part of our raw material cost, and any adverse price fluctuations for diamonds would substantially increase our cost of materials and adversely affect our profit margins. Gold prices have historically been subject to significant fluctuations, and have shown an upward trend in the past. We typically hedge our gold requirements by way of outright purchase and by forward contracts, but we cannot assure that these measures would enable us to procure gold at pre-budgeted prices. We typically procure our raw materials on basis of confirmed orders, and consequently adverse fluctuations in raw material prices could have a material adverse effect on our profit margins. Fluctuations in the price of all or any of the aforesaid metals may affect our sales and profitability of our Company.

13. *We derive a significant portion of our revenues from few customers. The loss of any one or more of these customers, a decrease in the volume of work from these customers or a decrease in the price at which we offer our services to them may adversely impact our revenue and profitability.*

In FY06 and FY07, our top customer accounted for 40.93% and 42.35% of our revenues, respectively, on a consolidated basis. During the same periods, our top five customers accounted for 99.03% and 95.98% of our revenues, respectively on a consolidated basis. For the three months period ended June 30, 2007, revenues of our top two customers and top five customers accounted for 82.62% and 99.68%% of our revenues, respectively, on a consolidated basis.

We do not have long term arrangements or binding contracts with any of our customers including with our customers, and all our contracts are on a case to case basis. We cannot assure that we would be able to

procure contracts or orders from any of our current major customers, or that we would be able to procure contracts or orders at prices or terms favorable to us. There are a number of factors, other than our performance, which may not be predictable that could cause the loss of a customer. Inability to obtain contracts or orders from any of our current major customers, and any requirement to lower the prices we charge these customers or alter the terms of contract to our detriment could have a material adverse effect on our business, revenues and profitability. Further the loss or financial difficulties of these customers could also have a material adverse effect on our operations and profitability.

14. *We derive a major portion of our revenues from the USA, adverse events affecting the USA could have a significant adverse impact on our results from operations.*

The Company has historically derived a significant portion of its revenues from the USA. In FY06, FY07 and the three months period ended June 30, 2007, we have derived 99.88% ,96.33% and 96.73% of our revenues, respectively, on a consolidated basis from the USA. Consequently, any adverse changes in the USA such as slowdown in the U.S. economy, appreciation of the Indian Rupee vis-à-vis the US Dollar, acts of terrorism or hostility targeting the U.S., etc. would directly impact our revenues and results from operations.

Although we have expanded into newer markets such as the Middle East and Far East, our revenues and results from operations still continue to be significantly dependent on the USA. In the event that we are unable to operate effectively in the U.S. market, our results from operations, revenues and profitability may be adversely affected.

15. *Withdrawal of benefit under Generalised System of Preferences with effect from July 1, 2007 may adversely affect our results of operations.*

The U.S. Generalised System of Preferences (GSP), a program designed to promote economic growth in the developing world, provides preferential duty-free treatment for specified products from designated beneficiary countries and territories, i.e. specified products imported from these countries are not subject to import duties. The policy in respect of GSP provides that the preference would be lost if certain volumes/ amount of export of a particular commodity from a particular country exceeds pre-specified amounts, and this is referred to as Competitive Need Limitation ("CNL"). Exports of jewellery from India to the USA till recently were eligible for duty free treatment pursuant to a CNL waiver. The list of articles and countries eligible for duty free treatment is reviewed annually, and the modifications come into force with effect from July 1 of the calendar year.

The CNL waiver granted in respect of exports of gold jewellery from India has expired with effect from the end of June 2007 on account of termination by the US of GSP Eligibility which has so far been enjoyed by India in respect of gold jewellery. In absence of such a waiver the cost of our exports of gold jewellery to the US would increase to the extent of U.S customs duty leviable on such exports. This may decrease our competitiveness vis-à-vis other players particularly those from China, who were not eligible under the US GSP and may have a material adverse impact on our operations and profitability.

For further details on the GSP Policy please refer section titled "Key Industry Regulations and Policies" beginning on page 68 of this Red Herring Prospectus.

16. *Our Company has entered into product categories such as bridal jewellery and gemstone jewellery, which are relatively new categories for us.*

Our Company has added bridal jewellery and gemstone jewellery to its product portfolio since fiscal 2006. While we have established our presence in respect of diamond and studded jewellery products, bridal jewellery and gem stone jewellery are relatively new product categories for us. These new product categories involve a higher skill sets which usually lead to higher realizations and higher operating margins. However as we do not have adequate experience in these product categories there can be no assurance that the entry by our Company into these categories will be profitable. This in turn may have an adverse effect on our business, results of operations and financial conditions.

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17. We may not be able to avail of certain tax benefits, which are presently available or to recognize the tax benefits claimed in the past.

We have three manufacturing units, of which two are located in SEEPZ-SEZ and one in Bhavnagar which is a 100% EOU. We are eligible for certain income tax benefits under as under:

| Sr. No. | Unit | Section of the Income Tax Act, 1961 under which exemption availed | Period upto which exemption is valid |
|---------|----------|-------------------------------------------------------------------|--------------------------------------|
| 1. | Unit I | 10A | Until FY 2008-09 |
| 2. | EOU Unit | 10B | Until FY 2008-09 |

Further, these income tax benefits are subject to our continuous compliance with certain terms and conditions. We cannot assure that we would continue complying with these terms and conditions. In the event that we are not able to continue complying with these terms and conditions, we would lose the income tax benefits being currently enjoyed by us. Further, it is open to Income Tax authorities to re-open our past assessments and impose tax in respect of prior periods. For details of tax benefits available to our Company please refer to section titled "Statement of Tax Benefits" beginning on page 43 of this Red Herring Prospectus.

18. We are subjected to Minimum Alternative Tax from F.Y. 2008 in terms of Finance Act, 2007

The Finance Act, 2007 provides for levy of Minimum Alternative Tax (MAT) from F.Y. 2008 on companies operating as SEZ units and EOU units. The scope of provisions relating to Minimum Alternate Tax (MAT) under section 115JB of the IT Act now includes income which was exempt from tax under sections 10A and 10B of the Act. Such income would now be considered in the computation of book profits for the levy of MAT. The payment of MAT will become applicable from April 1, 2007. We currently have one unit located in SEEPZ-SEZ and one 100% EOU unit, both of which are eligible for certain income tax benefits under Section 10A and 10B of Income Tax Act respectively upto the financial year 2008-2009, which shall now be subject to MAT. Although the MAT tax paid can be adjusted against future tax liabilities, within the prescribed periods the levy of MAT would have an impact on our current profitability and cash flows.

19. We face significant competition in our business from Indian and International companies, our inability to compete effectively may adversely affect our revenues and profitability.

We primarily sell our studded jewellery products in the USA and to some extent in the Middle East and Far East markets, which are highly competitive markets, and competition in these markets is based primarily on the quality, design, timely availability and pricing of such products. To remain competitive in our markets, we have to continuously strive to reduce our procurement, production and distribution costs and improve our operating efficiencies. If we fail to do so, other producers of studded jewellery may be able to sell their products at prices lower than our prices, which would have an adverse affect on our market share and results of operations. Besides some of our competitors may be far bigger in size and have access to far greater resources than we do. There can be no assurance that we will continue to effectively compete with our competitors in the future, which may have a material adverse effect on our business, financial condition and results of operations.

20. Our revenues may be significantly affected in the event that we are associated with negative publicity.

Our business is dependent on the trust our customers have in the quality of our products. Over the years our Company has gradually evolved our quality control systems in order to meet the requisite quality standards. Besides Rio Tinto Diamonds has certified our Company with the Business Excellence Model (BEM) Certification as a "Certified Diamond Jewellery Manufacturer" which endorses our processes and products and has enabled our Company to make inroads into domestic and international markets. In spite of this any negative publicity regarding our Company, or our products, including those arising from a drop in quality or any other unforeseen events could adversely affect our reputation and our results from operations. We have till date not been associated with or otherwise faced any negative publicity.

21. *Our inability to follow our business or growth strategy could have an adverse impact on our results of operations.*

We have experienced significant growth in recent years and expect our business to grow further. To effectively manage our future expansion plans, we will need to further augment, strengthen and integrate our existing operational and financial systems and managerial controls and procedures, which include inventory management, customer support, operational, financial and managerial controls, reporting procedures and training, supervision, retention and management of our employees. In particular, continued expansion increases the challenges involved in:

- maintaining high levels of customer satisfaction;
- recruiting, training and retaining sufficient skilled management and marketing personnel;
- adhering to quality and process execution standards that meet customer expectations;
- developing and preserving a uniform culture, values and work environment in our operations; and
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems.

An inability to manage our expanded operations could adversely affect our business, financial condition and results of operations.

22. *Our inability to keep pace with technology, process and designs can adversely affect our sales and the demand for our products.*

The gems and jewellery industry is characterized by continuous up-gradation in terms of technology, manufacturing process and design capability. We have to on a regular basis, meet with the aforesaid demands and invest continuously to upgrade our technology and process and keep abreast with the latest innovations in the gems and jewellery industry. Our jewellery designing capabilities are significantly dependent on the skills of our in-house team of designers and their capability to keep in line with current trends. We cannot assure that we will be successful in developing designs that meet customer expectations. If we are unable to keep ourselves updated with technology improvement or process change, we may be unable to service our customers, which would adversely affect our revenue and profitability.

23. *If our manufacturing facilities are interrupted for any significant period of time, our business and results of operations would be adversely affected.*

Our success depends on our ability to manufacture and deliver our products to our customers as per their demand and time schedules. Any interruptions in our manufacturing operations for any significant period of time and particularly for meeting the sales demand during peak seasons could damage our reputation, thereby adversely affecting our business and results of operations. Further any interruptions in our manufacturing operations for any significant period due to fire, flood, power loss, attacks, acts of war, break-ins, earthquake and similar events could affect our ability to manufacture and deliver our products as per the demand and time schedules which could damage our reputation, thereby adversely affecting our business and results of operations

24. *Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees.*

As on September 30, 2007 we had 2215 employees, including our Indian subsidiaries, which are not represented by any labour unions. While we consider our current labour relations to be satisfactory, there can be no assurance that we will not experience future disruptions to our operations due to disputes including strikes, work stoppages or increased wage demands by our employees or other problems with our work force, which may adversely affect our business and results of operations.

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25. *We have significant working capital requirements. If we experience insufficient cash flows to meet required payments on our debt and working capital requirements, there may be an adverse effect on our results of operations.*

Our business requires a significant amount of working capital. Significant amounts of our working capital are required to finance the purchase of raw materials in the form of polished diamonds and gold. Moreover, we may need to incur additional indebtedness in the future to satisfy our working capital needs. Our working capital requirements are also affected by the significant credit lines that we typically extend to our customers in line with industry practice. All of these factors have resulted, or may result, in increases in the amount of our receivables and short-term borrowings. There can be no assurance that we will continue to be successful in arranging adequate working capital for our existing or expanded operations, which may adversely affect our financial condition and results of operations.

26. *Our inability to attract or retain skilled and experienced employees can adversely affect our operations.*

Majority of our employees are skilled employees. Our key employees and skilled manpower is one of our greatest strengths. Competition for manpower in this industry is intense, the ability to meet future business challenges depends on our ability to attract, recruit and retain skilled and experienced personnel. Our attrition rate has been 35% , 21% and 8% for F.Y. 2006 FY 2007 and for the quarter ending June 30, 2007 respectively. The loss of skilled and experienced personnel or any inability to manage the attrition levels in different employee categories may materially and adversely affect our operations and profitability.

27. *Post this Issue, our Promoters and Promoter Group will continue to hold majority shares in our Company.*

Post this Issue, prior to the exercise of the Warrants, our Promoters and Promoters Group will own 71.00% of our fully diluted Equity Share capital. Post exercise of the Warrants (assuming full exercise) our Promoters and Promoters Group will own 62.01% of our fully diluted Equity Share capital. For as long as the Promoters and Promoters Group continue to own significant Equity Shares and voting rights representing more than 50% of the voting strength in our Company, they will be able to direct the election of the members of our Board of Directors and determine the outcome of most matters requiring approval at shareholders meeting.

28. *We have not entered into any non-disclosure or confidentiality agreements with our employees.*

Our Company has an in-house team of around 40 designers which on an average develop around 500 designs in a month. We function in an extremely competitive industry, and our ability to succeed depends largely on the ability and skill of our employees to create novel designs. We do not as a practice enter into confidentiality, secrecy, non-compete or other contracts or agreements with our employees to protect our intellectual property. In the absence of any enforceable confidentiality and/or non-disclosure agreements we may be susceptible to infringement or mis-appropriation of our proprietary information.

29. *There can be no assurance that our Company will pay dividends to its shareholders in the near future.*

We have not paid any dividends in the last five fiscal years and there can be no assurance that dividends will be paid in the near future. The declaration and payment of any dividends in the future will be recommended by our Board of Directors, at its discretion, and will depend on a number of factors, including Indian legal requirements, our earnings, cash generated from operations, capital requirements and overall financial condition.

30. *Our insurance may not be adequate to protect us against all potential losses to which we may be subject to.*

We have standard fire and jewelers' block insurance policy, which provides insurance cover against loss or damage by fire, explosion, lightning, riot and strikes, malicious damage, terrorism, burglary, theft, robbery and hold up risks, which we believe is in accordance with customary industry practices. Our policies also insure against loss or damage suffered during transit of our stock and stock in trade except cash and currency notes under certain circumstances. Although we attempt to limit and mitigate our liability for damages arising from negligent acts, errors or omissions through contractual provisions and/or insurance policies, the indemnities set forth in our contracts and/ or our insurance policies may not be enforceable in all instances or the limitations of liability may not protect us from entire liability for damages. A successful assertion of one or more large claims

against us could adversely affect the results of our operations. We have not taken any insurance for protecting us from future business losses or loss of profits and in the event of such losses occurring, the operations of our Company may be affected significantly. For further details, please refer to section titled “Insurance” under “Our Business” beginning on page 55 of this Red Herring Prospectus.

31. *Our operations may be subject to accidents/mishaps arising out of the use of hazardous materials which could adversely impact our operations.*

In our production process we use hazardous chemicals and products like acids. We provide training to all our employees who are involved in such processes. However, there may be accidents in the course of use, storage or transport of materials which may significantly increase our liability for employee and other third party compensation and in extreme cases there could be some unrest amongst the employees. In all such cases our production and productivity may be affected.

32. *Underutilization of Capacity on a consistent basis could adversely affect our profitability*

On a standalone basis, our Installed Capacity for Fiscal 2005, 2006 and 2007 was 1,500 kg, 1800 kg and 1850 kg respectively. Our capacity utilization for the year ended March 31, 2005, March 31, 2006 and March 31, 2007 has been 66.33% and 68.67% and 88.76 % respectively.

We intend to add further capacities in the future, inspite of under utilisation of our existing capacity. Addition in capacities would help us in catering to our anticipated growth in business and effectively executing our orders during our peak business period from September to November.

However, if for any reason we are unable to optimally utilise our present capacity and our enhanced capacity, our profitability may be adversely affected.

33. *Cancellation or reduction of orders placed by our customers can result in accumulation of excess inventory which may affect the results of operations*

Our raw materials constitute more than 90% of our manufacturing cost. We generally place orders for our raw materials after receiving orders from our customers. We have, on earlier occasions faced either cancellation or reduction in orders placed by our customers. Orders placed by our customers can typically be cancelled unilaterally by them with little or no notice and no compensation. If there is any cancellation or reduction in orders placed by our customers in the future, it may result in unsaleable inventory which may affect our profits and our results of operations.

34. *The renewal of tenancy agreement in respect of our Unit II situated at G-42, Gems And Jewellery Complex, SEEPZ-SEZ is pending.*

We have been issued a Letter of Permission by the Development Commissioner, SEEPZ-SEZ Andheri in respect of our Unit II for manufacture of jewellery which is valid upto March 2008. However the tenancy agreement in respect of our Unit-II located at G-42, Gems And Jewellery Complex, SEEPZ –SEZ, Andheri has expired on August 19, 2007. As on date of filing of this Red Herring Prospectus the renewal of the tenancy agreement with the Development Commissioner, SEEPZ-SEZ is pending. As a result if we are unable to continue operating from this unit, we may be required to look for an alternative premises, which may in turn have an adverse effect on our operations.

For further details on the same please refer to section titled “Our Properties” as appearing in “Our Business” and to the section titled “Approvals for our Business” beginning on pages 55 and 156 respectively of this Red Herring Prospectus.

35. *Our sales are seasonal in nature.*

We have experienced seasonal fluctuation in our sales and may continue to do the same in future. We have historically experienced higher sales during the second and third quarter of our fiscal year. The demand for our

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products from our customers are higher, in these periods on account of anticipated sales during the Christmas and Thanksgiving Day holiday seasons in the U.S. Thus there is variation in revenues and hence profitability in each quarter. Therefore, our quarter-on-quarter results may not be comparable.

36. One of our subsidiaries and two of our group companies/Ventures of Promoters have incurred losses in the last three financial years.

One of our subsidiaries and two of the ventures promoted by our Promotes have made losses in the last three years. The following table puts forth the losses of these companies:

(Rs in million)

| Group Company/ Venture of Promoter | Year ended March 31 | | |
|--------------------------------------------|---------------------|---------|---------|
| | 2005 | 2006 | 2007 |
| Anika Jewellery Private Limited | (0.08) | (0.005) | (0.04) |
| Renaissance Retail Venture Private Limited | - | (1.86) | (9.05) |
| House Full International Limited | - | (4.90) | (61.65) |

For details please see sections titled “Our Subsidiaries” and “Other Group Companies/Ventures of Promoters” beginning on pages 128 and 131 of this Red Herring Prospectus.

37. We have not appointed a monitoring agency.

We have not appointed a monitoring agency for monitoring the use of the proceeds of this Issue and the deployment of these funds is at the discretion of our Board of Directors.

38. We have certain contingent liabilities, which have not been provided for.

As on June 30, 2007 contingent liabilities not provided for, aggregated to Rs. 69.57 million. As per our consolidated financial statements, we have certain contingent liabilities which if determined against us in future may impact our financial position. Details of our contingent liabilities as on June 30, 2007 are as given below:

(Rs in million)

| Particulars | As at June 30, 2007 |
|--------------------------------------------------------------------------------------------|---------------------|
| Letters of Credit and Guarantees given by Banks on behalf of the Company to third parties. | 60.00 |
| Penalty levied by the Custom Authorities | 0.31 |
| Income Tax demand disputed in appeal : Disputed by the Company | 3.15 |
| Disputed by the Department | 6.11 |
| Total | 69.57 |

39. If we fail to comply with environmental laws and regulations or face environmental litigation, our profitability may be adversely affected.

For certain of our manufacturing processes, we are required to comply with environmental laws, rules and regulations. These may entail additional expenditure on pollution control equipment and otherwise to ensure compliance with environmental laws rules and regulations and orders of pollution control authorities. If we do not comply with these norms, it may adversely affect our ability to continue our manufacturing operations, and as a result thereof could have a material adverse effect on our business prospects and results of operations.

40. We are susceptible to litigation arising out of infringement of copyright in relation to designs.

Our product development and design team on an average develop about 500 designs per month. The copyrights on our designs are not registered. Thus we are susceptible to face litigation for infringement of copyright in relation to designs. The laws of India may not allow for the effective protection of intellectual property rights to the same extent as laws in other jurisdictions such as the United States, the United Kingdom or the European

Union. Therefore, efforts to protect our intellectual property may not be adequate and we may not be able to detect unauthorised use or take appropriate and timely steps to enforce intellectual property rights either owned by us or those that we have the right to use. Further, designs as developed by us may infringe on the Intellectual Property Rights of third parties, may expose us to legal proceedings.

Our competitors may independently develop designs similar to ours or duplicate our designs. Unauthorised parties may infringe upon or misappropriate our designs. We may need to litigate to enforce the infringed intellectual property rights or to determine the validity and scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed.

41. *We have issued Equity Shares to our Promoter Group by way of a bonus issue.*

During the last 12 months, we have allotted a total of 6,517,600 Equity Shares of Rs. 10 each, by way of bonus issues to our Promoters and Promoter Group. For further details refer to notes to capital structure under the section titled “Capital Structure” beginning on page 16 of this Red Herring Prospectus.

Risks related to our future plans

42. *We are yet to receive certain Government approvals for some of the Objects of our Issue*

Except as mentioned in the section titled “Approvals for our business” beginning on page 156 of this Red Herring Prospectus, we are yet to apply for or obtain approvals as required for our objects using the proceeds of the Issue. Any delay in or inability to obtain such approvals could impact our commencement of business and have an adverse impact on our results of operations.

43. *The Objects of our Issue will be financed from the proceeds of this Issue. Any delay in launching the Issue may impact the implementation of the Objects of our Issue or increase the Project Cost.*

The total requirement of funds for the Objects of our Issue is Rs. [●] million. We propose to use the proceeds of this Issue for the major part of the proposed expansion. In case there is any delay in launching the Issue, the implementation of the Project shall be delayed, which may increase the Project cost.

44. *The objects of the Issue have not been appraised by any bank or financial institution.*

The deployment of funds as stated in the section titled “Objects of the Issue” beginning on page 26 of this Red Herring Prospectus is entirely at our discretion and is not subject to monitoring by any independent agency. All the numbers included under the “Objects of the Issue” are based on our own estimates. There has been no independent appraisal of the projects.

45. *There has been a revision in the Schedule of Implementation and Funds Deployment in respect of the Proposed Project.*

There has been a revision in the Schedule of Implementation and Funds Deployment in respect of the Proposed Project. For further details of the Revised Schedule of Implementation and Total Funds deployed, please refer the section titled “Objects of the Issue” on page 26 of this Red Herring Prospectus.

46. *We have not entered into any definitive agreements to utilize a substantial portion of the net proceeds of the Issue.*

We intend to use the net proceeds of the Issue for investment in capital equipment, equity investment in our subsidiary and funding our long term working capital requirements. We have not entered into any definitive agreements to utilize the net proceeds of the Issue for investment in capital equipment, and our capital expenditure plans are based on management estimates. In addition, our capital expenditure plans are subject to a number of variables, including possible cost overruns and changes in the management’s views of desirability of current plans, among others. There can be no assurance that we will be able to conclude definitive agreements for such investment in capital equipment. For further information please refer to the section titled “Objects of the Issue” beginning on page 26 of this Red Herring Prospectus.

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47. We do not have firm orders to optimally utilize the increased Capacity of our plants.

Presently, our total installed capacity for manufacture of studded jewellery is 2250 kgs, on a consolidated basis. On completion of our capital expenditure program as envisaged in this Issue, our installed and licensed capacity for manufacture of studded jewellery is projected to increase to 3,280 kgs. We presently do not have any firm orders or commitment from any customer for utilization of increased capacity. In the event that we do not get any additional orders, we will not be able to optimally utilize the increased capacities, which may affect our future prospects and may impact our results of operation.

48. We have not placed any orders for some of the plants and machineries required in terms of our objects for the Issue.

We have not placed any orders aggregating Rs. 95.27 million for the plant and machinery to be financed from the proceeds of this Issue. 83.60% of the capital expenditure on plant and machinery is by way of imported machinery, and the same is subject to the risk of currency fluctuations which may significantly increase the cost thereof. For plant and machinery where the orders are yet to be placed, we have relied on quotations received by us in the past and on our past experience.

49. The loss of the services of our senior management or other key management personnel could adversely affect our business

We are dependent on our directors and senior management for setting our strategic direction and managing our business, which are crucial to our success. We have a full time Managing Director and two executive directors who are assisted by our Chairman who has considerable expertise of the diamond business. Our continued success also depends upon our ability to attract and retain a large group of experienced professionals and staff. We believe that our success in the future is substantially dependent on the expertise of our directors, the loss of any of whom could have a material adverse effect on our business, results of operations, financial condition and prospects. Our continued success also depends upon our ability to attract and retain a large group of experienced professionals and staff. The loss of the services of our key managerial personnel or our inability to recruit, train or retain a sufficient number of experienced personnel could have a material adverse effect on our operations and profitability.

Risks Related to the Industry

1. We rely exclusively on the sale of gems and jewellery for our sales, and demand for these products could decline.

Luxury products, such as gems and jewellery, form part of the discretionary purchases for consumers. The volume and value of such purchases may significantly decrease during economic downturns. The success of our business depends partly on macroeconomic factors such as economic growth, employment levels, income levels, tax rates and credit availability, all of which affect consumer spending and disposable income. Any reduction in consumer spending or disposable income may affect us more significantly than companies in other industries.

Our sales and results of operations are highly dependent on the demand for diamonds and diamond jewellery. Should prevailing consumer tastes for diamonds and jewellery decline, demand for our products would decline and our business and results of operations would be adversely affected.

From time to time, attempts have been made to develop and market synthetic stones and gems to compete in the market for diamonds and diamond jewellery. We expect such efforts to continue in the future. If any such efforts are successful in creating widespread demand for alternatives to diamond products, demand and price levels for our products would decline and our business and results of operations would be substantially harmed. Our jewellery offerings must reflect the tastes and preferences of a wide range of consumers whose preferences may change regularly. Our strategy has been to offer a wide variety of styles of fine jewellery, but there can be no assurance that these styles will continue to be popular with consumers in the future. If the styles we offer become less popular with consumers and we are not able to adjust our inventory in a timely manner, our sales may decline or fail to meet expected levels.

2. *Our profitability may be affected by the fluctuation in the prices of precious metals and precious and semi precious stones which are the raw material commodities for our company.*

The gems and jewellery industry in general is affected by fluctuations in the prices of precious metals and precious and semi-precious stones. The availability and prices of gold, diamonds and other precious metals and precious and semi-precious stones may be influenced by cartels, political instability in exporting countries and inflation. Shortages of these materials or sharp changes in their prices could have a material adverse effect on our results of operations or financial condition. Our future revenue and profitability will be dependent to a significant extent upon prevailing spot market prices for gold and diamonds. In the past, gold prices have been volatile. Prices are subject to wide fluctuations in response to changes in supply and demand for gold and diamonds, market uncertainty and a variety of additional factors that are beyond our control.

External Risk Factors

a) *We are subject to international market and regulatory risks.*

Developments in the international diamonds and jewellery markets could have an impact on our export sales. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate and/or seek to sell our products. There can be no assurance that the United States or any other jurisdiction in which we seek to sell our products will not impose trade restrictions in the future. Any such imposition of trade barriers may have a material adverse effect on our financial condition and results of operations.

b) *A slowdown in economic growth in India could cause our business to suffer.*

Our performance and the quality and growth of our assets are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect our business. India's economy could be adversely affected by a general rise in interest rates, weather conditions adversely affecting commodity and energy prices or various other factors. In addition, the Indian economy is in a state of transition. The share of the services sector of the economy is rising while that of the industrial, manufacturing and agricultural sectors is declining. It is difficult to gauge the impact of these fundamental economic changes on our business. Any slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business.

c) *Our performance is linked to the stability of policies and the political situation in India*

The role of the Indian Central and State Governments in the Indian economy on producers, consumers and regulators has remained significant over the years. Since 1991, the Government of India has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. The present Government of India, which was formed in May 2004, consists of a coalition of political parties. The withdrawal of one or more of these parties from a coalition government can result in political instability. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. We cannot assure you that these liberalization policies will continue under the newly elected government. Protests against privatisation could slowdown the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the infrastructure sector, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

d) *Force majeure events, terrorist attacks and other acts of violence or war involving India, or other countries could adversely affect the financial markets, result in a loss of customer confidence and adversely affect our business, results of operations, financial conditions and cash flows.*

Certain force majeure events, being beyond our control, including natural disasters, terrorist attacks and other acts of violence or war which may involve India or the USA, or other countries, may adversely affect worldwide financial markets, and could lead to economic recession. These acts may also result in a loss of business confidence and have other consequences that could adversely affect our business, results of operations and financial condition. More generally, any of these events could lower confidence in India or business confidence in the USA. Any such event could adversely affect our financial performance or the market price of the Equity Shares.

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e) *Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.*

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. Drought and erratic monsoons have affected the agricultural sector adversely in the past, leading to increasing inflationary trends.

f) *Exchange rate fluctuation*

A substantial portion of our Company's total turnover is from exports in US Dollars. Any fluctuation in the exchange rate would have a major impact on our Company's profitability. Though we believe that we have a natural hedge on account of imports and our working capital funding being in US Dollars, we cannot assure that we will be able to effectively mitigate the adverse impact of currency fluctuations on our operating results.

g) *Changes in USA government policy.*

Any changes in the policies of the government of USA (like banning products from India or levying tariff on products originating from India) may adversely affect our business and profitability if we are unable to find alternate markets

h) *We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, financial condition and results of operations.*

Changes in interest rates could significantly affect our financial condition and results of operations. As of June 30, 2007 on a consolidated basis, Rs.1021.92 million of our borrowings was at floating rates of interest. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may adversely impact our results of operations, planned capital expenditures and cash flows.

i) *Any future issuance of Equity Shares or Warrants by our Company or sales of the Equity Shares or Warrants by any of its significant shareholders may adversely affect the trading price of the Equity Shares.*

Any future issuance of our Equity Shares or Warrants could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

j) *Active trading market for our Equity Shares or Warrants may not develop or prices of Equity Shares may be volatile post listing*

We, through this Issue, propose to list our Equity Shares on BSE and NSE. Prior to this Issue, there has been no public market for our Equity Shares. The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our Company / competitors, general economic, political and social factors and any other internal or external factors as stated above. There can be no assurance that an active trading market for our Equity Shares or Warrants will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue.

k) *We face competition from manufacturers from other developing markets in the world*

India is one of the largest exporters of jewellery. In case the Governments of other developing countries provide more incentives to their manufacturers for Indian Government does not provide incentives, the Indian jewellery industry may lose its competitiveness in the international markets.

Notes to Risk Factors:

- Pre-issue net worth of our Company on standalone basis as on March 31, 2007 is Rs. 801.00 million and as on June 30, 2007 is Rs.836.73 million.
- Size of this Issue – Public Issue of 5,324,240 Equity Shares of Rs. 10 each for cash at a price of Rs.[●] per Equity Share along with one Detachable Warrant for every two Equity Shares allotted aggregating to Rs. [●]

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million by our Company. The Issue of Equity shares will constitute 29 % of the fully diluted post-Issue Equity Share capital of our Company prior to of Warrants and the Issue shall constitute 37.99% of the Equity Share capital of our Company after exercise of Warrants, assuming full exercise of the Warrants.

- Book value of the Equity Shares of our Company as on March 31, 2007 is Rs. 61.45 and as on June 30, 2007 is Rs. 64.19.
- The average cost of acquisition per Equity Share for the Promoters is as follows:

| Name of Promoter | Cost per Equity Share |
|-----------------------|-----------------------|
| Mr. Sumit N. Shah | Rs. 1.68 |
| Mr. Niranjana A. Shah | Rs. 1.68 |
| Mr. Hitesh M. Shah | Rs. 1.70 |
| Mr. Amit C. Shah | Rs. 1.71 |
| Mr. Bhupen C. Shah | Rs. 1.71 |

- This Issue is being made through a 100% Book Building Process wherein not more than 50% of the Issue will be allocated on a proportionate basis to QIBs, of which 5% shall be reserved for Mutual Funds. Further not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
- Investors may please note that in the event of over-subscription, Allotment shall be made on a proportionate basis in consultation with the Designated Stock Exchange. For details, refer to the section titled "Issue Procedure" beginning on page 173 of this Red Herring Prospectus.
- The BRLM and our Company shall make all information available to the public and investors at large and no selective or additional information would be available only to a section of the investors in any manner whatsoever.
- The details of litigation pending against our directors and Promoters and Promoter Group Company are as follows:

| Sr No. | Party involved and nature of dispute | Total Number of pending cases/show cause notices/ summons | Financial Implication (to the extent quantifiable (Rs. in million)) |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------|
| 1. | Litigation by our Promoter Group Company ie. N Kumar Diamond Exports Limited consisting of disputes under Foreign Exchange Regulation Act and income tax cases. | 2 | 1.20 |
| 2 | Litigation against our Directors and Promoters. ie Mr. Niranjana A. Shah, Mr. Sumit N. Shah, Mr. Bhupen C. Shah and Mr. Amit C. Shah consisting of dispute under the Foreign Exchange Regulation Act. | 1 | 0.18 |

For further details on litigation involving our Promoters, Directors and Promoter Group Company please refer to the section titled "Outstanding Litigation And Material Developments" beginning on page 151 of this Draft Red Herring Prospectus.

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- Investors are advised to go through Basis of Allotment in the section titled “Issue Procedure” beginning on page 173 of this Red Herring Prospectus.
- Investors are advised to refer to the section titled on “Basis of Issue Price” beginning on page 40 of this Red Herring Prospectus before making an investment in this Issue.
- The investors may contact the BRLM or the Compliance officer for any complaint/ clarification/information pertaining to the Issue. For contact details of the BRLM and the Compliance Officer, please refer section titled “General Information” beginning on page 10 of this Red Herring Prospectus.
- Summarised details of related party transactions are as given below: (Rs. in millions)

| Particulars | Period Ended | Year Ended | | | | |
|---------------------------|--------------|------------|-------|-------|-------|------|
| | 30-Jun-07 | 2007 | 2006 | 2005 | 2004 | 2003 |
| Purchase of Raw Material | 26.94 | 10.78 | 15.41 | 64.65 | 44.47 | 1.3 |
| Purchase of Fixed asset | - | - | - | 0.41 | 0.21 | 0.18 |
| Miscellaneous Expenses | - | 0.61 | - | - | - | - |
| Purchase of Asset | - | 0.16 | - | - | - | - |
| Sale of fixed asset | - | - | - | 0.14 | 0.35 | 0.33 |
| ROC Expenses | 0.03 | - | - | - | - | - |
| Sales - Raw Materials | 31.08 | 78.44 | - | - | - | - |
| Loan Paid | 279.80 | 205.28 | - | - | - | - |
| Sale of fixed asset/mould | - | 1.46 | - | - | - | - |
| Unsecured Loans (Net) | - | 3.85 | 1.22 | - | - | - |
| Outstanding Receivable | 311.00 | 75.26 | - | - | - | - |
| Outstanding Payable | - | - | 3.85 | - | 22.38 | 0.68 |
| Remuneration | 0.92 | 3.69 | 0.85 | 0.22 | 0.22 | 0.05 |
| Loan Recd Back | 0.61 | - | - | - | - | - |
| Acquisition of Shares | - | 9.90 | 0.21 | - | - | - |

- For further details on Related Party Transactions and Loans and Advances made to any company in which our Directors are interested please refer to the section titled “Related Party Disclosures” appearing in section titled “Auditors’ Report to the Restated Unconsolidated and Consolidated Financial Statements” beginning on page 111 of this Red Herring Prospectus.
- Since inception, our Company has issued 11,405,800 Bonus shares by capitalisation of free reserves, as under:

| Date of Allotment | Number of Shares | Ratio |
|-------------------|------------------|-------|
| March 2, 2006 | 4,888,200 | 3:1 |
| May 26, 2007 | 6,517,600 | 1:1 |

- There are no contingent liabilities as on June 30, 2007, except as mentioned in the Auditor’s report.
- The notes on significant accounting policies have been included in the report of our Auditor in section titled “Financial Information of our Company” beginning on page 94 of this Red Herring Prospectus.
- Trading in Equity Shares for all investors shall be in dematerialised form only.
- We and the BRLM are obliged to keep this Red Herring Prospectus updated and inform the public of any material change / development until the listing and trading of the Equity Shares offered under the Issue commences.

INTRODUCTION

SUMMARY

This is only a summary and does not contain all information that you should consider before investing in our Equity Shares or Warrants. You should read the entire Red Herring Prospectus, including the information on "Risk Factors" and our "Financial Statements" and related notes beginning on page xi and page 94 of this Red Herring Prospectus, before deciding to invest in our Equity Shares or Warrants

INDUSTRY

Overview

Global Gems and Jewellery industry

The size of the global gems and jewellery industry is estimated at 146 billion US dollars at retail prices in 2005. The industry has grown at an average CAGR rate of 5.2% since 2000 (Source: GJEPC-KPMG Report titled "The Global Gems and Jewellery Industry" (GJEPC-KPMG), 2006). Diamond studded jewellery is the largest segment of this industry (2005 sales estimated at USD 69 billion) which constitutes approx to 48% of the industry sales. The second largest segment is plain gold jewellery segment with total retail sales of USD 60.7 billion, constituting 41% of the total sales.

Global jewellery sales are expected to grow and touch USD 185 billion by 2010 and USD 230 billion by 2015 (Source: GJEPC-KPMG Report titled "The Global Gems and Jewellery Industry" (GJEPC-KPMG), 2006).

Indian Gems and Jewellery industry

The Indian domestic diamond jewellery market is estimated at around Rs. 80 billion per annum in retail value (Source: ICRA "The Indian Gems & Jewellery Sector, July, 2006).

The Gems and Jewellery industry is one of the oldest and largest industries in terms of export earnings for India. India today is the one of the leader's in processing of near gemstone quality (low caratage) stones. The Gems and Jewellery industry contributes around 15% of India's exports. As per the table, exports of Gems and Jewellery aggregated Rs. 688.30 billion (US\$15.55 billion) during FY2006, accounting for 15.1% of India's exports. As per data released by the Gems & Jewellery Export Promotion Council (GJEPC), during FY2006, gold jewellery exports account for 23.2%, rough diamonds 3.4%, and others 2.3%.

Jewellery Exports from India to USA

With various government initiatives in recent years, export of gold jewellery has increased in recent years. India's export of gold jewellery has grown at CAGR of 25% over the last 8 years (Source: www.gjepc.org) India's exports of gold jewellery have increased in recent years because of healthy growth in demand in key markets especially that of the US.

USA- Jewellery Market

In terms of consumption demand, USA is the world's second largest gold jewellery market by volume (around 350 tonnes) and largest by retail value (around \$16billion). In the US, Christmas, end of year festivals, Valentine's Day, Thanksgiving Day and Mother's Day are the important gold-buying occasions. The total US jewellery sales, including watches and fashion jewellery, are estimated by the US Department of Commerce to have been \$59 billion in 2005 (2004: \$57 billion). The US jewellery market has grown at a CAGR of 5.7% over the last 25 years. (Source: www.gold.org)

The US retail jewellery industry is competitive and fragmented. The broader total US retail jewellery market includes formats such as department stores, discount outlets, television home shopping, internet retailers and general merchandise, apparel and accessory stores.

The US diamond jewellery sales are believed to account for about 50% of worldwide diamond jewellery sales. In the US market, diamond jewellery sales account for about 55% of total jewellery sales. In the last ten years the growth in diamond jewellery sales has been more than a third faster than that of the total jewellery market.

BUSINESS

Overview

We are in the business of manufacture and sale of studded gold, platinum and silver jewellery and are primarily focused on international markets including the USA besides marketing our studded jewellery products through our retail stores operated by our subsidiary, Renaissance Retail Venture Private Limited.

RENAISSANCE JEWELLERY LIMITED

We have been in the studded jewellery business for over a decade and operate through three manufacturing units of which two units are located at SEEPZ-SEZ at Mumbai and one 100% EOU unit at Bhavnagar in Gujarat. Besides, our subsidiary Renaissance Retail Venture Private Limited has a manufacturing facility at MIDC, Andheri for catering to the domestic retail market. Our subsidiary, Verigold Fine Jewellery Private Limited has a manufacturing facility for studded jewellery in SEEPZ-SEZ at Mumbai. Both our subsidiaries are wholly-owned by our Company. In July 2007, we also commenced exports of loose diamonds from our facility situated at Opera House, Mumbai.

Our product profile includes rings, earrings, pendants, bracelets, necklaces, etc. which are manufactured using polished diamonds, precious and other semi precious stones which are set in precious metals like gold, platinum and silver. We have a talent base of about 40 designers, who on an average develop about 500 new designs every month.

We have been awarded a Certificate of Merit by GJEPC for being the second largest exporter of studded precious metal jewellery from SEEPZ-SEZ for the year 2005-06. In the year 2004, we were awarded 'International Supplier of the Year' by Wal-Mart and Rio Tinto Diamonds has conferred us with Business Excellence Model (BEM) in the year 2005 certification

On a consolidated basis, our sales for Fiscal 2003 was Rs. 1223.24 million which has increased to Rs. 4384.49 million for Fiscal 2007 at a CAGR of 37.59%. Our sales for the three months period ended June 30, 2007 was Rs. 1176.52 million. Our Net profit after taxes for Fiscal 2003 was Rs. 37.21 million which has increased to Rs. 254.12 million for Fiscal 2006 at a CAGR of 61.66%. Our net profit for the three months period ended June 30, 2007 was Rs. 72.26 million.

Our Competitive Strengths

We have domain expertise in identifying fashion trends and jewellery designing and have a large design pool.

We have a state of the art design studio equipped with sophisticated CAD and CAM machines and have a strong and experienced team of about 40 skilled designers who have an in depth understanding of the market and fashion trends. Our senior product development team travels extensively to attend international trade fairs, meet with existing and prospective customers, and visit retail stores across our target markets which enable us to identify and forecast fashion trends.

Over the past decade, we have developed a large collection of designs of studded jewellery which aggregate over 30,000 designs presently enabling us to provide more and better choices to our customers. The number of designs which we develop has also been increasing on a year on year basis as given below:

| Particulars | FY 2004 | FY2005 | FY2006 | FY2007 | Three months ended June 30, 2007 |
|-----------------------------|---------|--------|--------|--------|-------------------------------------|
| Number of Designs developed | 4,000 | 4,500 | 5,600 | 6700 | 1700 |

We are one of the largest exporters of studded gold and platinum jewellery in India

We were recognized as the third largest exporter of studded precious metal jewellery from SEEPZ-SEZ, Mumbai by GJEPC for the year 2006-07. We have grown significantly during the past few years, by increasing our revenues through our existing customer base outside India and by adding new customers and product sub categories. We have been able to offer a better value proposition to our customers by providing innovative designs and products which meet their requirements, which has enabled us to secure higher business from our customer base on a year-on-year basis. For instance, sales to three of our largest customers have more than doubled from Rs. 1798.47 million in FY05 to Rs. 3791.00 million in FY07 on a consolidated basis forming 91.62% and 85.41% of our consolidated sales respectively.

During the period ended March 31, 2007, besides USA, we also entered the Middle East and Far East markets. We believe that the design and quality of our studded jewellery products, coupled with our existing customer base outside India, including retail chains and wholesalers, has enabled us to develop strong credentials in our international markets and has also led to us securing new business from reputed wholesalers in the USA.

By virtue of our size, we also benefit from economies of scale in our manufacturing operations and are also able to procure raw materials at competitive prices.

We develop products which are specifically targeted to our customers' needs, which have enabled us to secure repeat business.

We are a customer centric company, which provide products which cater to varying customer needs regarding price points and product categories. We proactively design products for special occasions like Valentine's Day, Mother's Day, Thanks Giving Day and Christmas Day celebrations. Our products are sold at major retails outlets with a price tag primarily varying between US\$ 99 to US \$1,999. We undertake reverse cost working of our products so as to cater to varying customer price points. We also engage in active research of the retail market and provide customers with products which can complete their product portfolio. This has helped us in securing repeat orders from our customer's year on year.

RENAISSANCE JEWELLERY LIMITED

We are currently focused on the studded jewellery market in USA.

We are currently a USA centric company, with over 95% of our revenues for the three months period ended June30, 2007 emanating from the USA. Since USA has been the largest market in the world, with over 30% market share in 2005, and has a large number of organized retailers, we currently have a conscious focus on the US markets. We have been able to capitalize on our understanding of the US market and customer relationships and considerably grow our revenues to about Rs. 4384.49 million for FY07 as against Rs. 1223.24 million in FY03. The US jewellery market has grown at a CAGR of 5.70% over the last 25 years and our business in the US market has increased by 33.71% in the year 2007 as compared to the year 2006

The geographical spread of our income on a consolidated basis is given below:

(Rs. in millions)

| Particulars | FY 2004 | | FY 2005 | | FY 2006 | | FY 2007 | | Period ended June 30, 2007 | |
|-------------------|---------|------------------|---------|------------------|---------|------------------|---------|------------------|----------------------------|------------------|
| | Sales | % to total sales | Sales | % to total sales | Sales | % to total sales | Sales | % to total sales | Sales | % to total sales |
| US | 1606.9 | 99.97 | 1950.67 | 99.97 | 3158.81 | 99.88 | 4223.36 | 96.33 | 1138.06 | 96.73 |
| India | 0.03 | 0.00 | 0.62 | 0.03 | 0.26 | 0.01 | 20.06 | 0.46 | 4.18 | 0.36 |
| Rest of the World | 0.48 | 0.03 | - | - | 3.61 | 0.11 | 141.08 | 3.21 | 34.28 | 2.91 |
| Total | 1607.41 | 100.00 | 1951.29 | 100.00 | 3162.68 | 100.00 | 4384.49 | 100.00 | 1176.52 | 100.00 |

We have forayed into new product categories such as bridal jewellery and gemstone jewellery, which has led to higher operating margins.

In FY06, we have added bridal jewellery and gemstone jewellery to our product portfolio. Bridal jewellery comprises of wedding rings and engagement rings, etc. while gemstone jewellery is made using precious and semi precious stones such as rubies, sapphires, etc. These product categories involve higher skill sets and thus lead to higher realisations, which lead to higher operating margins. This is evidenced by the increase in our EBITDA margin from 6.91% in FY06 to 7.43% in FY 07 and further to 8.09% in the three months period ended June 30, 2007 on a consolidated basis. The cost of raw material consumed in case of Bridal and Gemstone jewellery is 80% and 75% respectively as compared to Fashion jewellery wherein the raw material consumed is over 85%.

We manufacture our products using advanced technology / modern machinery.

Our product development is mainly through CAD/CAM. We have state of the art equipment for wax injection, investment and casting. The entire production is checked for correct karatage on laser assaying machine. Laser soldering machines are used for assembly and laser marking for stamping. We also use the metal mould process to achieve lightweight products. We believe that our ability to use the most modern machinery and techniques also gives us a competitive edge.

Large scale manufacturing capabilities

We have two modern jewellery manufacturing units located at SEEPZ-SEZ in Mumbai and an Export Oriented Unit at Bhavnagar, Gujarat. As on September 30, 2007, our units at SEEPZ-SEZ employ 1390 employees/labourers while our manufacturing facility at Bhavnagar employs 418 employees. Besides, we have a manufacturing facility in SEEPZ-SEZ owned by our wholly-owned subsidiary Verigold Fine Jewellery Private Limited which has 214 employees as on September 30, 2007 and also have a manufacturing facility at MIDC, Andheri owned by our wholly-owned subsidiary, Renaissance Retail Venture Private Limited which has 193 employees as on September 30, 2007. Our state-of-the art manufacturing facilities, strong design capabilities and focus on stringent quality control enable us to produce studded jewellery on a large scale meeting requisite quality standards.

Due to our large production base, latest machineries and trained staff, we have been able to execute large and time-based orders received from customers. We are able to achieve efficiency in manufacturing, thus benefiting from economies of scale, which enables us to competitively price our products.

We enjoy certain tax benefits, due to the fact that our manufacturing unit are located in SEEPZ- SEZ which is a notified tax exempted are.

We have three manufacturing units, of which two are located at SEEPZ-SEZ, Mumbai, an export-processing zone, and one at Bhavnagar, Gujarat, an export oriented unit. Verigold Fine Jewellery Private Limited, our wholly-owned subsidiary also has a manufacturing facility in SEEPZ-SEZ. The SEEPZ-SEZ units entitle us and our subsidiary to certain income tax benefits for a prescribed time period; indirect taxation benefits, access to skilled workers; easy availability of raw- materials and faster custom clearance, while our Bhavnagar unit entitles us to income tax benefits for a prescribed time period, Indirect Taxation

RENAISSANCE JEWELLERY LIMITED

benefits and also enables us to enjoy cheaper manpower. For further details on tax benefits please refer to the section titled "Statement of Tax Benefits" beginning on page 43 of this Red Herring Prospectus.

Experienced Board and Executive Management team

Our Board consists of eight members, out of which our executive directors and Chairman have experience in the gems & jewellery business including marketing. Our Chairman has experience of more than 35 years in the gem and jewellery business. Our executive directors have an experience of more than 10 years each in the gems and jewellery business in the fields of marketing, product development, production techniques etc. We believe that this extensive experience of our Board and the executive management team in the business also gives us a competitive advantage.

Business/Growth Strategy

Continue to focus on our existing customers and existing customer-base and leverage our relationships and knowledge base in the US markets

We believe that we have established ourselves in the US markets and have developed a marketing network with major retail chains and speciality jewellers during the past few years. We intend to continue to cater to our existing customers and existing customer base comprising of retail chains and wholesalers and to capitalize on our credentials to add new customers in the US markets.

Diversification of products and penetration in the market

We intend to penetrate further in the studded jewellery market by focusing on new products categories which we have launched in FY06 such as bridal and solitaire jewellery (high end products) and gemstone (both precious and semi-precious) jewellery. Bridal jewellery comprises of wedding rings and engagement rings, etc. while gemstone jewellery is made using precious and semi precious stones such as rubies, sapphires, etc. Variation in the product mix will enable us to cater to various segments of the market giving our customer a one-stop shop for full range of studded jewellery under a single roof. This would also help us in increasing our profitability margins.

Focus on the small retailers in the US markets

Renaissance Jewelry New York, Inc. ("RJNY") was incorporated as a New York corporation in the USA on April 23, 2007. Common stock of RJNY was allotted to RJL on September 12, 2007, thereby making it a 100% subsidiary of RJL. Our subsidiary RJNY would cater to the independent mid- range retailers in the US market. Historically, our sales to USA have been through wholesalers and large retail chains, which represent about 43.10% of the US market. However, the balance 56.90% of the US market is catered to by independent mid-range retailers whom we intend to cater to through RJNY, which is intended to be trading concern. This would enable us to establish our presence in the retail market in US, reduce our dependence on wholesalers and large retail chains and would also provide us with higher realisation.

Diversification of risk by developing newer markets

We have entered the Middle East and Far East market and plan to enter the European Union (EU) in the future. We have completed our initial round of market survey and plan to enter these markets as part of our future strategy for market diversification and to de-risk our revenue model.

Increasing our retail presence in India

Through our wholly-owned subsidiary we plan to increase the number of retail outlets in India from 8 outlets to more than 250 outlets in the coming 5 years. Few cities in which these retail outlets are to opened have already been identified. Renaissance Retail Venture Private Limited sells products in the domestic retail market under the brand 'Lucera' in these outlets. The "Lucera" brand is positioned as an affordable fashionable accessory.

Innovation in Designing

We will continue to invest significantly in our merchandising department. We will further strengthen our product development effort by creating customer/product-range/market – specific teams, helping them focus and create innovative and acceptable designs that will help to increase our sales.

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THE ISSUE

| | |
|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Equity Shares and Warrants offered: | 5,324,240 Equity Shares in the Issue along with 2,662,120 Warrants, that is one Warrant for every two Equity Shares |
| Of which : | |
| (a) Qualified Institutional Buyers Portion ⁽¹⁾ | Upto 2,662,120 Equity Shares along with 1,331,060 Warrants, that is one Warrant for every two Equity Shares in the Issue being 50% of the Issue, allocation on a proportionate basis out of which 5% of the QIB portion or 133,106 Equity Shares and 66,553 Warrants in the Issue shall be available for allocation on a proportionate basis for Mutual Funds only (Mutual Funds Portion) and the balance Equity Shares in the Issue (shall be available for allocation to all QIB bidders, including Mutual Funds. |
| (b)Non Institutional Portion ⁽¹⁾ | At least 798,636 Equity Shares and 399,318 Warrants |
| (c)Retail Portion ⁽¹⁾ | At least 1,863,484 Equity Shares and 931,742 Warrants |
| Equity Shares outstanding prior to Issue | 13,035,200 Equity Shares |
| Equity Shares outstanding after the Issue Prior to exercise of the Warrants | 18,359,440 Equity Shares |
| Equity Shares outstanding after the Issue post exercise of the Warrants | 21,021,560 Equity Shares |
| Object of the Issue | Please refer to section titled “Objects of Issue” beginning on page 26 of this Red Herring Prospectus. |

⁽¹⁾ Under-subscription, if any, in any of the above categories would be allowed to be met with spillover inter-se from any other categories, at the sole discretion of our Company in consultation with the BRLM.

RENAISSANCE JEWELLERY LIMITED

SUMMARY OF FINANCIAL DATA

The following summary of financial information is derived from the standalone restated financial statements of our Company for the FY2003, 2004, 2005, 2006, 2007 and for the three months ended June 30, 2007 & consolidated restated financial statements for the FY 2006, 2007 and for the three months ended June 30, 2007 as described in the Auditors Reports in the section titled "Financial Statement" beginning on page 94 of this Red Herring Prospectus. The financial statements have been prepared in accordance with Indian GAAP, the Companies Act and have been restated in accordance with SEBI Guidelines.

The financial summary and operating information presented below should be read in conjunction with the financial statements, including the notes thereto included in "Financial Statements" and the "Management's Discussion And Analysis Of Financial Condition And Results Of Operations" beginning beginning on pages 94 and 135 respectively of this Red Herring Prospectus.

STANDALONE RESTATED PROFIT AND LOSS ACCOUNT

Rs. in Millions

| | Period Ended June 30, 2007 | Year Ended | | | | |
|------------------------------------------------------------|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | 2007 | 2006 | 2005 | 2004 | 2003 |
| INCOME | | | | | | |
| Sales | | | | | | |
| Of Products manufactured by the Company | 881.44 | 3,802.70 | 3,141.90 | 1,950.67 | 1,607.21 | 1,223.04 |
| Of Products traded by the Company | 31.08 | 79.77 | 0.27 | 0.62 | 0.20 | 0.20 |
| Total | 912.52 | 3,882.47 | 3,142.17 | 1,951.29 | 1,607.41 | 1,223.24 |
| Other Income | 51.36 | 0.84 | 0.54 | 0.56 | 1.04 | 1.74 |
| Increase (Decrease) in Inventories | - | - | (179.50) | 85.40 | (6.50) | 47.35 |
| Total Income | 963.88 | 3,883.32 | 2,963.21 | 2,037.25 | 1,601.95 | 1,272.33 |
| EXPENDITURES | | | | | | |
| Raw Material Consumed | 826.70 | 3,279.36 | 2,501.04 | 1,768.53 | 1,377.20 | 1,036.81 |
| Staff Cost | 48.40 | 168.37 | 119.30 | 100.81 | 83.79 | 61.36 |
| Other Manufacturing expenses | 14.31 | 59.97 | 47.94 | 42.25 | 37.74 | 41.64 |
| Administration Expenses | 9.95 | 41.43 | 43.01 | 25.53 | 19.43 | 23.59 |
| Selling and Distribution Expenses | 1.21 | 59.74 | 33.41 | 2.68 | 5.09 | 36.68 |
| Total | 900.57 | 3,608.87 | 2,744.70 | 1,939.80 | 1,523.25 | 1,200.08 |
| Profit Before Interest, Depreciation and Income Tax | 63.31 | 274.45 | 218.51 | 97.45 | 78.70 | 72.25 |
| Interest and Financial charges | 18.62 | 42.69 | 52.25 | 9.83 | 3.89 | 11.35 |
| Depreciation | 5.86 | 26.52 | 20.90 | 18.82 | 18.74 | 20.95 |
| Net Profit before tax and Extra- Ordinary items | 38.83 | 205.24 | 145.36 | 68.80 | 56.07 | 39.95 |
| Taxation | | | | | | |
| Current tax | 4.40 | 1.50 | 1.05 | 0.12 | - | 1.71 |
| Wealth tax | - | 0.07 | 0.10 | - | - | - |
| Fringe benefits tax | 0.14 | 0.67 | 0.95 | - | - | - |
| Deferred tax | (0.69) | (1.26) | (4.37) | 0.49 | (0.41) | 1.03 |
| MAT Credit for Current Period | (4.40) | - | - | - | - | - |
| Ealier year's tax | - | 0.00 | - | - | - | - |
| Net Profit before Extra-ordinary items (net of tax) | 39.38 | 204.26 | 147.63 | 68.19 | 56.48 | 37.21 |
| Extra-ordinary items (net of tax) | - | - | - | - | - | - |
| Net Profit after Extra-ordinary items | 39.38 | 204.26 | 147.63 | 68.19 | 56.48 | 37.21 |

RENAISSANCE JEWELLERY LIMITED

STANDALONE RESTATED BALANCE SHEET

Rs. In Millions

| | Period Ended June 30, 2007 | Year Ended | | | | |
|--------------------------------------------------|-------------------------------|-----------------|-----------------|-----------------|---------------|---------------|
| | | 2007 | 2006 | 2005 | 2004 | 2003 |
| A FIXED ASSETS | | | | | | |
| Gross Block | 309.01 | 305.02 | 291.43 | 203.34 | 183.61 | 174.49 |
| Less: Depreciation | 142.94 | 137.50 | 112.72 | 93.34 | 74.88 | 56.35 |
| Net Block | 166.07 | 167.52 | 178.71 | 110.00 | 108.74 | 118.14 |
| Capital Work in Progress | - | - | - | 28.56 | 9.50 | - |
| B INVESTMENTS | 10.10 | 12.08 | 2.06 | 4.31 | 0.34 | 0.03 |
| C CURRENT ASSETS LOANS & ADVANCES | | | | | | |
| Inventories | 568.44 | 974.05 | 830.54 | 421.40 | 300.80 | 336.99 |
| Sundry Debtors | 1,178.05 | 945.72 | 856.03 | 586.99 | 471.68 | 263.26 |
| Cash & Bank Balance | 20.20 | 14.40 | 17.97 | 16.72 | 5.70 | 3.73 |
| Loans & Advances | 323.83 | 105.77 | 23.01 | 10.20 | 8.23 | 4.34 |
| Total | 2,090.51 | 2,039.94 | 1,727.55 | 1,035.31 | 786.41 | 608.32 |
| D LIABILITIES & PROVISIONS | | | | | | |
| Secured Loans | 1,021.92 | 904.54 | 575.26 | 474.77 | 234.49 | 220.82 |
| Unsecured Loans | - | - | 3.85 | 2.63 | 8.99 | 22.36 |
| Current Liabilities & Provisions | 412.23 | 517.53 | 729.02 | 240.81 | 270.22 | 148.09 |
| Deferred Tax Liability | (4.20) | (3.52) | (2.25) | 2.11 | 1.62 | 2.04 |
| Total | 1,429.95 | 1,418.55 | 1,305.88 | 720.33 | 515.32 | 393.32 |
| NET WORTH (A + B + C - D) | 836.73 | 801.00 | 602.44 | 457.85 | 389.66 | 333.17 |
| E REPRESENTED BY: | | | | | | |
| Equity Shares | 130.35 | 65.18 | 65.18 | 16.29 | 16.29 | 16.29 |
| Reserves & Surplus | 718.77 | 744.56 | 540.30 | 441.56 | 373.36 | 316.88 |
| Total | 849.12 | 809.74 | 605.48 | 457.85 | 389.66 | 333.17 |
| F MISC EXPENDITURE NOT W/OFF | 12.39 | 8.74 | 3.04 | - | - | - |
| NET WORTH (E - F) | 836.73 | 801.00 | 602.44 | 457.85 | 389.66 | 333.17 |

RENAISSANCE JEWELLERY LIMITED

(RESTATED) CONSOLIDATED BALANCE SHEET

Rs. In Millions

| Particulars | Period Ended Jun-07 | Year Ended | |
|----------------------------------------------|------------------------|-----------------|-----------------|
| | | 2007 | 2006 |
| A FIXED ASSETS | | | |
| Gross Block | 351.72 | 343.26 | 308.48 |
| Less: Depreciation | 150.63 | 144.06 | 114.23 |
| Net Block | 201.09 | 199.20 | 194.25 |
| Incidental Expenditure Pending Allocation | - | - | - |
| Capital Work in Progress | - | - | 4.08 |
| B INVESTMENTS | - | 1.98 | 1.86 |
| C CURRENT ASSETS LOANS & ADVANCES | | | |
| Inventories | 651.97 | 1,119.65 | 908.76 |
| Sundry Debtors | 1,465.45 | 983.68 | 877.38 |
| Cash & Bank Balance | 31.77 | 23.33 | 33.29 |
| Loans & Advances | 58.18 | 43.01 | 30.87 |
| Total Rs. | 2,207.37 | 2,169.67 | 1,850.30 |
| D LIABILITIES & PROVISIONS | | | |
| Secured Loans | 1,021.92 | 904.54 | 575.26 |
| Unsecured Loans | - | - | 13.01 |
| Current Liabilities & Provisions | 470.70 | 615.75 | 854.22 |
| Deferred Tax Liability | (11.37) | (8.06) | (2.19) |
| Total Rs. | 1,481.25 | 1,512.23 | 1,440.30 |
| NET WORTH (A + B + C - D) | 927.21 | 858.62 | 610.19 |
| E REPRESENTED BY: | | | |
| Equity Shares | 130.35 | 65.18 | 65.18 |
| Reserves & Surplus | 809.25 | 802.17 | 548.05 |
| Total Rs. | 939.60 | 867.35 | 613.23 |
| F MISC EXPENDITURE W/OFF | 12.39 | 8.73 | 3.04 |
| NET WORTH (E - F) | 927.21 | 858.62 | 610.19 |

RENAISSANCE JEWELLERY LIMITED

(RESTATED) CONSOLIDATED PROFIT AND LOSS ACCOUNT

Rs. In Millions

| Particulars | Period Ended Jun-07 | Year Ended | |
|------------------------------------------------------------|------------------------|-----------------|-----------------|
| | | 2007 | 2006 |
| INCOME | | | |
| Sales | | | |
| Of Products manufactured by the Company | 1,176.52 | 4,383.17 | 3,162.42 |
| Of Products traded by the Company | - | 1.32 | 0.26 |
| Total | 1,176.52 | 4,384.49 | 3,162.68 |
| Other Income | 51.40 | 1.24 | 0.55 |
| Increase (Decrease) in Inventories | 6.67 | 21.13 | (179.50) |
| Total Income | 1,234.59 | 4,406.86 | 2,983.73 |
| EXPENDITURES | | | |
| Raw Material Consumed | 1,008.84 | 3,602.32 | 2,520.18 |
| Purchase of Traded Goods | 37.37 | 86.62 | 0.09 |
| Staff Cost | 57.68 | 198.42 | 120.00 |
| Other Manufacturing expenses | 16.67 | 70.44 | 48.42 |
| Administration Expenses | 15.87 | 56.39 | 43.22 |
| Selling and Distribution Expenses | 2.94 | 66.95 | 33.42 |
| Preliminary Expenses | - | - | - |
| Total | 1,139.37 | 4,081.14 | 2,765.33 |
| Profit Before Interest, Depreciation and Income Tax | 95.22 | 325.72 | 218.40 |
| Interest and Financial charges | 19.11 | 43.77 | 52.29 |
| Depreciation | 6.98 | 31.32 | 20.99 |
| Net Profit before tax and Extra- Ordinary items | 69.13 | 250.64 | 145.12 |
| Taxation | | | |
| Current tax | 4.41 | 1.52 | 1.05 |
| - Earlier Year's Tax | | | |
| Wealth tax | | 0.07 | 0.09 |
| Fringe benefits tax | 0.17 | 0.80 | 0.95 |
| - Earlier Year's Tax | | 0.01 | |
| Deferred tax | (3.31) | (5.87) | (4.36) |
| MAT Credit for Current Period | (4.40) | - | - |
| Net Profit before Extra-ordinary items (net of tax) | 72.26 | 254.12 | 147.39 |
| Extra-ordinary items (net of tax) | - | - | - |
| Net Profit after Extra-ordinary items | 72.26 | 254.12 | 147.39 |

RENAISSANCE JEWELLERY LIMITED

GENERAL INFORMATION

Registered office of our Company:

Renaissance Jewellery Limited

Plot No 36A & 37, SEEPZ – SEZ, MIDC, Marol, Andheri (East),
Mumbai – 400 096
Tel: +91 22 40551200 Fax: +91 22 6693 8457
Website: www.renjewellery.com
Email: ipo@renjewellery.com

Our Manufacturing Facilities

Unit I: Plot No 36A & 37, SEEPZ –SEZ, MIDC Marol, Andheri (East), Mumbai – 400 096, Maharashtra.

Unit II: G& J Complex-III, SEEPZ SEZ, Andheri (East), Mumbai – 400 096, Maharashtra.

EOU Unit: Plot No 2302, Hill drive, Talaja Road, Bhavnagar – 364 002, Gujarat.

Diamond Unit : 12 Hari Niwas, K. Mathew Road, Opera House, Mumbai – 400 004.

Our Company's Registration No is 11-54498 and our Corporate Identification No is U36911MH1989PLC054498.

Our Company is registered with the Registrar of Companies, Maharashtra located at 100, Everest Building, Marine Drive, Mumbai-400002.

Board of Directors:

The following persons constitute our Board of Directors:

| Name | Designation/Nature of Directorship |
|-------------------------|-------------------------------------------------------|
| Mr. Niranjan A. Shah | Chairman – Non Executive and Non Independent Director |
| Mr. Sumit N. Shah | Managing Director |
| Mr. Hitesh M. Shah | Executive Director |
| Mr. Neville Tata | Executive Director |
| Mr. V.C. Shah | Non Executive and Independent Director |
| Mr. Vishwas.V.Mehendale | Non Executive and Independent Director |
| Mr. Pramod H.Lele | Non Executive and Independent Director |
| Mr. Anil K. Chopra | Non Executive and Independent Director |

For further details of our Chairman, Managing Director and Executive Directors please refer to section titled “Our Management” beginning on page 75 of this Red Herring Prospectus

Company Secretary and Compliance Officer

Ms. Manju B. Batham

Renaissance Jewellery Limited
Plot No 36A & 37, SEEPZ – SEZ, MIDC Marol, Andheri (East), Mumbai – 400 096
Tel: +91 22 40551369 Fax: +91 22 6693 8457
Email: ipo@renjewellery.com

Registrar to the Issue

Intime Spectrum Registry Limited

C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai - 400 078, India.
SEBI Registration No: INR000003761
Tel: +91 22 2596 0320 Fax: +91 22 2596 0329
Website: www.intimespectrum.com
Email: rjlipo@intimespectrum.com
Contact Person: Mr. Sachin Achar

The investors can contact the Compliance Officer or the Registrar in case of pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, demat credit of allotted Equity Shares in respective beneficiary account, receipt of refund orders if any etc.

Book Running Lead Manager

Edelweiss Capital Limited

14th floor, Express Towers,
Nariman Point, Mumbai – 400 021.
SEBI Registration No: INM000010650
Tel: +91 22 4086 3535
Fax: +91 22 2288 8119
Website: www.edelcap.com
E-mail: renjewel.ipo@edelcap.com
Contact Person: Mr. Prem D'Cunha

Legal Advisors to the Issue

M/s. Crawford Bayley & Co.

Advocates & Solicitors

State Bank Buildings, 4th floor,
N. G. N. Vaidya Marg, Fort,
Mumbai - 400 023.
Tel.: +91 22 2266 8000
Fax: +91 22 2266 0355
E-mail: sanjay.asher@crawfordbayley.com

Bankers of our Company

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bank of India | State Bank of India |
| SEEPZ Branch, Behind Seepz Service Centre, Andheri (East), Mumbai - 400 096 Tel : +91 22 2829 1744, Fax: +91 22 2829 1633 Website: www.bankofindia.com | SEEPZ Branch, New Bank Building, Andheri(East), Mumbai - 400 096 Tel No: +91 22 2829 2655, Fax: +91 22 2829 0266 Website: www.sbi.co.in |
| Punjab National Bank | ICICI Bank Limited |
| Seepz Branch, Behind SEEPZ Service Centre, Andheri (East), Mumbai - 400 096 Tel: +91 22 2829 1619, Fax: +91 22 2829 0942 Website: www.pnbindia.com | Offshore Banking Branch, Plot No. 8, Block-II, SEEPZ++, Andheri (East), Mumbai – 400 096 Tel: +91 22 2824 9826, Fax: +91 22 23051988 Website: www.icicibank.com |
| The Saraswat Bank Co-op Bank Limited | The Bank of Nova Scotia |
| 1st Floor, Kimatrai Building, 77/79, Mahashi Karve Road, Marine Lines, Mumbai - 400 002 Tel No: +91 22 2209 6014, Fax: +91 22 2209 6019 Website: www.saraswatbank.in | 11, Maker Chambers VI, 220, Nariman Point, Mumbai - 400 021 Tel No: +91 22 5658 6931, Fax: +91 22 2288 1078 Website: www.scotiabank.com |

Syndicate Member(s)

Edelweiss Securities Limited,

14th floor, Express Towers, Nariman Point, Mumbai – 400 021.
Tel: +91 22 2286 4400 Fax: +91 22 2288 8119
Website: www.edelcap.com
E-mail: renjewel.ipo@edelcap.com
Contact Person: Ms. Ankita Parikh

Bankers to the Issue

HDFC Bank Limited

Process House, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013.
Tel. : +91 22 2856 9009,
Fax : +91 22 2856 9256
Contact Person: Rahul Sampat
E-mail : rahul.sampat@hdfcbank.com

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ICICI Bank Limited

Capital Markets Division,
30, Mumbai Samachar Marg, Mumbai - 400 001.
Tel. : +91 22 2262 7718
Fax : +91 22 22611138
Contact Person : Mr. Sidhartha Routray
E-mail : sidhartharoutray@icicibank.com

Standard Chartered Bank

270, D. N. Road, Fort, Mumbai - 400 001.
Tel. : + 91 22 2268 3965/2209 2213/2268 3958
Fax : + 91 22 2207 6553
Contact Person : Mr. Rajesh Malwade
E-mail : rajeshmalwade@standardchartered.com

The Hongkong Shanghai Banking Corporation Limited

52/60, Mahatma Gandhi Road,
Global Payments & Cash Management,
Mumbai - 400 001.
Tel. : +91 22 2268 5584 • Fax : +91 22 2262 3890
Contact Person : Mr. Sriram Balakrishnan
E-mail : srirambalakrishnan@hsbc.co.in

Statutory Auditors

M/s. J. K. Shah & Co.

Chartered Accountants
3rd Floor, Flat No 14, Al Karim Manzil, 15, Palton Road, Mumbai 400001
Tel: +91 22 2261 5581 Fax: +9122 2261 9937

IPO Grading Agency

ICRA Limited

Electric Mansion, 3rd Floor, Appa Saheb Marathe Marg,
Prabha Devi, Mumbai – 400025.
Tel: +91 22 30470033 Fax: +91 22 4331390
Website: www.icra.in
E-mail: rohitg@icraindia.com
Contact Person: Mr. Rohit Gupta

Statement of Responsibilities for the Issue

The BRLM shall be responsible for the following activities:

- Capital structuring with the relative components and formalities such as type of instruments, etc.
- Due diligence of our Company's operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, the Red Herring Prospectus and of statutory and non-statutory advertisement including memorandum containing salient features of the Prospectus and any other publicity material. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of the Prospectus and filing with the Stock Exchanges/RoC.
- Appointment of other intermediaries viz. Registrar to the Issue, printers, advertising agency and Bankers to the Issue.
- Retail and Non-Institutional marketing strategy, which will cover inter alia:
 - Formulating marketing strategies, preparation of publicity budget;
 - Finalise media and public relations strategy;
 - Finalise centers for holding conferences for press and brokers;
 - Finalise collection centers;
 - Follow-up on distribution of publicity and issue material, including Bid-cum-Application Forms, Red Herring Prospectus and deciding on the quantum of the Issue material;
- Institutional marketing strategy, which will cover inter alia:
 - Finalize the list and division of investors for one-on-one meetings;
 - Finalize road show presentations.

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- Managing the book, co-ordination with Stock Exchanges and pricing and institutional allocation in consultation with our Company.
- The post bidding activities including management of Escrow Accounts, coordination of non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders etc.
- The post-Issue activities will involve essential follow up steps, including finalization of trading and dealing instruments and dispatch of certificates and demat delivery of Equity Shares or Warrants, with the various agencies connected with the work such as the Registrar to the Issue and Bankers to the Issue and the banks handling refund business. The BRLM shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge this responsibility through suitable agreements with our Company.

Credit Rating

This being an equity Issue, credit rating is not required.

IPO Grading

This Issue of Equity Shares has been graded by ICRA Limited as IPO Grade 2 indicating below average fundamentals, pursuant to the SEBI Guidelines.

The rationale for the Grade assigned to our Company's IPO by ICRA, has been set out in its report dated October 24, 2007. The rationale set out therein is as follows:

- The IPO Grading assigned by ICRA takes into account the significant experience of RJs promoters and its management in the diamond studded jewellery industry and the advantages available to the Company on account of its being located in an EPZ. The grading however is constrained by RJs high geographic, and client concentration. Besides, the grading also factors in RJs vulnerability to developments like imposition/changes of/in anti-dumping and other similar duties in its target markets for export.
- RJL is currently a US-centric company, with over 90% of its revenues coming in from that country (as of 2006-07). Although RJL is now diversifying into other regions like Hong Kong, the U.A.E and the UK, it still has a very high exposure to the US, and is vulnerable to regulatory/market changes like imposition of duties and movements in (dollar-rupee) exchange rates. This apart, RJL has very high concentration on a few customers. In 2006-07 the largest customer accounted for around 38.75% of its revenues on a consolidated basis. The same year, the top five customers accounted for 93.94% of its revenues. So far, RJL was focusing on large distributors in the US, but now plans to target smaller distributors/retailers (having upto 10 stores) there, through its subsidiary RJNY. As of now loss of even one customer can adversely impact RJs income and profits. The company's success in targeting smaller distributors is yet to be established.
- In the past, RJs exports to the US benefited significantly from the US Generalised System of Preferences (GSP). Under this, a duty waiver was given to India and some other nations (like Thailand) for export of studded jewellery to the US. However, since July 2007, the duty has been withdrawn and exports of studded jewellery from India to the US are subject to a 6.5% import duty. This could eliminate the advantage RJL enjoyed so far vis-à-vis other players, particularly from China, who were not eligible under the US GSP. Import Duty has also been imposed on other major jewellery exporting countries like Thailand.
- The US dollar has been under pressure vis-à-vis the Indian rupee for sometime now. The average dollar rate (vis-à-vis rupee) depreciated around 6.4% during April-June 2007 over the previous quarter. Dollar depreciation has a direct impact on the price competitiveness of Indian exports. If the trend of a strengthening rupee were to continue, RJs margins could take a hit. Being an export oriented company, RJL is sensitive to dollar rupee movements although its position is partly hedged (around 85%) by the fact that its purchases (gold and diamond) are denominated in US dollars.

Trustees

This being equity Issue, the appointment of debenture trustee is not required.

Book Building Process

The book building refers to the collection of Bids from investors, which is based on the Price Band, with the Issue Price being finalized after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- Our Company;
- Book Running Lead Manager, in this case being Edelweiss Capital Limited;
- Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with the Stock Exchange(s) and eligible to act as underwriters;
- Registrar to the Issue, in this case being Intime Spectrum Registry Limited and;
- Escrow Collection Bank(s).

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The SEBI Guidelines have permitted an Issue of securities to the public through the 100% Book Building Process, wherein not more than 50% of the Issue to the Public shall be available for allocation to Qualified Institutional Buyers on a proportionate basis. 5% of QIB portion shall be available on a proportionate basis to Mutual fund only and the remainder of the QIB portion shall be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. We will comply with the SEBI Guidelines for this Issue. In this regard, we have appointed the BRLM, and Syndicate Member(s) to procure subscriptions to the Issue.

QIBs are not allowed to withdraw their Bid after the Bid/ Issue Closing Date and are required to pay 10% Margin Amount upon submission of their Bid and allocation to QIBs will be on proportionate basis. For details see the section titled “Terms of the Issue” beginning on page 169 of this Red Herring Prospectus.

Illustration of Book Building and Price Discovery Process *(Investors should note that this illustration is solely for the purpose of illustration and is not specific to the Issue)*

The Bidders can Bid at any price within the Price Band. For instance, assume a Price Band of Rs. 60 to Rs. 72 per Equity Share, Issue size of 5,400 Equity Shares and receipt of five Bids from the Bidders. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the Bidding/Issue Period. The illustrative book as set forth below shows the demand for the Equity Shares of our Company at various prices and is collated from Bids from various investors.

| Bid Quantity | Bid Price (Rs.) | Cumulative Quantity | Subscription |
|--------------|-----------------|---------------------|--------------|
| 1,500 | 72 | 1,500 | 27.78% |
| 3,000 | 69 | 4,500 | 83.33% |
| 4,500 | 66 | 9,000 | 166.67% |
| 6,000 | 63 | 15,000 | 277.78% |
| 7,500 | 60 | 22,500 | 416.67% |

The price discovery is a function of demand at various prices. The highest price at which our Company is able to issue the desired quantity of Equity Shares is the price at which the book cuts off, i.e., Rs. 66 in the above example. Our Company, in consultation with the BRLM, will finalize the Issue Price at or below such cut off price, i.e., at or below Rs. 66. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective category.

The process of Book building under the SEBI Guidelines is relatively new and is subject to change, from time to time. Accordingly, investors are advised to make their own judgement about investment through this process of Book Building prior to making a Bid.

Steps to be taken for bidding:

1. Check eligibility for making a Bid (see section titled “Issue Procedure - Who Can Bid” beginning on page 173 of this Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid-cum Application Form.
3. If your Bid is for Rs. 50,000 or more ensure that you have mentioned your PAN and attached copies of your PAN card or PAN allotment letter to the Bid cum Application Form (see section titled “Issue Procedure-‘PAN’ or ‘GIR’ Number” beginning on page 173 of this Red Herring Prospectus).
4. Ensure that the Bid-cum-Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application

Withdrawal of the Issue

Our Company, in consultation with the BRLM reserves the right not to proceed with the Issue at any time before Allotment in the Issue, without assigning any reason therefor

Bid/Issue Programme

Bidding/Issue Period

| | |
|-----------------------------|--------------------------|
| BID ISSUE OPENS ON | NOVEMBER 19, 2007 |
| BID ISSUE CLOSSES ON | NOVEMBER 21, 2007 |

Bids and any revision in Bids shall be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) during the Bidding / Issue Period as mentioned above at the bidding centers mentioned on the Bid-cum-Application Form **except that on the Bid/ Issue Closing Date, the Bids and any revision in Bids shall be accepted between 10 a.m. and 1 p.m. (Indian Standard Time)** and uploaded until (i) 5.00 p.m in case of Bids by QIB Bidders, and Non-Institutional Bidders and (ii) until such time as

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permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m (Indian Standard Time) on the Bid/ Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on working days, i.e. Monday to Friday (excluding any public holiday). In case of discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical bid form, for a particular bidder, the details as per physical application form of that bidder may be taken as the final data for the purpose of allotment.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Bidders after taking into account the total number of Bids received upto the closure of timings for acceptance of Bid-cum-Application Forms as stated herein and reported by the BRLMs to the Stock Exchange within half an hour of such closure

Our Company reserves the right to revise the Price Band during the Bidding/Issue Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.

In case of revision in the Price Band, the Bidding Period/Issue Period will be extended for three additional working days after revision of Price Band subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a press release, and also by indicating the change on the website of the BRLMs and at the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price and prior to filing of the Prospectus with the RoC, our Company and the Underwriters will enter into an Underwriting Agreement for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the members of the Syndicate do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are subject to certain conditions as to closing, as specified therein. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed prior to filing of the Prospectus with RoC)

| Name and Address of the Underwriters | Indicative Number of Equity shares to be Underwritten | Amount Underwritten (Rupees in million) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|
| Edelweiss Capital Limited 14th floor, Express Towers, Nariman Point, Mumbai – 400 021 Tel: +91 22 4086 3535 Fax: +91 22 2288 2119 E-mail: renjewel.ipo@edelcap.com | [●] | [●] |
| Edelweiss Securities Limited 14 th floor, Express Towers, Nariman Point, Mumbai – 400 021 Tel: +91 22 2286 4400 Fax: +91 22 2288 8119 E-mail: renjewel.ipo@edelcap.com | [●] | [●] |

The abovementioned amount is indicative and this would be finalized after determination of the Issue Price and actual allocation of the Equity Shares. The above Underwriting Agreement is dated [●].

Our Board of Directors (based on a certificate given by the Underwriters), will ascertain the resources of the above mentioned Underwriters to form the opinion that the same are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the stock exchange(s). The above Underwriting Agreement will be presented for acceptance to the Board of Directors and our Company will issue letters of acceptance to the Underwriters.

Allocation among underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLM shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe to the extent of the defaulted amount as specified in the Underwriting Agreement. Allotment to QIBs is proportionate as per the terms of this Red Herring Prospectus.

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CAPITAL STRUCTURE

(Amount in Rs)

| Number of Equity Shares | Aggregate Nominal Value | Aggregate Value at Issue Price |
|----------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------|
| A) AUTHORIZED CAPITAL | | |
| 25,000,000 Equity Shares of Rs. 10 each | 250,000,000 | — |
| B) ISSUED, SUBSCRIBED AND PAID-UP CAPITAL PRIOR TO THE ISSUE | | |
| 13,035,200 Equity Shares of Rs. 10 each | 130,352,000 | — |
| C) ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS | | [●] |
| Issue of | | |
| 5,324,240 Equity Shares of Rs. 10 each | 53,242,400 | [●] |
| 2,662,120 Warrants | - | - |
| Of Which | | |
| QIB portion of upto 2,662,120 Equity Shares of Rs. 10 each and 1,331,060 Warrants | 26,621,200* | [●] |
| Non-institutional Investors Portion of atleast 798,636 Equity Shares of Rs. 10 each and 399,318 Warrants | 7,986,360* | [●] |
| Retail Investors Portion of at least 1,863,484 Equity Shares of Rs. 10 each and 931,742 Warrants | 18,634,840* | [●] |
| D) ISSUED, SUBSCRIBED AND PAID-UP CAPITAL POST ISSUE | | |
| 18,359,440 Equity Shares of Rs. 10 each outstanding after the Issue before the Warrant Exercise | 1,835,94,400 | [●] |
| 21,021,560 Equity Shares of Rs. 10 each outstanding after the Issue and after Warrant Exercise | 210,215,600 | |
| E) SECURITIES PREMIUM ACCOUNT | | |
| Before the Issue | NIL | |
| After the Issue | [●] | [●] |

* prior to exercise of Warrants

Details of increase in Authorised Capital

| Sr. No. | Particulars of Increase | Date of Meeting | AGM/EGM |
|---------|-----------------------------------------|-------------------|---------|
| 1. | Rs. 3,000,000 | Incorporation | - |
| 2. | From Rs. 3,000,000 to Rs. 13,000,000 | March 31, 1998 | EGM |
| 3. | From Rs. 13,000,000 to Rs. 17,500,000 | February 10, 1999 | EGM |
| 4. | From Rs. 17,500,000 to Rs. 150,000,000 | October 26, 2005 | EGM |
| 5. | From Rs. 150,000,000 to Rs. 250,000,000 | April 19,2007 | EGM |

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Notes to capital structure:

1. Equity Share Capital build up of our Company

| Date of Allotment / Fully paid up | Number of Equity Shares | Cumulative No. of Shares | Face Value (Rs.) | Issue Price (Rs.) | Nature of payment of consideration | Nature of Allotment | Cumulative Equity Share Capital (Rs. in million) |
|-----------------------------------|-------------------------|--------------------------|------------------|-------------------|------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| December 12, 1989 | 1,000 | 1,000 | 100 | 100 | Cash | Subscription to Memorandum of Association | 0.10 |
| December 15, 1992 | 19,100 | 20,100 | 100 | 100 | Cash | Further issue of capital | 2.01 |
| March 31, 1998 | 67,900 | 88,000 | 100 | 100 | Cash | Further issue of capital | 8.80 |
| April 01, 1998 | 74,940 | 162,940 | 100 | - | Non - Cash | Further issue of capital pursuant to amalgamation of Sur Style Jewellery Private Limited into our Company | 16.29 |
| October 26, 2005 | 1,629,400 | 1,629,400 | 10 | | Sub Division | Sub Division of face value of Rs.100 per Equity Share to Rs.10 per Equity Share | 16.29 |
| March 2, 2006 | 4,888,200 | 6,517,600 | 10 | - | Bonus | Bonus in ratio of three Equity Shares for every one Equity Share held. | 65.18 |
| May 26, 2007 | 6,517,600 | 13,035,200 | 10 | - | Bonus | Bonus in the ratio of One Equity Share for every One Equity Share held | 130.35 |

There has been no issuance of bonus shares of our Company that has been made out of revaluation reserves or reserves without accrual of cash resources as per Clause 4.6.1 (ii) of the SEBI Guidelines.

2. Promoters Contribution and Lock-in:

A. Set forth below are the details of the build up of the Promoters' shareholding, Promoters' contribution and lock – in post Issue and before exercise of Warrants (Assuming full exercise of Warrants)

| Name | Date of Allotment/ Transfer & Date when made fully paid-up | Consideration (Cash, Bonus, consideration other than cash) | No. of Equity Shares | Face Value (Rs.) | Issue Price/ Transfer Price (Rs.) | % of Post Issue Paid-up Capital | Lock-in Period |
|----------------------|------------------------------------------------------------|------------------------------------------------------------|----------------------|------------------|-----------------------------------|---------------------------------|----------------|
| Mr. Sumit N. Shah | July 3, 1995** | Cash | 100 | 100 | 175 | - | - |
| | March 02, 1998** | Cash | 4,100 | 100 | 175 | - | - |
| | March 31, 1998 | Cash | 14,200 | 100 | 100 | - | - |
| | March 31, 1998** | Cash | 4,200 | 100 | 175 | - | - |
| | March 31, 1998** | Cash | 14,200 | 100 | 100 | - | - |
| | April 01, 1998*** | Amalgamation | 24,465 | 100 | - | - | - |
| | January 01, 2003** | Cash | (20,530) | 100 | 134.24 | - | - |
| | December 02, 2004** | Cash | (1) | 100 | 2000 | - | - |
| | October 26, 2005 | Sub Division * | 407,340 | 10 | - | 2.22 | 1 year |
| | March 2, 2006 | Bonus | 1,222,020 | 10 | - | 6.66 | 1 year |
| | May 26, 2007 | Bonus | 1,629,360 | 10 | | 8.87 | # |
| Sub total (A) | | | 3,258,720 | | | 17.75 | |

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| Name | Date of Allotment/ Transfer & Date when made fully paid-up | Consideration (Cash, Bonus, consideration other than cash) | No. of Equity Shares | Face Value (Rs.) | Issue Price/ Transfer Price (Rs.) | % of Post Issue Paid-up Capital | Lock-in Period |
|--------------------------|------------------------------------------------------------|------------------------------------------------------------|----------------------|------------------|-----------------------------------|---------------------------------|----------------|
| Mr. Niranjan A. Shah | July 3, 1995** | Cash | 100 | 100 | 175 | - | - |
| | March 02, 1998** | Cash | 4,900 | 100 | 175 | - | - |
| | March 31, 1998 | Cash | 17,000 | 100 | 100 | - | - |
| | April 01, 1998*** | Amalgamation | 15,000 | 100 | - | - | - |
| | January 01, 2003** | Cash | (4,412) | 100 | 134.50 | - | - |
| | October 26, 2005 | Sub Division * | 325,880 | 10 | - | 1.78 | 1 Year |
| | March 2, 2006 | Bonus | 977,640 | 10 | - | 5.32 | |
| | May 26, 2007 | Bonus | 1,303,520 | | | 7.10 | # |
| Sub total (B) | | | 2,607,040 | | | 14.20 | |
| Mr. Hitesh M. Shah | January 01, 2003** | Cash | 4,412 | 100 | 134.50 | - | - |
| | January 01, 2003** | Cash | 10,827 | 100 | 136.90 | - | - |
| | January 01, 2003** | Cash | 1,055 | 100 | 136.97 | - | - |
| | October 26, 2005 | Sub Division * | 162,940 | 10 | - | 0.89 | 1 Year |
| | March 2, 2006 | Bonus | 488,820 | 10 | - | 2.66 | 1 year |
| | May 26, 2007 | Bonus | 651,760 | | | 3.55 | # |
| Sub total (C) | | | 1,303,520 | | | 7.10 | |
| Mr. Amit C. Shah | July 3, 1995** | Transfer | 100 | 100 | 175 | - | - |
| | March 02, 1998** | Transfer | 3,250 | 100 | 100 | - | - |
| | March 31, 1998** | Cash | 11,250 | 100 | 175 | - | - |
| | April 01, 1998*** | Amalgamation | 12,525 | 100 | - | - | - |
| | January 01, 2003** | Cash | (12,460) | 100 | 136.97 | - | - |
| | October 26, 2005 | Sub Division * | 146,650 | 10 | - | 0.80 | 1 Year |
| | March 2, 2006 | Bonus | 439,950 | 10 | - | 2.40 | 1 year |
| | May 26, 2007 | Bonus | 586,600 | | | 3.20 | # |
| Sub total (D) | | | 1,173,200 | | | 6.39 | |
| Mr. Bhupen C. Shah | July 3, 1995** | Cash | 100 | 100 | 175 | - | - |
| | March 02, 1998** | Cash | 3,250 | 100 | 175 | - | - |
| | March 31, 1998 | Cash | 11,250 | 100 | 100 | - | - |
| | April 01, 1998*** | Amalgamation | 12,450 | 100 | - | - | - |
| | January 01, 2003** | Cash | (12,385) | 100 | 136.90 | - | - |
| | October 26, 2005 | Sub Division * | 146,650 | 10 | - | 0.80 | 1 Year |
| | March 2, 2006 | Bonus | 439,950 | 10 | - | 2.40 | 1 year |
| | May 26, 2007 | Bonus | 586,600 | | | 3.20 | # |
| Sub total (E) | | | 1,173,200 | | | 6.39 | |
| Total (A+B+C+D+E) | | | 9,515,680 | | | 51.83 | |

* The equity shares of our Company of face value Rs 100/- were Sub Divided into 10 Equity Shares of face value Rs.10/- each vide a special resolution passed at the EGM held on October 26, 2005.

** Transfers.

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*** Equity Shares issued to shareholders of Sur Style Jewellery Limited in the ratio of 3 Equity Shares of Rs. 100/- each our Company for every 2 fully paid equity shares of Rs.100 held by them in the erstwhile Sur Style Jewellery Private Limited as consideration for, and pursuant to amalgamation of Sur Style Jewellery Private Limited into our Company with effect from April 1, 1998.

As per clause 4.1.1 of the SEBI Guidelines, the below mentioned Equity Shares, held by the Promoters shall be locked in on Last In First Out basis (i.e. Equity Shares which have been issued last shall be locked-in first) for a period of 3 years from the date of Allotment:

| Sr. No. | Name | Date of Allotment/ Transfer & Date when made fully paid-up | Consideration (Cash, Bonus, Kind, etc.) | No. of Equity Shares | Face Value (Rs.) | Issue Price/ Transfer Price (Rs.) | % of Post Issue Paid-up Capital |
|--------------|-----------------------|------------------------------------------------------------|-----------------------------------------|----------------------|------------------|-----------------------------------|---------------------------------|
| 1. | Mr. Sumit N. Shah | May 26, 2007 | Bonus | 1,315,888 | 10 | - | 7.17% |
| 2. | Mr. Niranjana A. Shah | May 26, 2007 | Bonus | 1,060,000 | 10 | - | 5.77% |
| 3. | Mr. Hitesh M. Shah | May 26, 2007 | Bonus | 5,000,00 | 10 | - | 2.72% |
| 4. | Mr. Amit C. Shah | May 26, 2007 | Bonus | 398,000 | 10 | - | 2.17% |
| 5. | Mr. Bhupen C. Shah | May 26, 2007 | Bonus | 398,000 | 10 | - | 2.17% |
| Total | | | | 3,671,888 | | | 20.00% |

B. Set forth below is the details of the build up of the Promoters' shareholding, Promoters' contribution and lock – in after the Issue and post exercise of Warrants (Assuming full exercise of Warrants)

| Name | Date of Allotment/ Transfer & Date when made fully paid-up | Consideration (Cash, Bonus, consideration other than cash) | No. of Equity Shares | Face Value (Rs.) | Issue Price/ Transfer Price (Rs.) | % of Post Issue Paid-up Capital | Lock-in Period |
|-----------------------|------------------------------------------------------------|------------------------------------------------------------|----------------------|------------------|-----------------------------------|---------------------------------|----------------|
| Mr. Sumit N. Shah | July 3, 1995** | Cash | 100 | 100 | 175 | - | - |
| | March 02, 1998** | Cash | 4,100 | 100 | 175 | - | - |
| | March 31, 1998 | Cash | 14,200 | 100 | 100 | - | - |
| | March 31, 1998** | Cash | 4,200 | 100 | 175 | - | - |
| | March 31, 1998** | Cash | 14,200 | 100 | 100 | - | - |
| | April 01, 1998*** | Amalgamation | 24,465 | 100 | - | - | - |
| | January 01, 2003** | Cash | (20,530) | 100 | 134.24 | - | - |
| | December 02, 2004** | Cash | (1) | 100 | 2000 | - | - |
| | October 26, 2005 | Sub Division * | 407,340 | 10 | - | 1.94 | 1 year |
| | March 2, 2006 | Bonus | 1,222,020 | 10 | - | 5.81 | 1 year |
| | May 26, 2007 | Bonus | 1,629,360 | 10 | | 7.75 | # |
| Sub total (A) | | | 3,258,720 | | | 15.50 | |
| Mr. Niranjana A. Shah | July 3, 1995** | Cash | 100 | 100 | 175 | - | - |
| | March 02, 1998** | Cash | 4,900 | 100 | 175 | - | - |
| | March 31, 1998 | Cash | 17,000 | 100 | 100 | - | - |
| | April 01, 1998*** | Amalgamation | 15,000 | 100 | - | - | - |
| | January 01, 2003** | Cash | (4,412) | 100 | 134.50 | - | - |
| | October 26, 2005 | Sub Division * | 325,880 | 10 | - | 1.55 | 1 Year |
| | March 2, 2006 | Bonus | 977,640 | 10 | | 4.65 | 1 Year |
| | May 26, 2007 | Bonus | 1,303,520 | | | 6.20 | # |
| Sub total (B) | | | 2,607,040 | | | 12.40 | |

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| Name | Date of Allotment/ Transfer & Date when made fully paid-up | Consideration (Cash, Bonus, consideration other than cash) | No. of Equity Shares | Face Value (Rs.) | Issue Price/ Transfer Price (Rs.) | % of Post Issue Paid-up Capital | Lock-in Period |
|--------------------------|------------------------------------------------------------|------------------------------------------------------------|----------------------|------------------|-----------------------------------|---------------------------------|----------------|
| Mr. Hitesh M. Shah | January 01, 2003** | Cash | 4,412 | 100 | 134.50 | - | - |
| | January 01, 2003** | Cash | 10,827 | 100 | 136.90 | - | - |
| | January 01, 2003** | Cash | 1,055 | 100 | 136.97 | - | - |
| | October 26, 2005 | Sub Division * | 162,940 | 10 | - | 0.78 | 1 Year |
| | March 2, 2006 | Bonus | 488,820 | 10 | - | 2.33 | 1 year |
| | May 26, 2007 | Bonus | 651,760 | | | 3.1 | # |
| Sub total (C) | | | 1,303,520 | | | 6.20 | |
| Mr. Amit C. Shah | July 3, 1995** | Transfer | 100 | 100 | 175 | - | - |
| | March 02, 1998** | Transfer | 3,250 | 100 | 100 | - | - |
| | March 31, 1998** | Cash | 11,250 | 100 | 175 | - | - |
| | April 01, 1998*** | Amalgamation | 12,525 | 100 | - | - | — |
| | January 01, 2003** | Cash | (12,460) | 100 | 136.97 | - | - |
| | October 26, 2005 | Sub Division * | 146,650 | 10 | - | 0.70 | 1 Year |
| | March 2, 2006 | Bonus | 439,950 | 10 | - | 2.10 | 1 year |
| | May 26, 2007 | Bonus | 586,600 | | | 2.80 | # |
| Sub total (D) | | | 1,173,200 | | | 5.58 | |
| Mr. Bhupen C. Shah | July 3, 1995** | Cash | 100 | 100 | 175 | - | - |
| | March 02, 1998** | Cash | 3,250 | 100 | 175 | - | - |
| | March 31, 1998 | Cash | 11,250 | 100 | 100 | - | - |
| | April 01, 1998*** | Amalgamation | 12,450 | 100 | - | - | - |
| | January 01, 2003** | Cash | (12,385) | 100 | 136.90 | - | - |
| | October 26, 2005 | Sub Division * | 146,650 | 10 | - | 0.70 | 1 Year |
| | March 2, 2006 | Bonus | 439,950 | 10 | - | 2.10 | 1 year |
| | May 26, 2007 | Bonus | 586,600 | | | 2.80 | # |
| Sub total (E) | | | 1,173,200 | | | 5.58 | |
| Total (A+B+C+D+E) | | | 9,515,680 | | | 45.26 | |

* The equity shares of our Company of face value Rs 100/- were sub divided into 10 Equity Shares of face value Rs.10/- each vide a special resolution passed at the EGM held on October 26, 2005.

** Transfers.

*** Equity Shares issued to shareholders of Sur Style Jewellery Limited in the ratio of 3 Equity Shares of Rs. 100/- each our Company for every 2 fully paid equity shares of Rs.100 held by them in the erstwhile Sur Style Jewellery Private Limited as consideration for, and pursuant to amalgamation of Sur Style Jewellery Private Ltd into our Company with effect from April 1, 1998.

As per clause 4.1.1 of the SEBI Guidelines, the below mentioned Equity Shares, held by the Promoters shall be locked in on Last In First Out basis (i.e. Equity Shares which have been issued last shall be locked-in first) for a period of 3 years from the date of Allotment:

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| Sr. No. | Name | Date of Allotment/ Transfer& Date when made fully paid- up | Consideration (Cash, Bonus, Kind, etc.) | No. of Equity Shares | Face Value (Rs.) | Issue Price/ Transfer Price (Rs.) | % of Post Issue Paid-up Capital |
|--------------|----------------------|------------------------------------------------------------|-----------------------------------------|----------------------|------------------|-----------------------------------|---------------------------------|
| 1. | Mr. Sumit N. Shah | May 26, 2007 | Bonus | 1,585,312 | 10 | - | 7.54% |
| 2. | Mr. Niranjan A. Shah | May 26, 2007 | Bonus | 1,100,000 | 10 | - | 5.23% |
| 3. | Mr. Hitesh M. Shah | May 26, 2007 | Bonus | 519,000 | 10 | - | 2.47% |
| 4. | Mr. Amit C. Shah | May 26, 2007 | Bonus | 500,000 | 10 | - | 2.38% |
| 5. | Mr. Bhupen C. Shah | May 26, 2007 | Bonus | 500,000 | 10 | - | 2.38% |
| Total | | | | 4,204,312 | | | 20.00% |

Note: The lock-in period shall commence from the date of Allotment of Equity Shares in the Issue. Specific written consents have been obtained from the persons whose shares form part of Promoters' contribution to lock-in their shares for a period of three years to ensure minimum Promoter's contribution to the extent of 20% of the post-Issue paid-up capital of our Company.

The Promoters' have agreed to lock in 4,204,312 Equity Shares for a period of three years. All the Equity Shares which have been locked in are not eligible for computation of Promoters' contribution under clause 4.6 of the SEBI Guidelines.

We confirm that the minimum Promoters' contribution of 20% which is subject to lock-in for three years does not consist of:

- (a) Equity Shares acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- (b) Securities issued during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public.
- (c) Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- (d) Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the minimum Promoters' contribution subject to lock-in.
- (e) Equity Shares issued to Promoters on conversion of partnership firms into limited company.
- (f) Equity Shares with a contribution less than Rs. 25,000/- per application from each individual and contribution less than Rs.1,00,000/- from firms and companies.

Other than the shares locked-in as Promoter Contribution as stated in the table above, the entire pre-Issue capital of our Company shall be locked in for a period of 1 year from the date of Allotment of Equity Shares in the Issue.

3. In terms of clause 4.16(a) of the SEBI Guidelines, the Equity Shares held by persons other than Promoters may be transferred to any other person holding shares prior to the Issue, subject to continuation of lock-in with transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable. The Equity Shares to be held by the Promoters under lock-in period shall not be sold/hypothecated/transferred during the lock-in period. However, in terms of clause 4.16(b) of the SEBI Guidelines the Equity Shares held by Promoters, which are locked in, may be transferred to and among Promoters / Promoter Group or to a new promoter(s) or persons in control of our Company, subject to the continuation of lock-in with the transferees for the remaining period and compliance with the SEBI Takeovers Regulations, as applicable.
4. An over-subscription to the extent of 10% of Issue can be retained for the purpose of rounding off to the nearer multiple of 1, while finalizing the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the Post Issue paid-up capital is locked in.
5. The Equity Shares, which are subjected to lock-in, shall carry the inscription "non-transferable" and the non transferability details shall be informed to the depository. The details of lock-in shall also be provided to the stock exchanges where the shares are to be listed before the listing of the Equity Shares.
6. Our Company, our Promoters, our Directors or the BRLM have not entered into any buy back or standby for the purchase of Equity Share from any person.

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7. a) Top ten shareholders as on the date of filing of Red Herring Prospectus with RoC:

| Sr. No. | Name of Shareholder | Number of Equity Shares held | Percentage (%) |
|---------|----------------------------------|------------------------------|----------------|
| 1. | Mr. Sumit N. Shah | 3,258,720 | 25.00 |
| 2. | Mr. Niranjana A. Shah | 2,607,040 | 20.00 |
| 3. | Mrs. Suchita Kothari | 2,607,040 | 20.00 |
| 4. | Mr. Hitesh M. Shah | 1,303,520 | 10.00 |
| 5. | Mr. Amit C. Shah | 1,173,200 | 9.00 |
| 6. | Mr. Bhupen C. Shah | 1,173,200 | 9.00 |
| 7. | Mrs. Leshna Shah | 912,400 | 7.00 |
| 8. | N. Kumar Diamond Exports Limited | 80 | 0.00 |
| Total | | 13,035,200 | 100.00 |

Note: Our Company has only eight shareholders on the aforesaid date.

b) Top ten shareholders as on ten days prior to Filing of Red Herring Prospectus with RoC:

| Sr. No. | Name of Shareholder | Number of Equity Shares held | Percentage (%) |
|---------|----------------------------------|------------------------------|----------------|
| 1. | Mr. Sumit N. Shah | 3,258,720 | 25.00 |
| 2. | Mr. Niranjana A. Shah | 2,607,040 | 20.00 |
| 3. | Mrs. Suchita Kothari | 2,607,040 | 20.00 |
| 4. | Mr. Hitesh M. Shah | 1,303,520 | 10.00 |
| 5. | Mr. Amit C. Shah | 1,173,200 | 9.00 |
| 6. | Mr. Bhupen C. Shah | 1,173,200 | 9.00 |
| 7. | Mrs. Leshna Shah | 912,400 | 7.00 |
| 8. | N. Kumar Diamond Exports Limited | 80 | 0.00 |
| Total | | 13,035,200 | 100.00 |

Note: Our Company has only eight shareholders on the aforesaid date.

c) Top ten shareholders as on two years prior to filing of Red Herring Prospectus with RoC:

| Sr. No. | Name of Shareholder | Number of Equity Shares held | Percentage (%) |
|---------|----------------------------------|------------------------------|----------------|
| 1. | Mr. Sumit N. Shah | 40,734 | 25.00 |
| 2. | Mr. Niranjana A. Shah | 32,588 | 20.00 |
| 3. | Mrs. Suchita Kothari | 32,588 | 20.00 |
| 4. | Mr. Hitesh M. Shah | 16,294 | 10.00 |
| 5. | Mr. Amit C. Shah | 14,665 | 9.00 |
| 6. | Mr. Bhupen C. Shah | 14,665 | 9.00 |
| 7. | Mrs. Leshna Shah | 11,405 | 7.00 |
| 8. | N. Kumar Diamond Exports Limited | 1 | 0.00 |
| Total | | 162,940 | 100.00 |

Note: Our Company has only eight shareholders on the aforesaid date.

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8. Promoters and Promoter Group Shareholding

| Sr. No. | Particulars | Pre – Issue | | Post-Issue before Warrant Conversion | | Post-Issue after Warrant Conversion assuming full exercise | |
|---------|----------------------------------------------|----------------------|---------------|--------------------------------------|---------------|------------------------------------------------------------|----------------------------------------|
| | | No. of Equity Shares | % Holding | No. of Shares @Rs. 10/- Each | % Holding | Number of Equity Shares | Percentage of equity share capital (%) |
| | Promoters | | | | | | |
| (a) | Mr. Sumit N. Shah | 3,258,720 | 25.00 | 3,258,720 | 17.75 | 3,258,720 | 15.50 |
| | Mr. Niranjan A. Shah | 2,607,040 | 20.00 | 2,607,040 | 14.20 | 2,607,040 | 12.40 |
| | Mr. Hitesh M. Shah | 1,303,520 | 10.00 | 1,303,520 | 7.10 | 1,303,520 | 6.20 |
| | Mr. Amit C. Shah | 1,173,200 | 9.00 | 1,173,200 | 6.40 | 1,173,200 | 5.58 |
| | Mr. Bhupen C. Shah | 1,173,200 | 9.00 | 1,173,200 | 6.40 | 1,173,200 | 5.58 |
| | Sub-total | 9,515,680 | 73.00 | 9,515,680 | 51.83 | 9,515,680 | 45.27 |
| (b) | Promoter Group (other than Promoters) | | | | | | |
| | Mrs. Suchita Kothari | 2,607,040 | 20.00 | 2,607,040 | 14.2 | 2,607,040 | 12.40 |
| | Mrs. Leshna Shah | 912,400 | 7.00 | 912,400 | 4.97 | 912,400 | 4.34 |
| | N. Kumar Diamond Exports Limited | 80 | 0.00 | 80 | - | - | - |
| | Total | 3,519,520 | 27.00 | 3,519,520 | 19.17 | 3,519,520 | 16.74 |
| (c) | Public (pursuant to this Issue) | - | - | 5,324,240 | 29.00 | 7,986,360 | 37.99 |
| | Total (a+b+c) | 13,035,200 | 100.00 | 18,359,440 | 100.00 | 21,021,560 | 100.00 |

The names of the natural persons in control of the bodies corporate forming part of our Promoter Group are as follows:

N. Kumar Diamond Exports Limited

- (i) Mr. Niranjan A. Shah
- (ii) Mr. Sumit N. Shah
- (iii) Mr. Amit C. Shah
- (iv) Mr. Bhupen C. Shah

None of the abovementioned natural persons have been restrained from accessing the capital markets for any reasons by SEBI or any other authorities.

9. Share holding pattern of our Company

| Sr. No. | Particulars | Pre – Issue | | Post-Issue before Warrant Conversion | | Post-Issue after Warrant Conversion assuming full exercise | |
|---------|----------------------------------------|----------------------|---------------|--------------------------------------|---------------|------------------------------------------------------------|----------------------------------------|
| | | No. of Equity Shares | % Holding | No. of Equity Shares | % Holding | Number of Equity Shares | Percentage of equity share capital (%) |
| 1 | Promoters | 9,515,680 | 73.00 | 9,515,680 | 51.83 | 9,515,680 | 45.27 |
| 2 | Promoter Group | 3,519,520 | 27.00 | 3,519,520 | 19.17 | 3,519,520 | 16.74 |
| 3 | Public (pursuant to this Issue) | 0 | 0.00 | 5,324,240 | 29.00 | 7,986,360 | 37.99 |
| | Total | 13,035,200 | 100.00 | 18,359,440 | 100.00 | 21,021,560 | 100.00 |

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10. The Promoters/ Promoter group/ Directors have not purchased and or sold / financed any securities of our Company in past 6 months.
11. The Promoter may pledge the locked-in-Equity Shares only with banks or financial institutions as collateral security for loans granted by such banks /financial institutions, provided the pledge of Equity Shares is one of the terms for the sanction of loans, and further provided that locked-in Equity Shares may be pledged only in relation to loans from such banks/financial institutions for the purpose of financing one or more of the objects of the Issue.
12. Our Company has not issued any Equity Shares for consideration other than cash except for
 - (a) issuance of Equity Shares pursuant to amalgamation of Sur Style Jewellery Private Limited into our Company with effect from April 1, 1998;
 - (b) bonus issue of 48,88,200 Equity Shares on March 02, 2006 and
 - (c) bonus issue of 6,517,600 Equity Shares on May 26, 2007;
13. We have not revalued our assets since inception.
14. Our Company has not raised any bridge loan against the proceeds of the Issue.
15. An oversubscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of Allotment.
16. In case of over subscription in all the categories, not more than 50% of the Issue will be available for allocation on proportionate basis to QIBs, which includes reservation aggregating to 5% of the QIB Portion for Mutual Funds, not less than 15% of the Issue to public will be available for allocation on proportionate basis to Non-Institutional Investors and not less than 35% of the Issue will be available for allocation on proportionate basis to Retail Investors. Under-subscription, if any, in any of the above categories would be allowed to be met with spillover inter-se from any other categories, at the sole discretion of the Company, and the BRLM.
17. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.

18. Details of capitalization of reserves by our Company in the past

Our Company has capitalised its free reserves by way of issuing bonus shares as stated below:

| Date of Allotment | Number of Equity Shares | Face Value Per Share (In Rs.) | Ratio |
|-------------------|-------------------------|-------------------------------|-------|
| March 2, 2006 | 4,888,200 | 10 | 3:1 |
| May 26, 2007 | 6,517,600 | 10 | 1:1 |

19. The Equity Shares are fully paid up and there are no partly paid up Equity Shares as on date.
20. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any Equity Shares to our employees under ESOS/ESPS scheme from the proposed Issue.
21. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Red Herring Prospectus with RoC until the Equity Shares offered through this Red Herring Prospectus have been listed.
22. We presently do not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise. However, if we go in for acquisitions or joint ventures, we may consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.
23. An over subscription to the extent of 10% of the Issue can be retained for the purposes of rounding off while finalizing the basis of Allotment of Equity Shares and Warrants. All fractional allotments of Warrants would be rounded off to the next higher integer, as a consequence of which the number of Warrants allotted could exceed the number of Equity Shares allotted in terms of this Red Herring Prospectus.
24. As on date of filing of this Red Herring Prospectus there are no outstanding Warrants, options or rights to convert debentures loans or other financial instrument into our Equity Shares. The shares locked-in by our Promoters are not pledged to any party.

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25. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time
26. A bidder cannot make a Bid for more than the number of Equity Shares offered to the public through this Issue, subject to maximum limit of investment prescribed under relevant laws applicable to each category of investor.
27. There are eight (8) shareholders as on the date of filing this Red Herring Prospectus.
28. In respect of various agreements entered into by our Company with the lenders and sanction letters issued by our lenders to us, we are bound by certain restrictive covenants regarding capital structure and other restrictive covenants. As per the loan agreements and sanction letters, we require written consent from the lenders, for amongst others, effecting any adverse changes in our Company's capital structure, formulating any scheme of amalgamation or merger or reconstruction, to implement any scheme of expansion or diversification or capital expenditure except normal replacements indicated in funds flow statement submitted to and approved by the banks, entering into any borrowing or non-borrowing arrangements either secured or unsecured with any other bank, financial institution, company, firm or otherwise or accept deposits in excess of the limits laid down by the Reserve Bank of India, investing by way of shares, capital in or lent or advance funds to or place deposits with any other company/firm/concern (including group companies/associates)/person, undertaking guarantee, obligations on behalf of any other Company/firm/person, declaring dividend for any year except out of profits relating to that year after meeting all the financial commitments to the bank and making all due and necessary provisions, making any drastic changes in its management setup, approaching capital market for mobilizing additional resources either in the form of debts or equity, selling or disposing off or creating security or encumbrances on the assets charged to the banks in favour of any other bank or financial institution, company, firm, individual, repaying monies brought in by the promoters, partners, directors, shareholders, their relatives and friends in the business of our Company by way of deposits/loans/share application money, etc. Pursuant to the aforesaid covenants we have obtained the prior written approvals from the lenders for the Issue.

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OBJECTS OF THE ISSUE

The net proceeds of the present Issue after deducting Issue expenses are estimated to be Rs. [●] million. We intend to deploy the net proceeds of the Issue for funding our capacity expansion at our Bhavnagar and Mumbai units, investment in our foreign subsidiary and augmenting working capital resources. We believe that listing of our Equity Shares on Stock Exchanges will also enhance our visibility, our brand name and provide liquidity to our Company's existing shareholders.

The fund requirements below are based on our current business plan. In view of the dynamic nature of our industry, we may have to revise our business plan from time to time and consequently our fund requirements may also change. This may include rescheduling or re-working of our capacity expansion programmes and/or reducing or increasing the amount for augmenting our working capital resources

Requirement of Funds

The objects and the estimated cost of the objects as envisaged by our management are as follows:

(Rs. in million)

| Sr. No. | Particulars | Total |
|---------|------------------------------------------------------------------|------------|
| 1. | Expansion of manufacturing Capacity at Bhavnagar unit (100% EOU) | 105.00 |
| 2. | Expansion of Capacity and modernization of our Mumbai units | 35.72 |
| 3. | Investment in foreign Subsidiary | 350.00 |
| 4. | Augmenting working capital requirements** | [●] |
| 5. | To meet expenses of the Issue** | [●] |
| | Total**# | [●] |

** To be inserted upon finalisation of the Issue Price

Will be incorporated at the stage of filing of the Prospectus.

The above costs are indicative and based on estimates based on prevailing rates and previous orders for similar equipments. The actual costs would depend upon the negotiated prices with the suppliers/contractors and may vary from the above estimates. The above fund requirements are not appraised by any bank or any financial institution.

The main objects clause and the objects incidental and ancillary to the main objects clause of our Memorandum of Association, enable us to undertake our existing activities as well as activities for which the funds are being raised by us in the Issue.

MEANS OF FINANCE

The above fund requirement is proposed to be financed as under:

| Particulars | Rs. in million |
|-------------------|----------------|
| Public Issue | [●] |
| Internal Accruals | [●] |
| Total * | [●] |

* In the event of a shortfall in raising the requisite capital from the proceeds of the present Issue, towards meeting the objects of the Issue, the extent of the shortfall will be met by internal accruals and/or from fresh debt. In case of any surplus of monies received in relation to the present Issue, we may use such surplus towards further expansion and general corporate purposes including repayment of debt, if any.

In the event of shortfall of funds, the same will be met through the internal accruals of our Company and/or from debt. As per the last audited financial statements as on June 30, 2007, our free reserves stand at Rs. 718.77 million.

Our cash profit for the period ended March 31, 2007 and June 30, 2007 is Rs. 230.78 million and Rs. 45.24 million and respectively, which we believe is sufficient to meet the shortfall of funds, if any.

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The following table shows the cash accruals as on June 30, 2007:

(Rs. In Millions)

| Particulars | FY 2007 | Three months ended June 30, 2007 |
|------------------------------------------------------------------------|---------|----------------------------------|
| Adjusted Profit after Tax | 204.26 | 39.38 |
| Add: Non-cash expenses (Depreciation, Miscellaneous/Deferred Expenses) | 26.52 | 5.86 |
| Net Cash accruals | 230.78 | 45.24 |

We hereby confirm that firm arrangements have been made through verifiable means towards 100% of the stated means of finance, excluding the amount to be raised through the Issue.

Details of Use of Proceeds

A. Expansion of manufacturing Capacity at Bhavnagar unit (100% EOU)

Our present installed at our Bhavnagar unit is 350 kgs. p.a. We intend to increase our installed Capacity to 1080 kgs. p.a. by way of our current expansion plans. We own land admeasuring 2,689.96 Sq. Mtrs at Bhavnagar on which a four storied building has been constructed. The commercial production has commenced on two floors, which are partly furnished and are being utilized for the production of studded jewellery. As on June 30, 2007, we have employed 411 employees on this unit. We intend to utilize all the four floors for the production/manufacturing of studded jewellery.

Following is the estimate of expenses to be incurred for expansion of Capacity at Bhavnagar unit:

| Particulars | Rs. in million |
|-------------------------|----------------|
| Plant and machinery | 67.19 |
| Furniture and fixtures | 15.34 |
| Electrical Installation | 9.30 |
| Office equipments | 2.30 |
| Air Conditioning | 7.97 |
| Computers and printers | 2.90 |
| Total | 105.00 |

We intend to purchase the following plant and machinery at an estimated cost of Rs. 67.19 million:

| Sr No | Item Description | Supplier | Date of quotation | Qty | Total Value (Rs. in million) |
|-------|----------------------------------------|---------------------|-------------------|-----|------------------------------|
| 1 | Air Compressor | Excel Pneumatics | 07-Jan-2007 | 5 | 1.61 |
| 2 | Air Filter+Dryer | Excel Pneumatics | 07-Jan-2007 | 1 | 0.05 |
| 3 | Air Gun W/ Pipe | Technico | 20-Feb-2007 | 20 | 0.02 |
| 4 | Air Line Piping | Technico | 03-Feb-2007 | 6 | 0.76 |
| 5 | Annealing Furnace | Hotfield Industries | 10-Feb-2007 | 1 | 0.08 |
| 6 | Assortment Lamp | Arihant Engineering | 08-Feb-2007 | 60 | 0.13 |
| 7 | Burnout Furnace | Dison-Tec Exports | 06-Feb-2007 | 4 | 0.43 |
| 8 | Burnout Furnaces W/ Air Circ | Hotfield Industries | 10-Feb-2007 | 2 | 0.39 |
| 9 | Casting M/C Galloni+Access+Cons | Gesswein | 09-Feb-2007 | 1 | 1.44 |
| 10 | Casting M/C Memco-Access+Cons | Memco | 01-Feb-2007 | 1 | 1.50 |
| 11 | Casting Machine Flow-Logic+Access+Cons | Alpha Int'l | 19-Feb-2007 | 1 | 2.89 |
| 12 | X-Ray Analyser | N. Jewellery | 12-Mar-2007 | 2 | 3.18 |

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| Sr No | Item Description | Supplier | Date of quotation | Qty | Total Value (Rs. in million) |
|-------|------------------------------------------|------------------------|-------------------|-----|------------------------------|
| 13 | Diamond Sieve Set Full | Real Diamond Tools | 01-Feb-2007 | 4 | 0.02 |
| 14 | Disc Finisher - Multifinish | Alpha Int'l | 09-Mar-2007 | 1 | 1.66 |
| 15 | Dust Collector - Dce Vokes | Gesswein | 09-Feb-2007 | 28 | 8.26 |
| 16 | Dust Collector - Small | Well Worth | 05-Feb-2007 | 14 | 0.27 |
| 17 | Dust Collector Piping | Sunita Fab. Plastic Co | 12-Feb-2007 | 10 | 0.10 |
| 18 | Dust Collector Suction Line | Sunita Fab. Plastic Co | 12-Feb-2007 | 40 | 0.67 |
| 19 | Precision Waxing Tray W/Tips | Jashma Enterprises | 05-Feb-2007 | 6 | 0.05 |
| 20 | Exhaust Fan 12" | Parth Trdg. | 02-Feb-2007 | 4 | 0.00 |
| 21 | Exhaust Fan Ducting P.P. | Sunita Fab. Plastic Co | 12-Feb-2007 | 3 | 0.04 |
| 22 | Filing Acrylic Hood F/ Buffing | Dymak Acryplast Ind. | 01-Feb-2007 | 100 | 0.26 |
| 23 | Foredom Sr Motor +Foot Pedal | Gesswein | 12-Feb-2007 | 700 | 4.44 |
| 24 | G. B. Handle | Naik Engineering | 12-Feb-2007 | 150 | 0.01 |
| 25 | Grinding Machine Double Spindle W/ Stand | Perfect Machinery | 7-Mar-2007 | 4 | 0.02 |
| 26 | Grooving Blade Colour Stone | Stanley Industries | 08-Mar-2007 | 30 | 0.48 |
| 27 | Grooving Blades 15 Deg | Stanley Industries | 08-Mar-2007 | 45 | 0.78 |
| 28 | Grooving M/C W/ Stand | Stanley Industries | 08-Mar-2007 | 26 | 1.08 |
| 29 | Handpiece # 18 Foredom | Gesswein | 09-Feb-07 | 250 | 1.02 |
| 30 | Handpiece # 30 Foredom | Gesswein | 09-Feb-07 | 250 | 0.47 |
| 31 | Heat Resistant Sliding H. T. Glass | Sunita Fab | 12-Feb-2007 | 1 | 0.06 |
| 32 | Hot Air Dryer | Askon | 07-Feb-2007 | 5 | 0.04 |
| 33 | Hot Plate 1500 Watt | Parth Trdg. | 02-Feb-2007 | 12 | 0.01 |
| 34 | Hot Plate 3000 Watt | Expo Hi-Tech | 06-Feb-2007 | 6 | 0.04 |
| 35 | Investment Mixer-Centrifugal(265-1812) | Gesswein | 09-Feb-2007 | 1 | 0.07 |
| 36 | Investment Mixer-Kws Kachele - Eb 16 | Alpha Int'l | 19-Feb-2007 | 1 | 0.58 |
| 37 | Lapping M/C.W/Dust Collector | Well Worth | 05-Feb-2007 | 4 | 0.11 |
| 38 | Lapping Machine Hood | Dymak Acryplast Ind. | 01-Feb-2007 | 4 | 0.01 |
| 39 | Laser Marking Machine | Siro Lasertec | 07-Feb-2007 | 3 | 6.61 |
| 40 | Laser Welding Machine | Siro Lasertec | 07-Feb-2007 | 6 | 9.09 |
| 41 | Loose Stone Detector | Alpha Int'l | 19-Feb-2007 | 3 | 0.97 |
| 42 | M. S. Plate For G. Bs' | Naik Engineering | 12-Feb-2007 | 210 | 0.02 |
| 43 | M. S. Stand For Furnace | Naik Engineering | 12-Feb-2007 | 1 | 0.03 |
| 44 | Magnetic Polisher | Powersonic | 05-Feb-2007 | 3 | 0.22 |
| 45 | Mechanical Crusher | Blue Star Ind | 05-Feb-2007 | 1 | 0.08 |
| 46 | Mechanical Shear Cutter 18" | Perfect Machinery | 07-Feb-2007 | 1 | 0.01 |
| 47 | Melter -(265-0050+1934) - Ceia | Gesswein | 09-Feb-2007 | 1 | 0.43 |
| 48 | Microbrazer 2 Torches | Harshada Auto. | 05-Feb-2007 | 34 | 1.09 |

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| Sr No | Item Description | Supplier | Date of quotation | Qty | Total Value (Rs. in million) |
|-------|---------------------------------------|----------------------------|-------------------|-------------|------------------------------|
| 49 | Micromotor With 1 H/P - Marathom | Gesswen | 09-Feb-2007 | 16 | 0.21 |
| 50 | Microscope | Alpha Int'l | 19-Feb-2007 | 20 | 2.14 |
| 51 | Motor Stand | Naik Engineering | 12-Feb-2007 | 440 | 0.16 |
| 52 | Pearl Gauge | Gesswein | 09-Feb-2007 | 18 | 0.05 |
| 53 | PI 11 Lamp Fitting | Arihant Engineering | 08-Feb-2007 | 980 | 1.46 |
| 54 | Plastic Injector - A. B. M/C. | A. B. Machinery | 09-Feb-2007 | 3 | 1.07 |
| 55 | Pneumatic Cutter | Gesswein | 09-Feb-2007 | 4 | 0.12 |
| 56 | Pneumatic Hammers | Gesswen | 09-Feb-2007 | 95 | 0.79 |
| 57 | Polish Motor | Vijay M/C Tools | 05-Feb-2007 | 136 | 0.62 |
| 58 | Polish Motor Hoods | Dymak Acryplast Ind. | 01-Feb-2007 | 136 | 0.42 |
| 59 | Reverse Osmosis Unit | Ion Exchange | 05-Feb-2007 | 3 | 0.08 |
| 60 | Rhodium Bath M/C. | Powersonic | 05-Feb-2007 | 4 | 0.57 |
| 61 | Rhodium Pen Plating M/C. | Radhika Electricals | 07-Feb-2007 | 20 | 0.10 |
| 62 | S. S. Pickling Pot | Powersonic | 05-Feb-2007 | 1 | 0.01 |
| 63 | S. S. Settling Tank F/ Water Jet | Powersonic | 05-Feb-2007 | 2 | 0.05 |
| 64 | Safe Godrej - Defender 41" | Shree Bharat Furniture | 02-Feb-2007 | 8 | 0.51 |
| 65 | Safe Godrej - Defender 49" | Shree Bharat Furniture | 02-Feb-2007 | 2 | 0.17 |
| 66 | Safe Godrej - Defender 61" | Shree Bharat Furniture | 02-Feb-2007 | 4 | 0.39 |
| 67 | Setting Ball | Alpha Int'l | 19-Feb-2007 | 20 | 0.67 |
| 68 | Settling Tank P.P. 3 Compartment | Sunita Fab. | 12-Feb-2007 | 7 | 0.05 |
| 69 | Steam Machine 1 Nozzle | Power Sonic | 05-Feb-2007 | 4 | 0.20 |
| 70 | Steam Machine 2 Nozzles | Powersonic | 05-Feb-2007 | 6 | 0.43 |
| 71 | Ultrasonic Machine - 250 Watts | Powersonic | 05-Feb-2007 | 5 | 0.15 |
| 72 | Ultrasonic Machine - 600 Watts | Powersonic | 05-Feb-2007 | 7 | 0.32 |
| 73 | Vacuum Wax Injector - Yasui | Yasui & Co. | 07-Feb-2007 | 8 | 1.77 |
| 74 | Vacuum Wax Injector W/Reader Maxmatic | Maxmatic | 07-Mar-2007 | 2 | 1.19 |
| 75 | Vernier Callipers | Gesswein | 09-Feb-2007 | 15 | 0.05 |
| 76 | Vulcaniser | Disontec Exports | 06-Feb-2007 | 7 | 0.18 |
| 77 | Vulcaniser Automatic(265-1955) | Gesswein | 09-Feb-2007 | 2 | 0.06 |
| 78 | Water Chiller | Powersonic | 05-Feb-2007 | 1 | 0.07 |
| 79 | Water Jet Machine | Powersonic | 05-Feb-2007 | 2 | 0.15 |
| 80 | Wax Carving Tools Set(260-2600) | Gesswein | 09-Feb-2007 | 6 | 0.01 |
| 81 | Wax Soldering Stations | Raj Trdg | 06-Feb-2007 | 485 | 0.21 |
| 82 | Weighing Scale Electronic - 3100 Gms | Sarto Electro Equip.P.Ltd. | 06-Feb-2007 | 19 | 0.52 |
| 83 | Weighing Scale Electronic - 6100 Gms | Sarto Electro Equip.P.Ltd. | 06-Feb-2007 | 1 | 0.03 |
| 84 | Weighing Scale Electronic - 610 Gms | Sarto Electro Equip.P.Ltd. | 06-Feb-2007 | 5 | 0.08 |
| 85 | Weighing Scale Electronic 600 Cts | Sarto Electro Equip.P.Ltd. | 06-Feb-2007 | 2 | 0.06 |
| 86 | Wire Rolling Mill | Vekaria Engg. Works P.Ltd. | 06-Mar-2007 | 3 | 0.50 |
| | TOTAL | | | 4565 | 67.19 |

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Further, none of the plant and machineries, described above are used / second hand in nature, and we do not propose to purchase any used / second hand machinery for the proposed capacity expansion. All the machinery is normally supplied within 30 to 40 days time from the date of placing order.

Furniture and fixtures

Our Company intends to spend a sum of Rs. 15.34 million on furniture and fixtures.

Electrical installation

Electrical installation including cable, MCB, ELCB, switches, lighting fixtures with tubes, Electrical Panels, etc. will be installed to provide lighting and electrical connection as required. The total cost of electrical installation will be Rs. 9.30 million.

Office equipments

For security reasons, we plan to install cameras and metal detectors. For safety purposes, we plan to have safety equipments like smoke detectors, fire extinguishers etc. We also plan to have speakers with amplifier for internal communications and DG set for standby power requirements. Our Company intends to spend a sum of Rs. 2.30 million.

Air conditioning

Our Company intends to spend a sum of Rs. 7.97 million on air-conditioning of the third and fourth floor.

Computers and Printers

Computers are utilized for tracking the movement of every item in the production area by use of software. Computers are also required for general office and security purposes. Our Company intends to spend a sum of Rs. 2.90 million for purchasing computers with server, networking equipments, printers and other accessory.

Technology

Pursuant to our expansion we will continue to use our current technology.

Arrangements for power /utilities /water /raw materials etc

Raw materials

We believe that quantity of raw material can be procured from our existing suppliers locally and/or through imports.

Manpower

Recruitment of skilled and unskilled manpower would be done locally.

Power and Water

We believe that adequate quantity of power and water is available and can be procured locally.

B. Expansion of Capacity and modernization of our Mumbai units

Our manufacturing facilities are located on plot no 36A & 37 admeasuring 3,598 Sq. Mtrs and Unit no. 42, Gem and Jewellery Complex-III in SEEPZ-SEZ, Mumbai admeasuring 664 Sq Mtrs. The total utilizable area is 47,145 sq ft. The Installed Capacity of both the units put together is 1500 kgs per annum. We intend to increase our Installed Capacity to 1700 kgs per annum. We intend to do this by installing modern and improved plant and machinery as well as refurbishing some of our existing facilities.

We propose to spend a sum of Rs. 35.72 million for expansion in the following manner:

| Particulars | Rs. in million |
|-------------------------|----------------|
| Plant and machinery | 31.01 |
| Furniture and fixtures | 2.91 |
| Office equipments | 0.20 |
| Computers and printers | 1.03 |
| Electrical Installation | 0.57 |
| Total | 35.72 |

We intend to purchase the following plant and machinery at an estimated cost of Rs. 31.01 million, for the mordernisation of both our units in SEEPZ-SEZ:

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| Sr No | Item Description | Supplier | Date of quotation | Qty | Total value (Rs. in million) |
|-------------|-------------------------------|--------------------|-------------------|-----|------------------------------|
| 1 | Air Circulation B/O Furnaces | Heat On | 09-Feb-2007 | 2 | 0.30 |
| 2 | Ammonia Belt Furnace | Alpha Int'l | 09-Mar-2007 | 1 | 0.97 |
| 3 | Cam - Acrylic Model | Envisiontec | 01-Feb-2007 | 1 | 3.35 |
| 4 | Continuous Casting M/C | Indutherm | 01-Feb-2007 | 2 | 3.48 |
| 5 | D.C.E. Vokes Dust Collectors | Gesswein | 09-Feb-2007 | 11 | 3.24 |
| 6 | Dust Collectors | Well Worth | 08-Feb-2007 | 3 | 0.06 |
| 7 | Fume Cupboard Full Set | Sunita Fab | 05-Feb-2007 | 3 | 0.14 |
| 8 | Incinerator | Hotfield | 20-Feb-2007 | 1 | 0.08 |
| 9 | Incinerator - Control Panel | Shriji Enterprises | 17-Feb-2007 | 1 | 0.03 |
| 10 | Investment Machine | Hoben | 08-Mar-2007 | 1 | 0.46 |
| 11 | Laser Engraving M/C | Siro Lasertec | 07-Feb-2007 | 1 | 2.20 |
| 12 | Laser Solder M/C | Siro Lasertec | 07-Feb-2007 | 2 | 3.06 |
| 13 | P.P. + F.R.P. Scrubber + Pump | Sunita Fab | 05-Feb-2007 | 1 | 0.21 |
| 14 | Plastic Injector - A. B. M/C. | A. B. Machinery | 09-Feb-2007 | 2 | 0.71 |
| 15 | Polish Motor | Vijay Machine Tool | 05-Feb-2007 | 24 | 0.11 |
| 16 | Polish Motor Hoods | Dymak Acry. Ind. | 01-Feb-2007 | 24 | 0.08 |
| 17 | Rhodium Machine | Powersonic | 07-Feb-2007 | 1 | 0.15 |
| 18 | Settlement Tanks - F.R.P. | Sunita Fab | 12-Feb-2007 | 3 | 0.44 |
| 19 | Sr Motors+ Shaft/Sheath+Fct | Gesswein | 09-Feb-2007 | 400 | 2.53 |
| 20 | Stone Setting M/C | Buko | 01-Feb-2007 | 10 | 7.80 |
| 21 | X-Ray Analyser | N. Jewellery | 12-Mar-2007 | 1 | 1.59 |
| Total (Rs.) | | | | 495 | 31.01 |

Further, none of the plant and machineries, described above are used / second hand in nature, and we do not propose to purchase any used / second hand machinery for the proposed project. All the machinery is normally supplied within 30 to 50 days time from the date of placing order.

Furniture and fixtures

Our Company intends to spend a sum of Rs. 2.91 million on furniture and fixtures.

Office equipments

Our Company intends to spend a sum of Rs. 0.20 million on office equipments.

Computers and Printers

We plan to upgrade some of our computers and printers. We will be replacing some of the old machines with new ones. This would be carried out by exchanging the old machines and paying the differential cost. Net cost (cost of purchase of new machine less repurchase value of old machines) of up gradation is estimated at Rs. 1.03 million.

Technology

Pursuant to our expansion we will continue to use our current technology

Arrangements for power /utilities /water /raw materials etc

Raw materials

We believe that adequate quantity of raw material can be procured from the existing suppliers locally and/or through imports.

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Manpower

Recruitment of skilled and unskilled manpower would be done locally.

Power and Water

We believe that adequate quantity of power and water is available and can be procured locally.

C. Investment in Foreign Subsidiary

Renaissance Jewelry New York, Inc. (RJNY) was incorporated, as a business corporation in the State of New York, U.S. on April 23, 2007 under section 402 of the Business Corporation Law of New York filed with NYS Department of State, Division of Corporations and State Records.

In September, 2007, RJNY issued 100 fully paid up and non-assessable shares out of its total authorised issue of 200 shares without par value common stock to RJL at a price of \$100/- per share of the Corporation. By virtue of this allotment of common stock of RJNY, RJNY became our 100% subsidiary with effect from September 12, 2007.

Our subsidiary RJNY would cater to the independent mid- range retailers in the US market. Historically, our sales to USA have been through wholesalers and large retail chains, which represent about 43.10% of the US market. However, the balance 56.90% of the US market is catered to by independent mid-range retailers whom we intend to cater to through RJNY. This would enable us to establish our presence in the retail market in US, reduce our dependence on wholesalers and large retail chains and which would also provide us with higher realisation.

We intend to invest in RJNY, a sum of Rs.350.00 million, as given below:

| Particulars* | Rs. in million | Rs. in million |
|-------------------------------------|----------------|----------------|
| Furniture and fixtures | | 27.60 |
| Electrical Installation | | 4.60 |
| Computers and printers | | 4.60 |
| Working Capital Requirement - Stock | | |
| Bridal Jewellery | 37.58 | |
| Gemstone Jewellery | 31.32 | |
| Fashion Jewellery | 244.30 | 313.20 |
| Total | | 350.00 |

*: As per Management estimates

The statement of affairs of RJNY from April 23, 2007 to September 12, 2007, as certified by Prajapati Associates, LLP, Certified Public Accountants is as follows:

Amounts in US\$

| Balance Sheet | Amount | As at September 12, 2007 |
|--------------------------------------------------|--------|-----------------------------|
| Current Assets | | |
| Cash | | 10,000 |
| Total | | 10,000 |
| Liabilities and Stockholders Equity | | |
| Current Liabilities | | |
| Loans payable | | 776 |
| Stockholder's equity | | |
| Common stock, no par value; | | |
| 200 shares authorized, | | |
| 100 shares issued and outstanding | 10,000 | |
| Accumulated deficit during the development stage | (776) | 9,224 |
| Total | | 10,000 |

RENAISSANCE JEWELLERY LIMITED

(Amount in US \$)

| Statement of Operations and Accumulated Deficit | |
|-------------------------------------------------|-------|
| Net Sales | - |
| Cost of sales | - |
| Gross Profit | - |
| Operating Expenses | 776 |
| Net loss | (776) |
| Accumulated deficit – beginning | - |
| Accumulated deficit – end | (776) |

For further details on Board of directors and Shareholding pattern of RNJY as on September 30, 2007, please refer to the section titled 'Our Foreign Subsidiary' in the Chapter 'Our Subsidiaries' on page 128 of the RHP.

D. Augmenting long term working capital requirement

Gems and jewellery is a working capital intensive industry. We have been presently sanctioned working capital limits of Rs. 1300.00 million by our bankers consisting of fund-based limits of Rs. 1150.00 million and non-fund based limits of Rs. 150.00 million.

We need additional working capital in consonance with the expanding scope of our business. We have estimated our additional working capital requirements for fiscal 2008, as under:

(Rs. in million)

| | In No of Days | As on June 30, 2007 | FY 2008 |
|-------------------------------------------------------------|---------------|------------------------|----------|
| Particulars | | | |
| Inventory | 96 days | 651.97 | 1,439.00 |
| Sundry debtors | 82days | 1465.45 | 1,229.00 |
| Loans and Advances | | 58.18 | 55.00 |
| Other current assets | | 31.77 | - |
| Sub total | | 2207.37 | 2531.29 |
| Less: Sundry creditors | 50 days | 412.23 | 747.00 |
| Other current liabilities (other than bank borrowings) | | 58.47 | 56.00 |
| Sub total | | 470.70 | 803.00 |
| Total working capital requirement | | 1736.67 | 1,728.29 |
| Less: Available working capital limit from Commercial Banks | | 1021.92 | 804.00 |
| Working capital requirement | | 714.75 | 924.00 |
| Funded by: | | | |
| Internal accruals | | 714.75 | ● |
| Issue Proceeds | | Nil | ● |

E. To meet expenses of the Issue

The Issue expenses include, among others, issue management fees, underwriting and selling commission, distribution expenses, legal fees, fees to advisors, printing and stationary expenses, advertising and marketing expenses, listing fees to the stock exchanges, registrar and depository fees. We intend to use about Rs. ● million towards these expenses for the Issue.

| Particulars | Estimated Expenses | % of Issue proceeds |
|--------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| BRLM fees, Underwriting and Selling commission | ● | ● |
| Printing, Stationary and Dispatch Expenses | ● | ● |
| Advertising and Marketing Expenses | ● | ● |
| Other Expenses (Listing fees, SEBI filing fees, Bidding Charges, Registrars fees, depository fees etc) | ● | ● |
| Total | ● | ● |

All expenses with respect to the Issue will be borne out of the Issue Proceeds.

RENAISSANCE JEWELLERY LIMITED

Appraisal

The fund requirements and the funding plans are as per our management's estimates, and have not been appraised by any bank/financial institution.

Interim use of proceeds of the Issue

Pending utilisation for the purposes described above, we intend to temporarily invest the proceeds of this Issue in high quality, interest/dividend bearing short-term/long-term liquid instruments including money market mutual funds, deposits with banks for the necessary duration, gilt edged securities and other 'AAA+' rated interest bearing securities as may be approved by our Board or a duly authorized committee thereof.

The above fund requirement is based on our current business plan. In view of the highly competitive and dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and consequently our funds requirement may also change. This may include rescheduling or re-working of capital expenditure programmes, current plans at the sole and absolute discretion of the management as it may deem fit.

Monitoring of utilisation of funds

There is no requirement for a monitoring agency in terms of Clause 8.17 of the SEBI DIP Guidelines. The Audit Committee appointed by our Board of Directors will monitor the utilization of the Issue proceeds. We will disclose the utilization of the proceeds of the Issue under a separate head in our audited financial statements for Fiscal 2008 and 2009 clearly specifying the purpose for which such proceeds have been utilized. We will also, in our audited financial statements for Fiscal 2008 and 2009 and further fiscals, and till the Issue Proceeds remain unutilized provide details, if any, in relation to all such proceeds of the Issue that have not been utilized and also indicating investments, if any, of such unutilized proceeds of the Issue.

Schedule of Implementation

| Sr. No. | Particulars | Month of Commencement | Month of Completion |
|---------|------------------------------------------------------------------|-----------------------|---------------------|
| 1. | Expansion of manufacturing Capacity at Bhavnagar unit (100% EOU) | September 2007 | February 2008 |
| 2. | Expansion of Capacity and modernization of the Mumbai units | May 2007 | February 2008 |
| 3. | Investment in foreign Subsidiary | May 2007 | December 2007 |
| 4. | Augmenting working capital requirements | October 2007 | December 2007 |

Deployment of funds on the projects as on October 15, 2007

Based on the certificate dated October 16, 2007 from the statutory Auditors of our company, the expenditure incurred by our Company till October 15, 2007, from internal accruals on the specified objects is given below.

(Rs. in millions)

| Sr. No. | Particulars | Amount |
|---------|-------------------------------------------------------------------------|--------------|
| 1 | Expansion of manufacturing Capacity and modernisation of Bhavnagar Unit | 0.34 |
| 2 | Expansion of Capacity & modernization of Mumbai unit | 3.18 |
| 3 | Investment in foreign subsidiary | 0.44 |
| 4 | Augmenting long term working capital requirement | - |
| 5 | Meeting the Issue expenses | 13.25 |
| | Total | 17.21 |

Means of Finance for above Deployment

(Rs. in millions)

| Sr. No. | Particulars | Amount |
|---------|-------------------|--------------|
| 1 | Internal Accruals | 17.21 |
| | Total | 17.21 |

BASIC TERMS OF THE PRESENT ISSUE

The Equity Shares and Warrants being issued are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of this Red Herring Prospectus, Red Herring Prospectus and other terms and conditions as may be incorporated in the Prospectus, Bid-cum-Application Form, the Revision Form, allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares and Warrants shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the Issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Principal Terms and Conditions of the Issue

The Equity Shares and Warrants being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of our Company, the terms of this Red Herring Prospectus, Red Herring Prospectus, Prospectus and Bid-cum-Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the allotment advice, and other documents/certificates that may be executed in respect of this Issue. The Equity Shares and Warrants shall also be subject to laws as applicable, guidelines, notifications and regulations relating to this Issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Reserve Bank of India, Stock Exchanges, Registrar of Companies and/or other authorities, as in force on the date of this Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered through this Issue and the Equity Shares being allotted pursuant to the exercise of Warrants shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including the rights in respect of dividends. The allottees will be entitled to dividend or any other corporate benefits, if any, declared by us after the date of Allotment.

The Warrant holders shall not be entitled to any dividend or any other corporate benefits, which may be declared or announced by our Company from time to time, till such time that the Warrants are exercised into the underlying Equity Shares of our Company in accordance with the terms contained herein and full payment of the exercise price.

The Warrants shall not confer upon the holders thereof any right to receive any notice of the meeting of the Shareholders of our Company or Annual Report of our Company and or to attend /vote at any of the General Meetings of the Shareholders of our Company.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of the Companies Act and recommended by the Board of Directors declared by and the shareholders at their discretion, and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company.

Face Value and Issue Price per Share

The Equity Shares with a face value of Rs. 10/- each along with the Warrants will be offered in terms of the Red Herring Prospectus to be filed with RoC, Maharashtra at a price of Rs. [●] per Equity Share. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws. The Issue Price is [●] times the face value of the Equity Shares.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act and the Memorandum and Articles of our Company and Listing Agreement entered into with the Stock Exchanges, and other laws, as applicable.

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For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer and transmission, consolidation/splitting, etc., see the section titled 'Main Provisions of Articles of Association' beginning on page 198 of this Red Herring Prospectus.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares and Warrants, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Market Lot and Trading Lot

In terms of the existing SEBI Guidelines, the trading in the Equity Shares and Warrants shall only be in dematerialised form for all investors and hence, the tradable lot is one Equity Share and one Warrant. In terms of Section 68B of the Companies Act, the Equity Shares and Warrants shall be allotted only in dematerialised form. Allotment through this Issue will be done only in electronic form in multiples of 1 Equity Share and 1 Warrant subject to a minimum Allotment of 45 Equity Shares in the Issue.

Exercise of Warrants

Every Allottee of Equity Shares under the Issue shall receive a Warrant in the ratio of one Warrant for two Equity Shares. Each Warrant shall be convertible into one equity share of a face value of Rupees Ten (10) each, of our Company during the Warrant Exercise Period

In the event that there is any share split of the Equity Shares of our Company, prior to the exercise of Warrants, then, the Warrant holder, who exercises his right to exercise the Warrant, shall be entitled to such number of Equity Shares in order for the aggregate face value of the number of Equity Shares issued to the Warrant holder be equal to Rupees Ten (10).

One Warrant shall entitle the Warrant holder to receive one Equity Share upon exercise. The Warrants can be freely and separately traded till the same are tendered for exercise. The market lot for the Warrants is one.

Exercise of Warrants during the Warrant Exercise Period will be carried out without the need for our Company to take any further approvals, however the Warrant holders should independently check if they require any approvals.

The Board subject to the terms of this DRHP, our Memorandum and Articles of Association, the approvals from the Government of India and RBI and provisions of the Companies Act, any other legislative enactments and rules as may be applicable will proceed within the process of exercise the Warrants in accordance with the applicable laws.

Warrant Exercise Price

Warrant Exercise Price shall be the price which is at a fixed premium of 25% over the Issue Price.

Warrant Exercise Period

Warrant Exercise Period shall be the period commencing from the completion of the 16th month and be open up to the completion of the 18th month from the date of Allotment of the Equity Shares and Warrants.

Warrant holders can exercise their right to apply for the Exercise of Warrants into Equity Shares at the Warrant Exercise Price at any time during the Warrant Exercise Period. The Warrants not tendered for exercise during the Warrant Exercise Period at the Warrant Exercise Price shall lapse.

The Warrant Exercise Price valid during the Warrant Exercise Period would be advertised by us in an English national daily, Hindi national daily with wide circulation and a Regional Language Daily circulated at the place where our Registered Office is situated. Such an advertisement would appear on the day of the commencement of the Warrant Exercise Period.

Our Company shall fix a record date 15 days prior to the commencement of the Warrant Exercise Period to determine the Warrant-holders eligible for exercising the Warrants held by them.

Allotment of shares arising from Warrant Exercise

The application for the exercise of Warrants can be made at any time immediately after the announcement of Warrant Exercise Price.

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| Activity | Time Period as defined herein | Indicative Relevant Date |
|---------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------|
| Allotment of Equity Shares and Warrants in the Issue | - | December 01, 2007 |
| Commencement Of Warrant Exercise Period | From the completion of the 16 th month | April 01, 2009 |
| Advertisement for Warrant Exercise Price | On the day of the commencement of the Warrant Exercise Period | April 01, 2009 |
| Warrant Exercise Period - Warrant Exercise Price would be applicable upto | Two Months | May 31, 2009 |
| Allotment Date | Ten (10) working days from the date of expiry of the Warrant Exercise Period | By June 12, 2009 |

Procedure for Exercise

The Registrar to our Company, Intime Spectrum Registry Limited, will before the Warrant Exercise Period open a special depository account with NSDL called, ["Renaissance Jewellery Limited -A/c Warrant Exercise Escrow Account"] with a Depository Participant (the "Special Depository Account"). Beneficial owners (holders of Warrants) having their beneficiary account with the CDSL must use the inter-depository delivery instruction slip for the purpose of crediting their Warrants in favour of the Special Depository Account with the NSDL.

Beneficial owners (holders of Warrants) who wish to tender their Warrants for exercise will be required to send their application for exercise on the prescribed application form accompanied by a cheque / demand draft favoring ["Renaissance Jewellery Limited – Warrant A/c"] payable at Mumbai for the requisite amount along with a photocopy of the delivery instruction in "Off-market" mode, or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of the Special Depository Account to the Registrar to our Company.

Shares allotted on Exercise of Warrants

Shares allotted on exercise of valid Warrants will be dispatched/credited to the applicant's electronic account within 10 working days from the day of expiry of the Warrant Exercise Period.

The Application Form will be sent by our Company to all the Warrant holders along with the letter of Allotment.

The Application Form would also be available to all Warrant holders on request with the Registrar during the Warrant Exercise Period and can be downloaded from our Company's website www.renjewellery.com. During the Warrant Exercise Period, the Warrant holder should send his application to Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai 400 078, India, the Registrar to the Issue by filling up the said application form. It should be accompanied by a cheque / demand draft favoring ["Renaissance Jewellery Limited – Warrant A/c"] payable at Mumbai for the requisite amount.

In case the Warrants along with the cheque/demand draft towards full payment of the Exercise Price do not reach the Registrar by the end of Warrant Exercise Period i.e. by the end of the 18th month from the date of allotment in this Issue, the same shall lapse.

Rights of Warrant holders

- The Warrants shall be transferable and transmittable in the same manner and to the same extent and be subject to the same restrictions and limitations and other related matters as in the case of Equity Shares of our Company.
- Save and except the right of subscription to our Company's Equity Shares as per the terms of the Issue, the holders of the Warrants in their capacity as Warrant holders shall have no other rights or privileges.
- The Warrants shall be transferable and transmittable in the same manner and to the same extent and be subject to same restrictions and limitations and other related matters as in the Equity Shares of our Company. The Warrant holder's interest, shall rank *pari passu* without any preference or priority of one over the other or others.

All the above rights of the Warrant holders shall lapse automatically if it is not exercised within the Warrant Exercise Period and the unexercised Warrant shall be automatically treated as cancelled. On exercise and subsequent allotment of Equity Shares, the Warrant holders shall enjoy the rights and privileges of shareholders of our Company and not of Warrant holders.

The Warrants shall not confer upon the holders thereof any right to receive any notice of the meeting of the Shareholders of our Company or Annual Report of our Company and or to attend/vote at any of the General Meetings of the Shareholders of our Company.

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The Warrant holders shall not be entitled to any dividend or any other corporate benefits, which may be declared or announced by our Company from time to time, till such time that the Warrants are exercised into the underlying Equity Shares of our Company in accordance with the terms contained herein and full payment of the Exercise Price.

Variance in the terms of the Warrants

The rights, privileges and conditions attached to the Warrants may be modified or varied or abrogated with the consent of the holders of the Warrants by a Special Resolution passed at a meeting of the Warrant holders, provided that nothing in such resolution shall be operative against our Company when such resolution modifies or varies the terms and conditions governing the Warrants if the same is not acceptable to our Company. At a meeting of the Warrant holders, every Warrant holder, and in the case of joint holders first holder of the Warrant, shall be entitled to vote, either in person or by proxy, in respect of such Warrants. The Warrant holder will be entitled to one vote on a show of hands and his / her voting rights on a poll shall be in proportion to the outstanding number of the Warrants held by him / her. The quorum for such meetings shall be at least five Warrant holders present in person. The proceedings of the meeting of the Warrant holders shall be governed by the provisions contained in our Articles regarding meetings of shareholders and such other rules in force for the time being to the extent applicable and in relation to matters not otherwise provided for in terms of the Issue.

Register of Warrant holders

The Register of Warrant holders shall be maintained by the Registrar in the same manner as the Register and Index of beneficial owners is maintained under Section 11 of the Depositories Act.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Nomination Facility to the Investors

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidder(s), may nominate any one person in whom, in the event of the death of the sole Bidder or in the case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares and Warrants allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s) and Warrant(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) and Warrant(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) and Warrant(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or from the Registrar and transfer agent of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall, upon the production of such evidence as may be required by our Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares and Warrants; or
- b. to make such transfer of the Equity Shares and Warrants, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares and Warrants, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares and Warrants, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares and Warrants in the Issue will be made only in dematerialised mode, there is no requirement to make a separate nomination with us. Nominations registered with the respective Depository Participant of the applicant would prevail. If the investors wish to change the nomination, they will have to inform their respective Depository Participants.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Issue to the extent of the amount including devolvement of the members of the Syndicate, if any, within 60 days from the Bid/Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after we become liable to pay the amount, our Company, shall be liable to repay the amount with interest as per Section 73 of the Companies Act.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines we shall ensure that the number of prospective Allottees to whom the Equity Shares will be allotted will be not less than 1,000.

Notice To QIB Bidders: Allotment Reconciliation

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar to the Issue on the basis of Bids received. Based on the electronic book, QIB Bidders will be sent a CAN indicating the number of Equity Shares that are being allocated to them. However, within a few days thereafter but prior to the Board meeting for final Allotment of Equity Shares in the Issue, the Registrar to the Issue will also prepare a physical book, which may be different from the electronic book. This is because certain applications in the Non-Institutional Portion and Retail Portion may be rejected due to non-receipt of funds, cancellation of cheque, cheque-bouncing, incorrect details, technical rejections, etc, and these rejected applications may not be reflected in the electronic book but will be reflected in the physical book. As a result, additional Equity Shares may be available for allocation in the QIB Portion provided the QIB Portion is over-subscribed and the Non-Institutional Portion and Retail Portion are not fully subscribed. In such event, QIB Bidders may receive an increased allocation of Equity Shares and such increase in allocation will be reflected in a revised CAN that is sent to QIB Bidders.

Restriction on transfer of shares

There are no restrictions on transfers and transmission of shares/debentures and on their consolidation/splitting except as provided in our Articles. See further details; see the section titled “Main Provisions of our Articles of Association” beginning on page 198 of this Red Herring Prospectus.

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BASIS FOR ISSUE PRICE

The Issue Price of Rs. [●] has been determined by us in consultation with the BRLM on the basis of the demand from the investors for the offered Equity Shares through the Book Building Process. The face value of Equity Shares is Rs.10/- and the Issue Price is [●] times the face value.

Qualitative Factors:

Factors Internal to our Company

1. Domain expertise in identifying fashion trends and jewellery designing;
2. One of the largest exporters of studded gold and platinum jewellery in India;
3. Develop products which are specifically targeted to our customers' needs, which has enabled us to secure repeat business;
4. Focused on the studded jewellery market in USA;
5. Forayed into new product categories such as bridal jewellery and gemstone jewellery, which has led to higher operating margins;
6. Manufacture products using advanced technology and modern machinery;
7. Large scale manufacturing capabilities;
8. We enjoy certain tax benefits for some of our units which are located in notified tax exempted zones and
9. Qualified management team and experienced employee base

For detailed discussion on above factors, see the sections titled "Industry" and "Business" beginning on pages 47 and 55 respectively of this Red Herring Prospectus.

Quantitative Factors

Information presented in this section is derived from our standalone and consolidated restated financial statements prepared in accordance with Indian GAAP.

1. Adjusted Earnings Per Share

For our Company on standalone basis

| Particulars | EPS (Rs.) | Weight |
|--------------------------------|-----------|--------|
| a) Year ended March 31, 2005 | 5.23 | 1 |
| b) Year ended March 31, 2006 | 11.33 | 2 |
| c) Year ended March 31, 2007 | 15.67 | 3 |
| d) Period ended June 30, 2007* | 3.02 | |
| e) Weighted Average EPS | 12.48 | |

* Not annualised for the FY 2008

For our Company on consolidated basis

| Particulars | EPS (Rs.) | Weight |
|--------------------------------|-----------|--------|
| a) Year ended March 31, 2006 | 11.31 | 1 |
| b) Year ended March 31, 2007 | 19.50 | 2 |
| c) Period ended June 30, 2007* | 5.54 | |
| d) Weighted Average EPS | 16.77 | |

* Not annualised for the FY 2008

RENAISSANCE JEWELLERY LIMITED

2. Price/Earning Ratio (P/E) in relation to Issue Price of Rs. [●] per Equity Share

| Particulars | P/E (no. of times) |
|------------------------------------------------------------------------------------------------------------------------|--------------------|
| a) Based on EPS for the year ended March 31, 2007 of Rs. 15.67 on standalone basis and Rs. 19.50 on consolidated basis | |
| Standalone | |
| • P/E ratio in relation to the Floor Price | 7.97 |
| • P/E ratio in relation to the Cap Price | 9.57 |
| Consolidated | |
| • P/E ratio in relation to the Floor Price | 6.41 |
| • P/E ratio in relation to the Cap Price | 7.69 |
| b) Based on weighted average EPS of Rs. 12.48 on standalone basis and Rs. 16.77 on consolidated basis | |
| Standalone | |
| • P/E ratio in relation to the Floor Price | 10.01 |
| • P/E ratio in relation to the Cap Price | 12.01 |
| Consolidated | |
| • P/E ratio in relation to the Floor Price | 7.45 |
| • P/E ratio in relation to the Cap Price | 8.94 |
| c) Gems and Jewellery Industry - P/E* | |
| i) Highest – - Shantivijay Jewels Limited | 47.70 |
| ii) Lowest – Suraj Diamonds | 4.30 |
| iii) Average | 18.50 |

*Source: Capital Markets Volume XXII/07 October 22- November 04, 2007, Industry classification: Diamond Cutting and Jewellery

Accounting Ratios of some of companies in the same Industry group:

| Particulars | EPS (Rs.) | P/E | RONW (%) | NAV (Rs.) |
|-------------------------|-----------|-------|----------|-----------|
| Vaibhav Gems | 8.60 | 22.00 | 3.90 | 227.50 |
| Goldiam International-* | 4.80 | 20.30 | 8.60 | 63.10 |
| Classic Diamonds | 29.30 | 14.70 | 13.50 | 253.60 |
| Renaissance# | 19.50 | [●] | 29.60 | 65.87 |

* - indicate that data for that company is updated during the latest fortnight

Note: The EPS, RONW and NAV figures are based on the latest audited results for the year ended March 31, 2007 and P/E is based on trailing twelve months (TTM) and Market data.

Source: Capital Markets Volume XXII/07 Oct 22- Nov 04, 2007, Industry classification: Diamond Cutting and Jewellery

3. Return on Net Worth

For our Company on standalone basis

| | RONW (%) | Weight |
|------------------------------------|----------|--------|
| a) Year ended March 31, 2005 | 14.89 | 1 |
| b) Year ended March 31, 2006 | 24.51 | 2 |
| c) Year ended March 31, 2007 | 25.50 | 3 |
| d) For period ended June 30, 2007* | 4.71 | |
| e) Weighted Average | 23.40 | |

* Not annualised for FY 2008

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For our Company on consolidated basis

| | RONW (%) | Weight |
|------------------------------------|----------|--------|
| a) Year ended March 31, 2005 | 24.15 | 1 |
| b) Year ended March 31, 2006 | 29.60 | 2 |
| c) For period ended June 30, 2007* | 7.79 | |
| d) Weighted Average | 27.78 | |

* Not annualised for FY 2007

Minimum return on total net worth needed after the Issue to maintain pre-Issue EPS of Rs. 15.67 on standalone basis and Rs. 19.50 on consolidated basis are [●] % and [●] % respectively.

4. Net Asset Value

| Particulars | NAV (Rs. Per Equity Share) on standalone basis | NAV (Rs. Per Equity Share) on consolidated basis |
|-------------------------|---------------------------------------------------|-----------------------------------------------------|
| a) As at March 31, 2007 | 61.45 | 65.87 |
| b) After Issue | [●] | [●] |
| c) Issue Price | [●] | [●] |

- The face value of our Equity Shares is Rs. 10 each and the Issue Price is [●] times of the face value of our Equity Shares.
- The BRLM believes that the Issue Price of Rs. [●] per Equity Share is justified in view of the above qualitative and quantitative parameters. Specific attention of the investors is invited to the sections titled "Risk Factors", "Our Business" and "Financial Statements" beginning on pages xi, 55 and 94 respectively of this Red Herring Prospectus respectively.
- The Issue Price of Rs. [●] has been determined by us in consultation with BRLM and on the basis of the demand from the investors for the Equity Shares through the Book Building Process and is justified on the basis of the above accounting ratios.

STATEMENT OF TAX BENEFITS

The Board of Directors,
Renaissance Jewellery Ltd.,
Plot No.36A & 37, MIDC, Marol,
SEEPZ, Andheri (East),
M u m b a i.

Dear Sirs,

Sub: **Statement of Tax Benefits**

We hereby certify that the enclosed annexure states the tax benefits available to Renaissance Jewellery Ltd. (the Company) and to the Shareholders of the Company under the provisions of the Income Tax Act, 1961 (the Act) and other direct tax laws presently in force.

The contents of the annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

A shareholder is advised to consider in his/her/its own case, the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

For J. K. SHAH & CO.
Chartered Accountants

Sanjay Dhruva
PARTNER

Place: Mumbai.
Date: 16th October, 2007

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Annexure

The following tax benefits shall be available to the Company and the prospective shareholder under the Direct Tax Laws.

A. Special Benefit

To the Company

Under the Income Tax Act, 1961 (the Act)

The company has a manufacturing unit in Special Economic Zone Andheri, Mumbai and also has a 100% Export Oriented Unit (EOU) in Bhavnagar, State of Gujarat.

Tax benefit under section 10A of the Act is as follows:

- For the unit at Special Economic Zone, Andheri, Mumbai, income derived from exports are eligible for deduction under section 10A of the Act up to Assessment Year 2009-2010 subject to the provisions of that section.
- Tax benefit under section 10B of the Act is as follows:
- For the 100% EOU in Bhavnagar, State of Gujarat, income derived from exports are eligible for deduction under section 10B up to Assessment Year 2009-2010 subject to the provisions of that section.

B. General Benefit

Further, from the Assessment year 2008-2009 onwards, the company will be governed by the provisions of section 115JB of the Act. The company will also be eligible to tax credit in terms of section 115JAA of the Act.

To the Members of the Company – General Benefit

Under the Income Tax, 1961 (the Act)

Resident Members

- i. By virtue of Section 10(34) of the Act, income earned by way of dividend income from domestic Company, are exempt from tax in the hands of the shareholders.
- ii. Under Section 112 of the Act, and other relevant provisions of the Act, long term capital gains (i.e. if shares are held for a period exceeding 12 months) (in cases not covered under section 10(38) of the Act), arising on transfer of shares in the Company, shall be taxed at a rate of 20% (plus applicable surcharge and educational cess) after indexation as provided in the second provision to section 48. The amount of such tax should however be limited to 10% (plus applicable surcharge and educational cess) without indexation at the option of the Shareholder, if the transfer is made after listing of shares.
- iii. Under Section 48 of the Act, if the Company's shares are sold after being held for more than twelve months, the gains (in cases not covered under section 10(38) of the Act, if any will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration the indexed cost of acquisition.
- iv. In terms of section 10(38) of the Act, any long term capital gains arising to the shareholder from transfer of long term capital asset being an equity shares in a Company would not be liable to tax in the hands of the shareholder if the following conditions are satisfied.
 - a. The transaction of sale should be entered into a recognized Stock Exchange in India.
 - b. The transaction is chargeable to securities transaction tax as enacted by Chapter VII of the Finance (No. 2) Act, 2004.

However, in case of a company, the income by way of long term capital gain shall be taken into account in computing the book profit and income tax payable u/s 115JB.

- v. In terms of section 88E of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for rebate from the amount of income tax on the income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions subject to the conditions laid down in that section.
- vi. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (in case not covered under section 10(38) of the Act) arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gain is invested within a period six (6) months after the date of such transfer for a period of at least (3) years in bonds issued by:

- a. National Bank for Agriculture and Rural Development established under section 3 of The National Bank for Agriculture and Rural Development Act, 1981;
 - b. National Highway Authority of India constituted under section 3 of National Highway Authority of India Act, 1988;
 - c. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;
 - d. National Housing Bank established under section 3(1) of the National Housing Bank Act, 1987; and
 - e. Small Industries Development Bank of India established under section 3(I) of the Small Industries Development Bank of India Act, 1989.
- vii. Under section 54F of the Act, long term capital gain (in cases not covered under section 10(38) of the Act) arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gain tax subject to other conditions, if the net consideration from such shares are used for purchase of residential house property within a period of one year before and two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.
- viii. Under section 111A of the Act and other relevant provisions of the Act, short-term capital gains (i.e. if shares are held for a period not exceeding 12 months), arising on transfer of shares in the company on a recognized stock exchange, on which Security Transaction Tax is charged, shall be taxed at a rate of 10% (plus applicable surcharge and educational cess)

To the Mutual Fund

Under the Income Tax, 1961 (the Act)

In terms of section 10(23D) of the Act, all Mutual Funds set up by Public Sector Banks or Public Financial Institutions or Mutual Funds registered under the Securities and Exchange Board of India or authorized by the Reserve Bank of India, subject to the conditions specified therein are eligible for exemption from income tax on all their income, including income from investment in the shares of the Company.

To the Non-Resident Indians/Non Resident Shareholders (Other than Foreign Institutional investors)

Apart from benefits as mentioned in (i),(ii),(iv),(v),(vi),(vii),(viii) of point no. B above.

Under the Income Tax, 1961 (the Act)

- i. Under section 115-I of the Act, the non-resident Indian shareholder has an option to be governed by the provisions of Chapter XII-A of the Act viz. "Special Provisions Relating to Certain Incomes of Non-Residents" which are as follows:
 - a. Under section 115E of the Act, where shares in the Company are acquired or subscribed for in convertible Foreign Exchange by a Non Resident Indian, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months on a recognized stock exchange, shall (in cases not covered under section 10(38) of the Act) be concessional tax at the flat rate of 10% (plus applicable surcharge and educational cess) (without indexation benefit but with protection against foreign exchange fluctuations).
 - b. Under provisions of section 115F of the Act, long term capital gains (in case not covered under section 10(38) of the Act) arising to a non-resident Indian from the transfer of shares of the Company subscribed to in convertible Foreign Exchange (in cases not covered under section 115E of the Act) shall be exempt from Income tax, if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
 - c. Under provisions of section 115G of the Act, it shall not be necessary for a Non-Resident Indian to furnish his return of income if his income chargeable under the Act, consists of only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted therefrom.
 - d. Under Section 115-I of the Act, a Non-resident Indian may elect not to be governed by the provisions of Chapter XII-A of the Act for any Assessment Year by furnishing his Return of Income under section 139 of the Act declaring therein that the provisions of the chapter shall not apply to him for that assessment year and if he does so, the provisions of this chapter shall not apply to him; instead the other provisions of the Act shall apply.
- ii. Under the first proviso to section 48 of the Act, in case of non-resident shareholder, in computing the capital gains arising from the transfer of shares of the Company acquired in convertible foreign exchange (as per exchange control regulations)

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(in cases not covered by section 115E of the Act), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains/loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of the shares.

Foreign Institutional Investors (FIIs)

Apart from benefits, as mentioned in (iv)(v)(vi)(vii) of point no. B above

In terms of section 10(34) of the Act, any income by ways of dividend income referred to in Section 115-O received on the shares of the company is exempted from the tax of the Act are exempt in the hands of the institutional investors. The income by way of short term capital gain or long term capital gains (not covered under section 10(38) of the Act) realized by FIIs on sale of shares in the Company would be taxed at the following rates as per Section 115AD of the Act.

- a) Short term capital gains – 30% (plus applicable surcharge and educational cess) or 10% (plus applicable surcharge and educational cess) for the short term capital gain referred to in section 111A.
- b) Long term capital gain – 10% (without cost indexation plus applicable surcharge and educational cess).

(shares held in the company would be considered as a long term capital asset provided they are held for a period exceeding 12 months).

Under the Wealth Tax Act, 1957

Shares held in a Company will not be treated as an asset within the meaning of Section 2(ea) of Wealth Tax Act, 1957.

Under the Gift Tax Act, 1958.

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gifts of the shares will not attract gift tax.

Notes:

- 1. All the above benefits are as per the current tax law as amended by Finance Act, 2007 and Taxation Laws (Amendment) Act, 2006.
- 2. The stated benefits will be available only to the sole / first named holder in case the shares are held by Joint holders.
- 3. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.
- 4. This is just a summary only and not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares. The statements made above are based on the laws enforced and as interpreted by the relevant taxation authorities as of date.

INDUSTRY OVERVIEW

Data in this section has been sourced from the following:

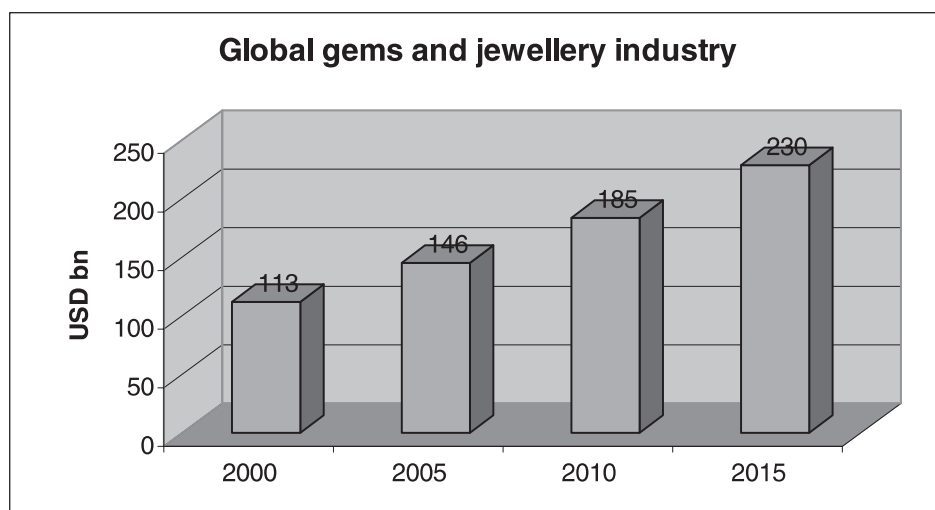
- GJEPC-KPMG Report titled “The Global Gems and Jewellery Industry” (GJEPC-KPMG report , 2006)
- ICRA “ The Indian Gems & Jewellery Sector, July, 2006 (ICRA report)
- Signet web-site; www.signetgroupplc.com
- Web-site of “The Gem & Jewellery Promotion Council”; www.gjepc.org

The information presented in this section has been obtained from publicly available documents from various sources, including officially prepared materials from the Government bodies, industry websites/publications and company estimates. Industry websites/publications generally state that the information contained in therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry, market and government data used in this Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company estimates, while believed by us to be reliable, have not been verified by any independent agencies.

Overview

Global Gems and Jewellery industry

The size of the global gems and jewellery industry has been estimated at 146 billion US dollars at retail prices in 2005. The industry has grown at an average CAGR rate of 5.2% since 2000.



Source: Global jewellery sales (2000-2005), USD billion Source: GJEPC-KPMG Report, 2006

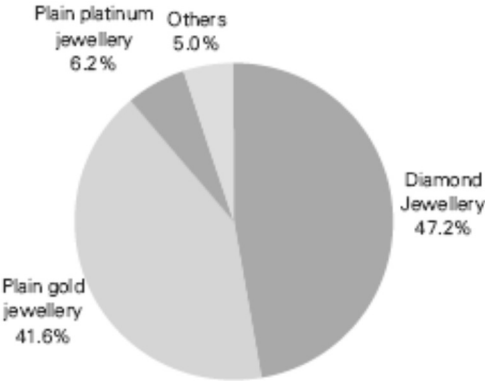
Diamond studded jewellery is the largest segment of this industry (2005 sales estimated at USD 69 billion) which constitutes approximately to 48% of the industry sales. The second largest segment is plain gold jewellery segment with total retail sales of USD 60.7 billion, constituting approximately 41% of the total sales.

The market share of various jewellery segments is given below:

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Retail mix of various jewellery segments (2005)

Market share of various jewellery segments



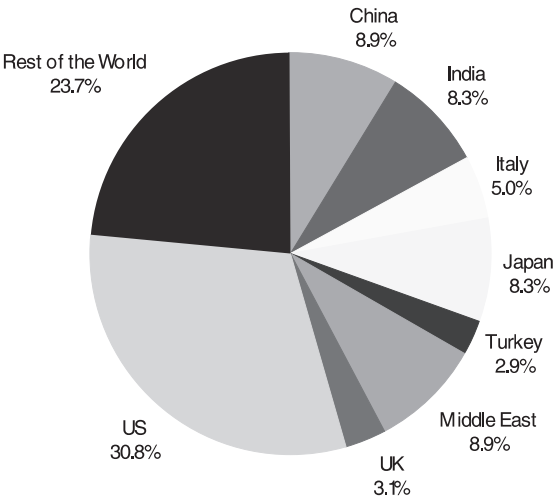
Source: GJEPC-KPMG Report, 2006

Major Markets for Gems and Jewellery market

Sale of jewellery is concentrated in eight key world markets, which account for about 75% of the total world sales of gems and jewellery. The US is the world biggest market which accounts for approximately 31% of the total sales. The share of India and China has steadily shown an increase and currently account for 8.3 and 8.9 percent of world sales respectively.

Geographical share of the global jewellery consumption (2005)

Eight Key World Markets

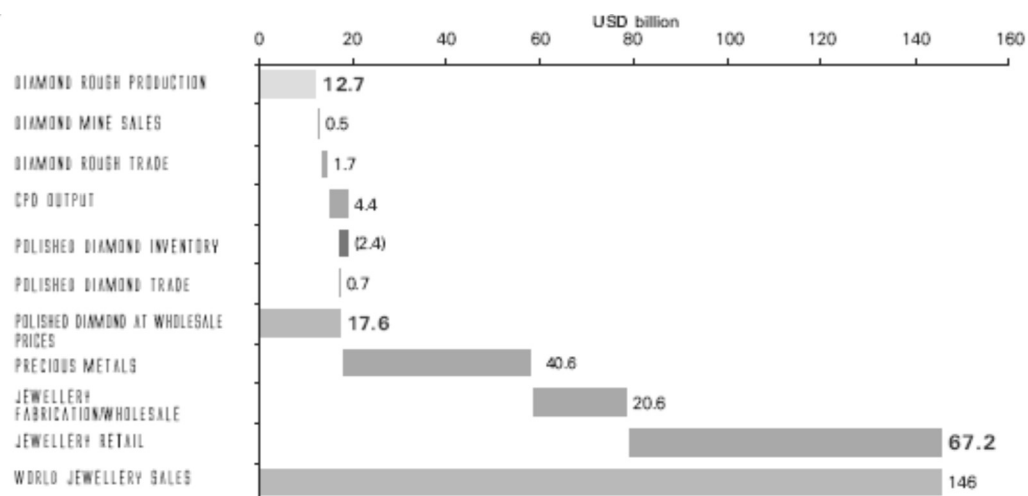


Source: GJEPC-KPMG Report, 2006

Value chain analysis

Under the gems and jewellery segment maximum value is added at the two ends of the value chain, with intermediate segments adding relatively lower value. Diamond cutting and polishing contributes 29% where as jewellery manufacturing contributes 32% to the value in the final product.

The Global Gems and Jewellery Value Chain

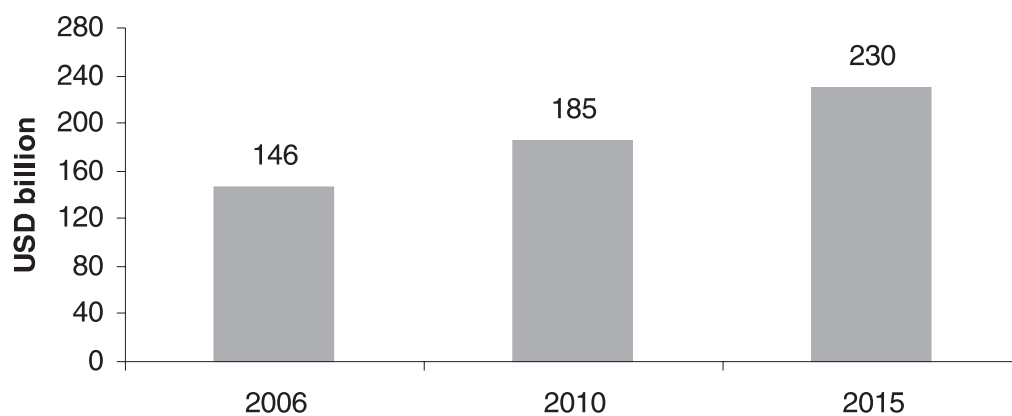


Source: GJEPC-KPMG Report, 2006

Future outlook - Global Jewellery Industry

Global jewellery sales are expected to grow and touch USD 185 billion by 2010 and USD 230 billion by 2015. Palladium is expected to establish itself as an alternative metal for jewellery fabrication, while gold and diamond jewellery will continue to dominate the market together, accounting for about 82%.

Projected global jewellery sales (2010, 2015), USD billion

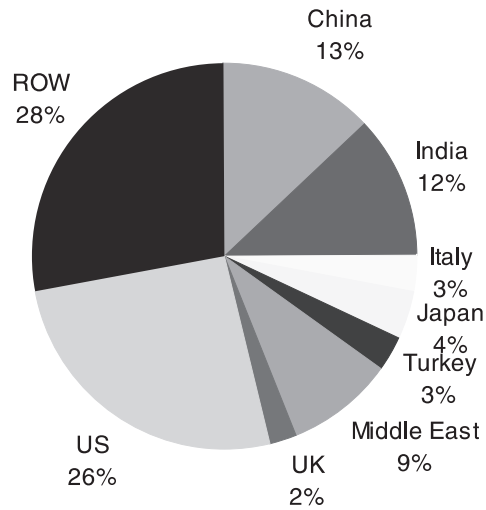


Source: GJEPC-KPMG Report, 2006

The projected share of industry segments and key consumption market trend shows that by 2015 China and India together will emerge as a market equivalent to the US market. The Middle East will surface as another large market, accounting for close to 9 % of the global jewellery sales by 2015.

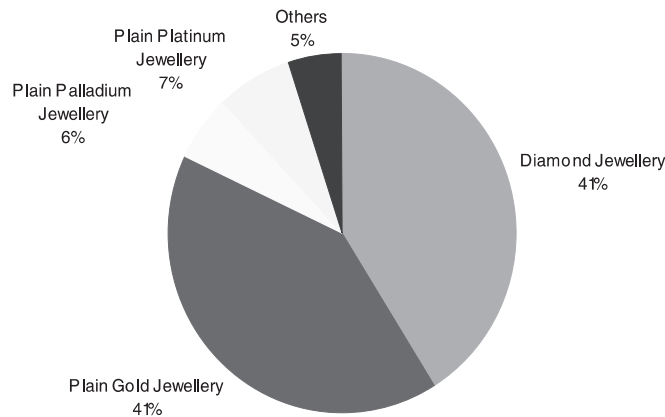
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Projected share of industry segments and key consumption markets



Source: GJEPC-KPMG Report, 2006

Projected share of various jewellery segments and Projected share of key markets for jewellery consumption (2015)



Source: GJEPC-KPMG Report, 2006

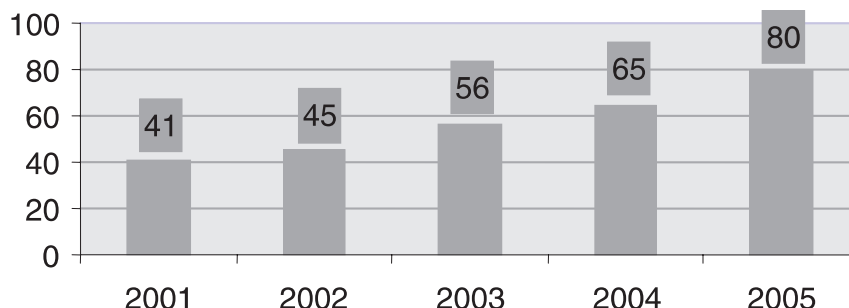
As per GJEPC-KPMG report, the industry has a potential to grow up to USD 280 billion by 2015 at a CAGR of 6.7%.

Indian Gems and Jewellery industry

The Indian domestic diamond jewellery market was estimated at around Rs. 80 billion in 2005 in retail value. The diamond content in the retail value has remained stable at around 71%.

India's Diamond Jewellery Retail Sales

(Rs. in billion)



Source: ICRA: The Indian Gems and Jewellery Sector, July 2006

The gems and jewellery industry is one of the oldest and largest industries in terms of export earnings for India. India today is the one of the leader's in processing of near gemstone quality (low caratage) stones. The Gems and Jewellery industry contributes around 15% of India's exports. As per the table, exports of Gems and Jewellery aggregated to Rs. 688.30 billion (US\$15.55 billion) during FY2006, accounting for 15.1% of India's exports. As per data released by the Gems & Jewellery Export Promotion Council (GJEPC), during FY2006, gold jewellery exports account for 23.2%, rough diamonds 3.4%, and others 2.3% of India's Gem and Jewellery exports.

India's GJ Exports

| FY | Exports- billion | | % of total exports |
|------|---------------------|-------|--------------------------|
| | Rs. | US\$ | |
| 1973 | 0.79 | 0.10 | 4.0% |
| 1995 | 141.31 | 4.50 | 17.1% |
| 1996 | 176.44 | 5.27 | 16.6% |
| 1997 | 168.72 | 4.75 | 14.2% |
| 1998 | 198.67 | 5.35 | 15.3% |
| 1999 | 249.45 | 5.93 | 17.8% |
| 2000 | 325.09 | 7.50 | 20.4% |
| 2001 | 337.33 | 7.38 | 16.6% |
| 2002 | 348.45 | 7.31 | 16.7% |
| 2003 | 437.01 | 9.03 | 17.1% |
| 2004 | 485.86 | 10.57 | 16.6% |
| 2005 | 618.34 | 13.76 | 16.5% |
| 2006 | 688.30 | 15.55 | 15.1% |

Compiled by ICRA

Source: ICRA: The Indian Gems and Jewellery Sector, July 2006

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Exports of gems and jewellery from major hubs in India.

| Port | 2001 - 02 | | 2002 - 03 | | 2003 - 04 | | 2004 - 05 (Provisional) | |
|--------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------------|-------------------|
| | Rs. in million | Us \$ in Millions | Rs. in Millions | Us \$ in Millions | Rs. in Millions | Us \$ in Millions | Rs. in Millions | Us \$ in Millions |
| Mumbai | 315,507.90 | 6,647.12 | 389,283.20 | 8,069.90 | 455,495.00 | 9,937.79 | 579,594.40 | 12,934.74 |
| New Delhi | 13,236.10 | 279.03 | 15,139.40 | 313.69 | 22,689.70 | 495.6 | 30,584.00 | 681.06 |
| Jaipur | 8,671.60 | 182.8 | 10,510.60 | 218.1 | 10,491.30 | 228.85 | 12,403.00 | 276.86 |
| Chennai | 1,032.60 | 21.74 | 1,395.10 | 28.84 | 1,881.10 | 40.99 | 4,714.00 | 105.42 |
| Calcutta | 2,936.20 | 61.88 | 3,667.80 | 75.94 | 4,104.80 | 89.27 | 4,865.00 | 108.22 |
| Bangalore | 2,840.70 | 59.77 | 3,103.90 | 64.43 | 25,087.30 | 552.19 | 43,076.60 | 962.53 |
| Hyderabad | 674.40 | 14.21 | 719.50 | 14.87 | 446.10 | 9.72 | 363.00 | 8.06 |
| Cochin | 242.10 | 5.06 | 317.30 | 6.55 | 282.80 | 6.16 | 392.00 | 8.72 |
| Coimbatore | 486.70 | 10.29 | 353.40 | 7.3 | 345.40 | 7.54 | 131.40 | 2.94 |
| Surat | 5,654.50 | 119.11 | 5,577.30 | 115.96 | 10,685.60 | 233.63 | 10,332.80 | 231.5 |
| Total | 351,282.70 | 7,401.01 | 430,067.50 | 8,915.59 | 531,509.10 | 11,601.74 | 686,456.10 | 15,320.07 |

Export of gems and jewellery from SEEPZ-SEZ Mumbai

| Year | Diamonds | | Gold Jewellery | | Silver Jewellery | | Platinum Jewellery | | Total | |
|---------|---------------|-----------------|----------------|-----------------|------------------|-----------------|--------------------|-----------------|---------------|-----------------|
| | Rs.in million | US\$ in Million | Rs.in million | US\$ in Million | Rs.in million | US\$ in Million | Rs.in million | US\$ in Million | Rs.in million | US\$ in Million |
| 2000-01 | 2583.6 | 56.79 | 23,027.70 | 507.47 | 24 | 0.51 | 373.9 | 8.13 | 26,009.20 | 572.9 |
| 2001-02 | 1985.6 | 41.66 | 23,940.60 | 504.25 | 23.9 | 0.51 | 339.5 | 7.21 | 26,289.60 | 553.63 |
| 2002-03 | 4673 | 96.98 | 34,359.90 | 712.02 | 1.6 | 0.03 | - | - | 39,034.50 | 809.03 |
| 2003-04 | 7488.4 | 163.14 | 42,739.10 | 932.85 | - | - | - | - | 50,227.50 | 1,095.99 |
| 2004-05 | 4392.9 | 97.89 | 45,991.90 | 1,022.90 | 541.6 | 11.96 | - | - | 50,926.50 | 1,132.75 |

Source: www.gjepec.org

The exports of gems and jewellery from India are mainly from the Mumbai port which constitutes 84.4% of the total exports. Mumbai SEEPZ which is a notified SEZ, contributes to around 8.78% of the sale from the Mumbai port.

Jewellery Exports from India to USA

With various government initiatives in recent years, export of gold jewellery has increased in recent years. India's export of gold jewellery has grown at CAGR of 25% over the last 8 years (Source: www.gjepec.org) this increase is attributable to healthy growth in demand in key markets especially that of the US.



Source: ICRA: The Indian Gems and Jewellery Sector, July 2006

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Import of Raw Material to India

Since India has negligible domestic production of gold, diamonds and other gemstones, India has to import almost its entire requirements. The Indian Gems and Jewellery depends entirely on imported raw materials. Over the last several years, imports of pearls, precious & semi-precious stones have accounted for 8-10% of India's total imports. An estimated 67% of India's Gems and Jewellery imports during FY2006 were of rough diamonds (which are then cut & polished for re-export), followed by Cut and polished diamonds (23%), and gold bars (6.6%).

| Components of India's Imports of GJ | | | | Percent |
|-------------------------------------|---------------|---------------|---------------|---------------|
| FY | 2003 | 2004 | 2005 | 2006 |
| Rough Diamonds | 81.4 | 76.4 | 65.7 | 67.0 |
| Rough Coloured Gemstones | 0.9 | 0.8 | 0.7 | 0.8 |
| Raw Pearls | 0.1 | 0.0 | 0.0 | 0.0 |
| Rough Synthetic Stones | 0.0 | 0.0 | 0.0 | 0.1 |
| Gold Bars | 8.7 | 8.7 | 7.4 | 6.6 |
| Silver Bars | 0.3 | 0.2 | 0.2 | 0.2 |
| Platinum Bars | 0.0 | 0.0 | 0.1 | 0.0 |
| Cut and polished diamonds | 8.2 | 12.7 | 24.4 | 23.0 |
| Others | 0.5 | 1.1 | 1.4 | 2.2 |
| Total Imports | 100.0 | 100.0 | 100.0 | 100.0 |
| Value-Rs. billion | 374.87 | 432.82 | 526.00 | 576.99 |

Compiled by ICRA

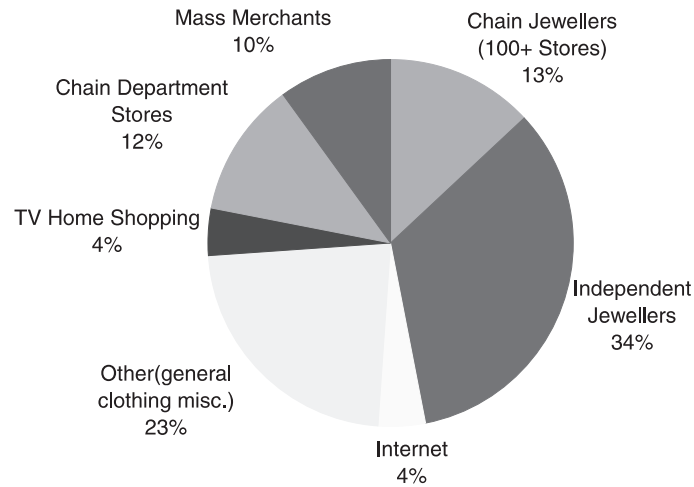
Source: ICRA: The Indian Gems and Jewellery Sector, July 2006

USA- Jewellery Market

In terms of consumption demand, USA is the world's second largest gold jewellery market by volume (around 350 tonnes) and the largest by retail value (around \$16billion). In the US, Christmas, end of year festivals, Valentine's Day and Mother's Day are the important gold-buying occasions. The total US jewellery sales, including watches and fashion jewellery have been estimated at \$59 billion in 2005 (2004: \$57 billion). The US jewellery market has grown at a compound annual growth rate of 5.7% over the last 25 years (Source: ICRA: The Indian Gems and Jewellery Sector, July 2006).

The US retail jewellery industry is competitive and fragmented. The broader total US retail jewellery market includes formats such as department stores, discount outlets, television home shopping, internet retailers and general merchandise, apparel and accessory stores. The largest jewellery retailer is believed to be Wal-Mart Stores, Inc., which includes a wide assortment of costume jewellery.

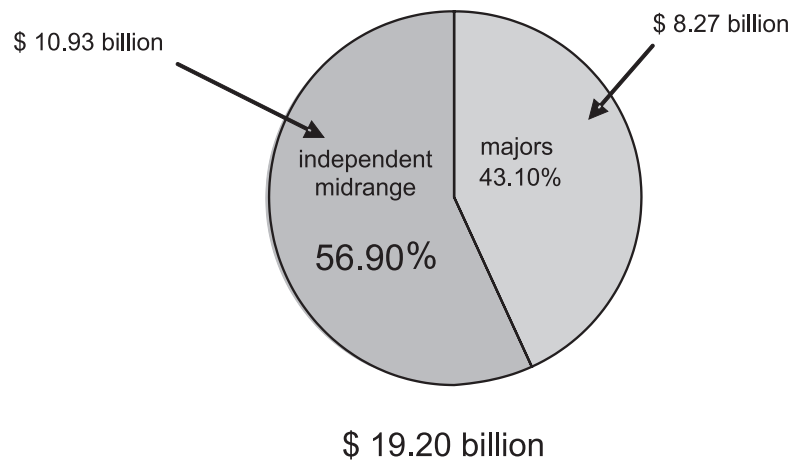
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Source: www.signetgroupplc.com

The US diamond jewellery sales are believed to account for about 50% of worldwide diamond jewellery sales. In the US market, diamond jewellery sales accounted for about 55% of total jewellery sales in the year 2005. In the last ten years the growth in diamond jewellery sales has been more than a third faster than that of the total jewellery market (Source: www.signetgroupplc.com).

US Jewellery Market: By Store type



Source: www.signetgroupplc.com

The US Jewellery market is divided on the basis of store type into two basic segments i.e. Major wholesalers and independent midrange retailers. On the basis of data, around 43.10% and 56.90% of the jewellery market in the US is catered by the wholesalers and independent retailers respectively.

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OUR BUSINESS

Overview

We are in the business of manufacture and sale of studded gold, platinum and silver jewellery and are primarily focused on international markets including the USA. We also market our studded jewellery products through our retail stores operated by our subsidiary, Renaissance Retail Venture Private Limited (RRVPL).

We have been in the studded jewellery business for over a decade and operate through three manufacturing units of which two units are located at SEEPZ-SEZ at Mumbai and one 100% EOU unit at Bhavnagar in Gujarat. Besides, our subsidiary Renaissance Retail Venture Private Limited has a manufacturing facility at MIDC, Andheri for catering to the domestic retail market. Our subsidiary, Verigold Fine Jewellery Private Limited has a manufacturing facility for studded jewellery in SEEPZ-SEZ at Mumbai. Both our India subsidiaries are wholly-owned by our Company.

Our product profile includes rings, earrings, pendants, bracelets, necklaces, etc. which are manufactured using polished diamonds, precious and other semi precious stones which are set in precious metals like gold, platinum and silver. We have a talent base of about 40 designers, who on an average develop about 500 new designs every month.

We have been awarded a Certificate of Merit by GJEPC for being the second largest exporter of studded precious metal jewellery from SEEPZ-SEZ for the year 2005-06. In the year 2004, we were awarded 'International Supplier of the Year' by Wal-Mart and Rio Tinto Diamonds has conferred us with Business Excellence Model (BEM) in the year 2005 certification.

RRVPL currently has 8 retail outlets (5 in Mumbai, 1 in Pune, 1 in Lucknow and 1 in Gurgaon) and 16 Shop in shops. The retail products sold by Renaissance Retail Venture Private Limited are under the brand name "Lucera".

In July 2007, we also commenced exports of loose diamonds from our facility situated at Opera House, Mumbai.

On a consolidated basis, our sales for Fiscal 2003 was Rs. 1223.24 million which has increased to Rs. 4384.49 million for Fiscal 2007 at a CAGR of 37.59%. Our sales for the three months period ended June 30, 2007 was Rs. 1176.52 million. Our Net profit after taxes for Fiscal 2003 was Rs. 37.21 million which has increased to Rs. 254.12 million for Fiscal 2006 at a CAGR of 61.66%. Our net profit for the three months period ended June 30, 2007 was Rs. 72.26 million.

Our Evolution and Corporate Structure

We began our operations on December 4, 1989 under the name "Mayur Gems and Jewellery Export Private Limited" by our then promoter Mr. Dhanak Mehta. Our Promoters acquired Mayur Gems and Jewellery Export Private Limited on June 30, 1995 and subsequently named our Company as "Renaissance Gems and Jewellery Export Private Limited" with effect from April 16, 1997 and then as "Renaissance Jewellery Private Limited" with effect from April 5, 2002. We were converted into a Public Limited company on December 20, 2005 and our name was changed to "Renaissance Jewellery Limited".

We carry out the manufacturing and sale of studded jewellery through Renaissance Jewellery Limited. Besides, we have two wholly owned Indian subsidiaries, namely, Verigold Fine Jewellery Private Limited which is engaged in a similar line of business as us and Renaissance Retail Venture Private Limited through which we cater to the domestic retail market. While Verigold Fine Jewellery Private Limited caters mainly to the international market, Renaissance Retail Venture Private Limited is engaged in the domestic retail of studded jewellery under the brand name "Lucera"

On a consolidated basis, our sales for Fiscal 2003 was Rs. 1223.24 million which has increased to Rs. 4384.49 million for Fiscal 2007 at a CAGR of 37.59%. Our sales for the three months period ended June 30, 2007 was Rs. 1176.52 million. Our Net profit after taxes for Fiscal 2003 was Rs. 37.21 million which has increased to Rs. 254.12 million for Fiscal 2006 at a CAGR of 61.66%. Our net profit for the three months period ended June 30, 2007 was Rs. 72.26 million.

Our Competitive Strengths

We have domain expertise in identifying fashion trends and jewellery designing and have a large design pool.

We have a state of the art design studio equipped with sophisticated CAD and CAM machines and have a strong and experienced team of about 40 skilled designers who have an in depth understanding of the market and fashion trends. Our senior product development team travels extensively to attend international trade fairs, meet with existing and prospective customers, and visit retail stores across our target markets which enable us to identify and forecast fashion trends.

Over the past decade, we have developed a large collection of designs of studded jewellery which aggregate over 30,000 designs presently enabling us to provide more and better choices to our customers. The number of designs which we develop has also been increasing on a year on year basis as given below:

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| Particulars | FY 2004 | FY2005 | FY2006 | FY2007 | Three months ended June 30, 2007 |
|-----------------------------|---------|--------|--------|--------|----------------------------------|
| Number of Designs developed | 4,000 | 4,500 | 5,600 | 6700 | 1700 |

We are one of the largest exporters of studded gold and platinum jewellery in India

We were recognized as the third largest exporter of studded precious metal jewellery from SEEPZ-SEZ, Mumbai by GJEPC for the year 2006-07. We have grown significantly during the past few years, by increasing our revenues through our existing customer base outside India and by adding new customers and product sub categories. We have been able to offer a better value proposition to our customers by providing innovative designs and products which meet their requirements, which has enabled us to secure higher business from our customer base on a year-on-year basis. For instance, sales to three of our largest customers have more than doubled from Rs. 1798.47 million in FY05 to Rs. 3791.00 million in FY07 on a consolidated basis forming 92.16% and 86.46% of our consolidated sales respectively.

During the period ended March 31, 2007, besides USA, we also entered the Middle East and Far East markets. We believe that the design and quality of our studded jewellery products, coupled with our existing customer base outside India, including retail chains and wholesalers, has enabled us to develop strong credentials in our international markets and has also led to us securing new business from reputed wholesalers in the USA.

By virtue of our size, we also benefit from economies of scale in our manufacturing operations and are also able to procure raw materials at competitive prices.

We develop products which are specifically targeted to our customers' needs, which have enabled us to secure repeat business.

We are a customer centric company, which provide products which cater to varying customer needs regarding price points and product categories. We proactively design products for special occasions like Valentine's Day, Mother's Day, Thanks Giving Day and Christmas Day celebrations. Our products are sold at major retails outlets with a price tag primarily varying between US\$ 99 to US \$1,999. We undertake reverse cost working of our products so as to cater to varying customer price points. We also engage in active research of the retail market and provide customers with products which can complete their product portfolio. This has helped us in securing repeat orders from our customer's year on year.

We are currently focused on the studded jewellery market in USA.

We are currently a USA centric company, with over 95% of our revenues for the three months period ended June 30, 2007 emanating from the USA. Since USA has been the largest market in the world, with over 30% market share in 2005, and has a large number of organized retailers, we currently have a conscious focus on the US markets. We have been able to capitalize on our understanding of the US market and customer relationships and considerably grow our revenues to about Rs. 4384.49 million for FY07 as against Rs. 1223.24 million in FY03. The US jewellery market has grown at a CAGR of 5.70% over the last 25 years and our business in the US market has increased by 33.71% in the year 2 as compared to the year 2006

The geographical spread of our income is given below: (Consolidated)

(Rs. in millions)

| Particulars | FY 2004 | | FY 2005 | | FY 2006 | | FY 2007 | | Period ended June 30, 2007 | |
|-------------------|---------|------------------|---------|------------------|---------|------------------|---------|------------------|----------------------------|------------------|
| | Sales | % to total sales | Sales | % to total sales | Sales | % to total sales | Sales | % to total sales | Sales | % to total sales |
| US | 1606.9 | 99.97 | 1950.67 | 99.97 | 3158.81 | 99.88 | 4223.36 | 96.33 | 1138.06 | 96.73 |
| India | 0.03 | 0.00 | 0.62 | 0.03 | 0.26 | 0.01 | 20.05 | 0.46 | 4.18 | 0.36 |
| Rest of the World | 0.48 | 0.03 | - | - | 3.61 | 0.11 | 141.08 | 3.21 | 34.28 | 2.91 |
| Total | 1607.41 | 100.00 | 1951.29 | 100.00 | 3162.68 | 100.00 | 4384.49 | 100.00 | 1176.52 | 100.00 |

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We have forayed into new product categories such as bridal jewellery and gemstone jewellery, which has led to higher operating margins.

In FY06, we have added bridal jewellery and gemstone jewellery to our product portfolio. Bridal jewellery comprises of wedding rings and engagement rings, etc. while gemstone jewellery is made using precious and semi precious stones such as rubies, sapphires, etc. These product categories involve higher skill sets and thus lead to higher realisations, which lead to higher operating margins. This is evidenced by the increase in our EBITDA margin from 6.91% in FY06 to 7.43% in FY 07 and further to 8.09% in the three months period ended June 30, 2007 on a consolidated basis. The cost of raw material consumed in case of Bridal and Gemstone jewellery is 80% and 75% respectively as compared to Fashion jewellery wherein the raw material consumed is over 85%.

We manufacture our products using advanced technology / modern machinery.

Our product development is mainly through CAD/CAM. We have state of the art equipment for wax injection, investment and casting. The entire production is checked for correct karatage on laser assaying machine. Laser soldering machines are used for assembly and laser marking for stamping. We also use the metal mould process to achieve lightweight products. We believe that our ability to use the most modern machinery and techniques also gives us a competitive edge.

Large scale manufacturing capabilities

We have two modern jewellery manufacturing units located at SEEPZ-SEZ in Mumbai and an Export Oriented Unit at Bhavnagar, Gujarat. As on September 30, 2007, our units at SEEPZ-SEZ employ 1390 employees/labourers while our manufacturing facility at Bhavnagar employs 418 employees. Besides, we have a manufacturing facility in SEEPZ-SEZ owned by our wholly-owned subsidiary Verigold Fine Jewellery Private Limited which has 214 employees as on September 30, 2007 and also have a manufacturing facility at MIDC, Andheri owned by our wholly-owned subsidiary, Renaissance Retail Venture Private Limited which has 193 employees as on September 30, 2007. Our state-of-the art manufacturing facilities, strong design capabilities and focus on stringent quality control enable us to produce studded jewellery on a large scale meeting requisite quality standards.

Due to our large production base, latest machineries and trained staff, we have been able to execute large and time-based orders received from customers. We are able to achieve efficiency in manufacturing, thus benefiting from economies of scale, which enables us to competitively price our products.

We enjoy certain tax benefits, due to the fact that our manufacturing unit are located in SEEPZ- SEZ which is a notified tax exempted are.

We have three manufacturing units, of which two are located at SEEPZ-SEZ, Mumbai, an export-processing zone, and one at Bhavnagar, Gujarat, an export oriented unit. Verigold Fine Jewellery Private Limited, our wholly-owned subsidiary also has a manufacturing facility in SEEPZ-SEZ. The SEEPZ-SEZ units entitle us and our subsidiary to certain income tax benefits for a prescribed time period; indirect taxation benefits, access to skilled workers; easy availability of raw- materials and faster custom clearance, while our Bhavnagar unit entitles us to income tax benefits for a prescribed time period, Indirect Taxation benefits and also enables us to enjoy cheaper manpower. For further details on tax benefits please refer to the section titled "Statement of Tax Benefits" beginning on page 43 of this Red Herring Prospectus.

Experienced Board and Executive Management team

Our Board consists of eight members, out of which our executive directors and Chairman have experience in the gems & jewellery business including marketing. Our Chairman has experience of more than 35 years in the gem and jewellery business. Our executive directors have an experience of more than 10 years each in the gems and jewellery business in the fields of marketing, product development, production techniques etc. We believe that this extensive experience of our Board and the executive management team in the business also gives us a competitive advantage.

Business/Growth Strategy

Continue to focus on our existing customers and existing customer-base and leverage our relationships and knowledge base in the US markets

We believe that we have established ourselves in the US markets and have developed a marketing network with major retail chains and speciality jewellers during the past few years. We intend to continue to cater to our existing customers and existing customer base comprising of retail chains and wholesalers and to capitalize on our credentials to add new customers in the US markets.

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Diversification of products and penetration in the market

We intend to penetrate further in the studded jewellery market by focusing on new products categories which we have launched in FY06 such as bridal and solitaire jewellery (high end products) and gemstone (both precious and semi-precious) jewellery. Bridal jewellery comprises of wedding rings and engagement rings, etc. while gemstone jewellery is made using precious and semi precious stones such as rubies, sapphires, etc. Variation in the product mix will enable us to cater to various segments of the market giving our customer a one-stop shop for full range of studded jewellery under a single roof. This would also help us in increasing our profitability margins.

Focus on the small retailers in the US markets

Renaissance Jewelry New York, Inc. ("RJNY") was incorporated as a New York corporation in the USA on April 23, 2007, Common stock of RJNY was allotted to RJL on September 12, 2007, thereby making it a 100% subsidiary of RJL. Our subsidiary RJNY would cater to the independent mid- range retailers in the US market. Historically, our sales to USA have been through wholesalers and large retail chains, which represent about 43.10% of the US market. However, the balance 56.90% of the US market is catered to by independent mid-range retailers whom we intend to cater to through RJNY, which is intended to be trading concern. This would enable us to establish our presence in the retail market in US, reduce our dependence on wholesalers and large retail chains and would also provide us with higher realisation.

Diversification of risk by developing newer markets

We have entered the Middle East and Far East market and plan to enter the European Union (EU) in the future. We have completed our initial round of market survey and plan to enter these markets as part of our future strategy for market diversification and to de-risk our revenue model.

Increasing our retail presence in India

Through our wholly-owned subsidiary we plan to increase the number of retail outlets in India from 8 outlets to more than 250 outlets in the coming 5 years. Few cities in which these retail outlets are to opened have already been identified. Renaissance Retail Venture Private Limited sells products in the domestic retail market under the brand 'Lucera' in these outlets. The "Lucera" brand is positioned as an affordable fashionable accessory.

Innovation in Designing

We will continue to invest significantly in our merchandising department. We will further strengthen our product development effort by creating customer/product-range/market – specific teams, helping them focus and create innovative and acceptable designs that will help to increase our sales.

Our Operations

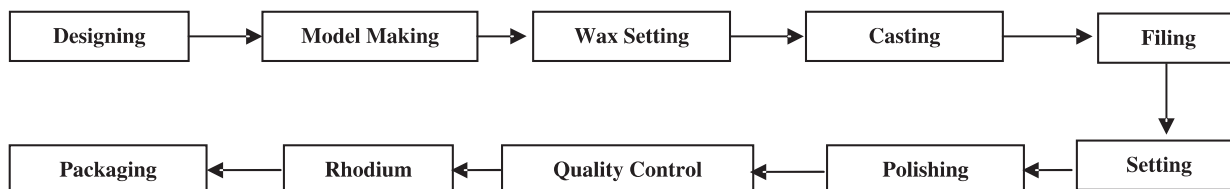
We manufacture studded jewellery using gold/silver/platinum, polished diamonds and other semi precious and precious stones. Our operations involve product development, manufacturing based on orders received from customers (in the required quality and karatage), packing as per customer requirement and exporting the same. The product portfolio of our Company and our wholly owned subsidiaries includes rings, earrings, pendants, bracelets, necklaces, bangles, money clip, Cufflinks, Money clips, anklets, charms, bangles and tie pins. etc. In terms of value, we cater to the mid-segment of the studded jewellery market. Our key financials on a consolidated basis for the last 3 years are as follows:

(Rs. In million)

| Particulars | FY2003 | FY2004 | FY2005 | FY2006 | FY2007 | Three Months June 30, 2007 |
|----------------|---------|---------|----------|---------|---------|-------------------------------|
| Total Revenues | 1272.33 | 1601.95 | 2,037.23 | 2983.73 | 4406.86 | 1234.59 |
| EBITDA | 72.25 | 78.70 | 97.42 | 218.40 | 325.72 | 95.22 |
| EBITDA % | 5.68 | 4.91 | 4.78 | 7.32 | 7.39 | 7.71 |
| PAT | 37.21 | 56.48 | 68.19 | 147.39 | 254.12 | 72.26 |
| PAT% | 2.92 | 3.53 | 3.35 | 4.94 | 5.77 | 5.85 |

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Production planning



On approval of the sample by customers, an order is placed by them. The order is entered by the marketing department, which is forwarded to the production planning department. The planning department schedules and arrives at a delivery date for the order which is further communicated by our marketing department to our customers. The planning department places orders for the raw material i.e. gold, diamonds, stones, findings etc with our in-house central gold and diamonds department ("CGDD") after taking into consideration the inventory and receives a delivery date for the same from CGDD.

Production capacities and utilization

Capacity and Capacity utilisation for FY2004 to FY2007 (on a consolidated basis):

In kgs

| Particulars | FY 2004 | FY 2005 | FY 2006 | FY 2007 |
|--------------------------|---------|---------|---------|---------|
| Installed Capacity | 1500 | 1500 | 1950 | 2250 |
| Production | 961 | 995 | 1288 | 1830 |
| Capacity utilization (%) | 64.07 | 66.33 | 66.05 | 81.33 |

Capacity and Capacity utilisation for FY2007 to FY2009 (on a consolidated basis):

In Kgs

| Particulars | FY 2008 | FY 2009 | FY 2010 |
|--------------------------|---------|---------|---------|
| Installed Capacity | 3280 | 3600 | 4000 |
| Production | 2635 | 3274 | 3800 |
| Capacity utilization (%) | 80.33 | 90.94 | 95.00 |

Raw material Planning

Raw materials which we use for manufacturing studded jewellery include gold, silver, platinum, cut and polished diamonds, precious & semi precious stones, platinum findings, gold/silver/platinum mountings, alloys, etc. Gold and diamonds form more than 90% of our raw material cost. We procure raw materials both, domestically and from the international markets (on a consolidated basis).

| Particulars | FY 2006 | FY 2007 | Growth % | June 30, 2007 |
|--------------------------|---------|---------|----------|---------------|
| Sales | 3162.68 | 4384.49 | 38.63% | 1176.52 |
| Raw material Cost | 2699.77 | 3667.81 | 35.86% | 1,039.54 |
| Total Cost as % of Sales | 85.36% | 83.65% | | 88.36% |
| Domestic Raw Material | 22.35 | 164.44 | 635.75% | 27.33 |
| Imported Raw Material | 2677.42 | 3503.37 | 30.85% | 1012.21 |

Gold: Based on the orders received from customers, purchase order for gold is generated by our in-house department i.e. CGDD. The gold is then purchased from nominated agencies; viz. banks such as Punjab National Bank, Bank of India and Bank of Nova Scotia. We also avail of gold loan facility extended by these banks. Gold loans enable us to pay the purchase consideration within 270 days from the date of purchase and also hedge ourselves against adverse changes in prices of gold. We also enter into forward contracts to hedge ourselves against rise in prices of gold. The below table is on a consolidated basis:

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| | FY 2006 | FY 2007 | Growth % | Three months ended June 30, 2007 |
|------------------------------------------------|---------|---------|----------|----------------------------------|
| Gold Procured Domestically (Rs. in million) | 9.58 | 87.48 | 813.15% | 9.29 |
| Gold Procured Domestically (Kg) | 12.00 | 114.55 | 854.58% | 10.25 |
| Gold Procured Internationally (Rs. in million) | 914.55 | 943.11 | 3.12% | 233.48 |
| Gold Procured Internationally (Kg) | 1350.70 | 967.13 | (28.40%) | 295.06 |
| % of Raw Material Cost | 34.23 | 28.10 | | 23.35 |

Diamonds, precious & semi precious stones: Purchase orders are generated by CGDD on the basis of the orders received. We procure diamonds both domestically as well as import from international markets. Our domestic purchases are done from local vendors in Mumbai whereas import is usually done from U.A.E and USA amongst other countries.

Findings: CGDD places orders for findings like chains, earring nuts, posts, etc., from local and international vendors approved by our Company. Certain customers require us to purchase such findings only from vendors as recommended by them. In case any other vendor is introduced, a thorough quality check of the finding is done and approved.

Other raw materials: On the basis of the orders received from the marketing department, purchase orders for other raw-materials such as coloured stone, alloys, tools, consumables, spares, are generated by CGDD/Stores either to local or overseas vendors.

Inventory management

Our production and inventory are planned as per the delivery schedules. Finished goods are dispatched to customers as soon as production is complete. We maintain a small inventory of certain fast moving items to meet any repeat orders. The inventory normally consists of raw-materials like gold, diamonds, consumables and work-in-progress. This inventory is maintained to meet the production requirements as per the production plan for the forthcoming two months. This below table, giving details of creditors and debtors is on a consolidated basis

| | FY 2006 | FY 2007 | Growth % | Three months ended June 30, 2007 |
|--------------------------------------|---------|---------|----------|----------------------------------|
| Creditors (Rs. in Mn) | 814.23 | 575.15 | (29.36)% | 412.23 |
| Creditors turnover (days) | 94 | 48.00 | | 32.00 |
| Debtors (Rs. in Mn) | 877.38 | 983.68 | 12.12% | 1465.45 |
| Debtors turnover (days) | 102 | 82.00 | | 113 |
| Debtors turnover/ Creditors turnover | 1.09 | 1.71 | | 3.53 |

Manufacturing process

Designing

We use both conventional and modern methods for designing. As on date, we have about 40 designers. On an average, we are currently developing 500 designs per month. These designs are developed on the basis of feedbacks and concepts of our marketing and product development team. Market trends are studied and understood through participation and visits to various trade fairs like the Vicenza, JCK - Las Vegas and Basel shows. The designs so finalized by the merchandiser, or on the basis of internal discussion are then forwarded to the model making department.

Model making

Sample models of the selected designs are then made in silver. The models are made by using CAD and CAM machines or by skilled model makers. This model is then sent to the mould-cutting department, where a rubber or metal mould is made for large scale production. This mould is first approved for commercial production by the sampling department and a test trial of the design is carried out by making a finished gold piece.

Wax Setting

Wax is injected into the rubber mould / metal mould to produce wax jewellery pieces. These wax jewellery pieces are provided finishing touches and precious stones are then studded onto these wax pieces. All the wax jewellery pieces are then moulded together to form a tree so as to facilitate mass production. The wax tree so produced is then forwarded to the casting department.

Casting

In casting, the wax-tree is first filled with a mixture of plaster of paris and water in an iron flask. After this process, the iron flask is then kept in a furnace overnight, whereby the wax evaporates to create a design cavity in the iron flask which contains the studded gems in it. Thereafter, the cavities are filled in with required karatage of gold.

Filing

Subsequently, the gold tree removed from the iron flasks are then forwarded for the next process to the filing department. At this stage, the excess metal in the grooves and channels in the jewellery pieces is removed. Thereafter, the jewellery pieces are filed for removing the rough surfaces of the pieces using different tools & hard buffs.

Setting

Filed pieces are then sent to the hand setting department, where broken or missing diamonds are replaced or in the case of semi wax-set pieces they are handset.

Polishing

Subsequently, the pieces are sent for polishing to the polishing department, to develop the final surface finish, which gives a shiny surface to the pieces.

Quality control

The polished pieces are then finally sent to the quality control department, where the pieces are checked by the quality control inspectors for any metal or diamond defects. In case of minor defects they are sent for rework, but in case of major defects if they cannot be worked upon, the pieces are rejected and are sent to the refining department, where the diamond and gold, and other precious and semi-precious metals are recovered separately and sent back for reprocessing.

Rhodium Polish & Stamping & Packaging

Following the quality control, the jewellery is provided with rhodium treatment, where the required rhodium plating is done. The final jewellery pieces after another round of quality checks in the quality control department and are forwarded to the packaging division.

Marketing

Our marketing team regularly visits our customers to understand their varying needs and enhance our existing relationship. They also regularly approach new customers and attend trade fairs that help us in developing new business relationship.

Some of our customer representatives visit our facility, for reviewing new products developed, placing orders and checking on the status of their orders including quality control.

We concentrate on large orders to attain economies of scale for price competitiveness and efficient utilization of resources. Large orders help us in sourcing of raw material at competitive prices. We supply to retail chains having a national presence and to distributors having a wide distribution network.

Technology

We are a large scale producer of studded jewellery and use modern methods of jewellery manufacturing. We use CAD and CAM machines for making our designs and models. For certain kind of products we use metal moulds, which are better than rubber moulds for production of wax moulds. Some of our critical plant and machinery include wax injectors, investment mixers, furnaces, air compressors, CC motors, grooving machines, laser machines, water jet machines, etc.

Competition

Most of our customers source their requirements from a large number of manufacturers both domestic and international. Competition in these markets is based primarily on quality, design and pricing of such products. To remain competitive in the market, we strive to improve our design capability, reduce procurement and production cost, improve efficiencies and provide products at price points expected by target customers.

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Intellectual Property

We rely on trademarks and copyrights, to help establish and preserve limited proprietary protection for our products. We and our wholly owned subsidiary Renaissance Retail Venture Private Limited have one registered trademark and two trademark applications pending. These trademarks are used to establish brand recognition and distinction in our markets. Further our wholly owned subsidiary Renaissance Retail Venture Private Limited has been granted an exclusive license by “Lucera” brand owner- Verigold Jewelry, Inc, USA for use of the brand “**Lucera**” in India.

Product drawings and other works of authorship are also subject to applicable copyright law protections. Despite these intellectual property protections, there can be no assurance that a competitor will not copy our designs. We do not enter into any secrecy or non-compete agreements with our employees (including our designers) in relation to our business.

We currently have the following intellectual property rights for our business:

Trademarks

We have filed the following applications for trademarks:

| Sr. No. | Company | Trade Mark | Trade Mark Number | Issuing Authority | Class | Application Date | Status |
|---------|--------------------------------------------|-------------|-------------------|-----------------------------|-------|------------------|-----------------------------------------|
| 1. | Renaissance Jewellery Limited | R Logo | 1112206 | Trade Mark Registry, Mumbai | 14 | 17-Jun-02 | Registered and valid upto June 16, 2012 |
| 2. | Renaissance Jewellery Limited | Square Logo | 1338404 | Trade Mark Registry, Mumbai | 14 | 14-Feb-05 | Pending |
| 3. | Renaissance Retail Venture Private Limited | LUCERA | 141072 | Trade Mark Registry, Mumbai | 14 | 3-Jan-06 | Pending |

Properties

We operate through 5 manufacturing facilities through our Company and our two Indian subsidiaries. These facilities manufacture studded jewellery in gold/platinum/silver studded with diamonds, precious and semi-precious stones.

The following table sets forth the location and other details of such properties owned or occupied by our Company and our wholly-owned subsidiaries:

| S.No. | Location | Description of Property/Area | Area | Nature of Interest | Term | Remarks |
|-------|--------------------|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|--------------------|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Bhavnagar, Gujarat | Plot No.2302, City Survey Ward No. 7, Sheet No. 354, Survey No. 2938, Hill Drive Road, Bhavnagar | 2689.96 sq. meters of land and our Company has a building of 64,000 sq. ft. on this plot of land. | Freehold | Not applicable as it is owned property | This deed of conveyance dated January 19, 2004 was entered into between Renaissance Jewellery Private Limited and Mr. Jagdish Chandra Bansal and Mr. Vinay Bansal. The deed was registered with the Sub-registrar of Bhavnagar on January 21, 2004 |

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| S.No. | Location | Description of Property/Area | Area | Nature of Interest | Term | Remarks |
|-------|---------------------|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. | Mumbai, Maharashtra | Plot Nos. 36A 37, SEEPZ-SEZ, Parajapur Village, Andheri, Mumbai | 3598 sq. meters of land and our Company has a building of 40,000 sq. ft. on this plot of Land | Land is Leasehold Building is Freehold. | 30 years commencing from November 27 , 2000 | The lease deed dated January 18, 2001 was entered between Renaissance Jewellery Private Limited and President of India. The deed was registered with the Sub-registrar of Andheri on March 12, 2001. |
| 3. | Mumbai, Maharashtra | G-42, Gems & Jewellery Complex III, Plot Nos. 1, Santacruz Electronics Export Processing Zone, SEZ, Andheri (East), Mumbai | 664 sq. meters of Unit | Tenancy Rights | 5 years commencing from August 20, 2002* | This Tenancy Agreement dated August 20, 2002 was entered into between Renaissance Jewellery Private Limited and President of India. The agreement was registered with the Sub-registrar of Andheri within the prescribed period. |
| 4. | MumbaiMaharashtra | Unit No 156, SDF V, SEEPZ-SEZ, Andheri (East) Mumbai | 434 Sq. Meters of land | Tenancy Right | 5 Years commencing from April 20, 2005 | This Tenancy Agreement dated April 20, 2005 was entered into between Verigold Fine Jewellery Private Limited and President of India. The agreement was registered with the Sub-registrar of Andheri within the prescribed period. |
| 5. | Mumbai, Maharashtra | Plot No.F-11/12/15, MIDC(Marol), Central Road, Andheri(E), MUMBAI-93 | 214 Sq Meters | Tenancy Right | 3 Years commencing from March 1, 2006 | This Tenancy Agreement dated February 28, 2006 was entered into between Renaissance Retail venture Private Limited and Parmeshwar Exports Private |

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| S.No. | Location | Description of Property/Area | Area | Nature of Interest | Term | Remarks |
|-------|---------------------|------------------------------------------------------------|-------------|--------------------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | | | | Limited. The agreement was registered with the Sub-registrar of Andheri within the prescribed period. |
| 6. | Mumbai, Maharashtra | 12, Hari Nivas, K.Mathew Road, Opera House, Mumbai 400-004 | 600 sq feet | Leave and License | 3 Years commencing from July 1, 2007 | This "Leave and License Agreement dated July 9, 2007 was entered into between Renaissance Jewellery Limited and Fancy Jewellery Private Limited. The agreement was registered with the Sub-Registrar, Mumbai City on August 6, 2007 |

* The tenancy agreement expired on August 19, 2007. Vide our Company's letter dated June 28, 2007 addressed we have requested the Development Commissioner, SEEPZ-SEZ, Andheri to renew the tenancy agreement. The Executive Assistant to the Development Commissioner had vide its letter dated July 24, 2007 informed us that the draft agreement for renewal has been scrutinized, and further instructed us to submit the necessary copies of the draft tenancy agreement for adjudication to the Stamp Office, Mumbai. We had vide our letter addressed to the Deputy Inspector General of Registration & Deputy Controller of Stamps, submitted the draft tenancy agreement for adjudication which has been completed by the General Stamp Office as on October 24, 2007. We have vide our letter dated October 26, 2007 submitted the adjudicated tenancy agreement to the Estate Manager of SEEPZ-SEZ, Andheri and are awaiting execution of the agreement by the SEEPZ authorities.

Insurance

We and our subsidiaries maintain insurance for standard fire and special perils policy and jewellers' block insurance policy, which provides insurance cover against loss or damage by fire, explosion, lightning, riot and strikes, malicious damage, terrorism, burglary, theft, robbery and hold up risks, which we believe is in accordance with customary industry practices. Our policies also insure against loss or damage suffered during transit of our and our subsidiaries' stock and stock in trade except cash and currency notes under certain circumstances. However, the amount of our insurance coverage may be less than the replacement cost of all covered property and may not be sufficient to cover all financial losses that we may suffer should a risk materialize. Further, there are many events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us, for which we may not be adequately insured. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our results of operations and financial position.

The details of our material insurance policies and those of our subsidiaries are as stated below:

| S No. | Class of insurance | Amount (Rs.) | Type of coverage | Validity |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------------------------------------------------------------|------------------|
| 1. | Standard Fire and Special Perils Policy-Renaissance Jewellery Limited-G-42, Gem & Jewellery Complex III,SEEPZ-SEZ, MIDC, Andheri (East), Mumbai-400 096 | 10,018,562 | Standard Fire & Special Perils (Material Damage), Earth Quake, Terrorism | January 06, 2008 |
| 2. | Standard Fire and Special Perils Policy-Renaissance Jewellery Limited-Plot No 36A & 37,SEEPZ-SEZ, MIDC, Andheri (East), Mumbai-400 096 | 188,650,000 | Standard Fire & Special Perils (Material Damage), Earth Quake, Terrorism | January 09, 2008 |

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| S No. | Class of insurance | Amount (Rs.) | Type of coverage | Validity |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------------------------------------------------------------|-------------------|
| 3. | Standard Fire and Special Perils Policy-Renaissance Jewellery Limited-EOU-Plot No 2302, City Survey, Ward No 7, Sheet No 354, Survey No 2938,Hill Drive Road, Bhavnagar | 65,900,000 | Standard Fire & Special Perils (Material Damage), Earth Quake, Terrorism | December 25, 2007 |
| 4. | Standard Fire and Special Perils Policy-Verigold Fine Jewellery Private Limited-Unit 156, SDF-V, SEEPZ-SEZ, Mumbai- 400 096 | 17,100,000 | Standard Fire & Special Perils (Material Damage), Earth Quake, Terrorism | June 26, 2008 |
| 5. | Jewellers Block Policy-Renaissance Jewellery Limited-Plot No 36A & 37, G-42, Gem & Jewellery Complex III, SEEPZ-SEZ, MIDC, Andheri (East), Mumbai-400 096 | 1,002,000,000 | Inventory in the Premises, Cash and Currency Notes. | May 22, 2008 |
| 6. | Jewellers Block Policy-Renaissance – EOU ,Plot No 2302,City Survey, Ward No 7, Sheet No 354, Survey No 2938, Hill Drive Road, Bhavnagar | 131,000,000 | Inventory in the Premises, Goods in Transit, Angadia and Cash and Currency Notes | October 13, 2008 |
| 7. | Jewellers Block Policy-Verigold Fine Jewellery Private Limited-Unit 156, SDF-V, SEEPZ-SEZ, Mumbai- 400 096 | 100,500,000 | Inventory in the Premises, Cash and Currency Notes. | June 23, 2008 |

Human Resources and Employee Training

As on September 30, 2007 on a consolidated basis we have 2215 employees on our payroll. Our SEEPZ-SEZ units employ about 1390 employees, which includes about 40 designers. Our Bhavnagar EOU has 418 employees, all of whom are engaged in production processes of the aforesaid, subsidiary namely Verigold Fine Jewellery Private Limited engaged in similar manufacturing process employs around 214 employees and Renaissance Retail Venture Private Limited engaged in retailing of jewellery employs around 193employees.

We have formal appraisal systems for all our employees, the objectives of which are as follows:

- Identifying training needs
- Performance rating of employees as an input for taking decisions relating to incentives, increments, promotions, etc.
- Providing constructive feedback to employees on areas for improvement, etc.

Training needs for regular employees are identified as part of the appraisal process. In addition, we identify training needs for the key departments like Waxsetting, Filing, & Metal Setting. Individual workers are evaluated against the skills required for identification of improvement areas

Recruitment

The rules and regulations governing recruitment of personnel are as follows:

- No person shall be recruited without the sanctioned requisition
- The concerned Department's General Manager shall send the sanctioned requisition to the Personnel Department.
- The Personnel Manager and concerned Department's General Manager shall screen the applications from the available data bank. If they do not get the required applicant from the data bank, the Personnel Manager shall try to search candidates from other sources.
- The Personnel Manager shall fix the date of interview in consultation with the concerned Department's Managers or General Manager.
- The interview committee shall consult the concerned Departments' General Manager and Personnel Manager and intimate to the Personnel Department.

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- In case of position of Officers and above category, the candidates shall be finally interviewed by the concerned Department's General Manager
- The salary shall be finalized by the concerned Department General Manager / Personnel Manager based on the prevailing pay scales of our Company.

Probation

Our policy provides for a probation period of six months, during which the employee's performance is evaluated.

Retirement

Our policy provides for retirement on attaining the age of 58 years.

Export obligation under the import export policy

The policy relating to SEZ units are governed by Special Economic Zones Act, 2005 and Special Economic Zones Rules, 2006. Under the SEZ Act 2005 or SEZ Rules 2006, w.e.f. April 01, 2006 there are no Export obligations for SEZ units, but have to be a net foreign exchange earner.

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FINANCIAL INDEBTEDNESS

The borrowings of our Company including secured and unsecured loans are as given in the table below:

Secured Loans

(Rs. in millions)

| Particulars | June 30, 2007 | 31st March 2007 | 31st March 2006 | 31st March 2005 | 31st March 2004 | 31st March 2003 |
|----------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Term Loan | - | - | - | - | - | - |
| Working Capital Loan | 1021.92 | 904.54 | 575.26 | 474.77 | 234.49 | 220.82 |
| Total | 1021.92 | 904.54 | 575.26 | 474.77 | 234.49 | 220.82 |

Security Details

- Hypothecation of Stocks & Receivables.
- Factory Building at 36A & 37, SEEPZ-SEZ, Andheri (East), Mumbai - 93
- Bhavnagar Unit at Plot No. 2302, Hill Drive, Talaja Road, Bhavnagar - 364002
- Hypothecation of Plant & Machinery, Furniture & Fixtures, Electrical Installations, Office Equipments etc.,

Promoters/Directors Guarantee Details

All fund based and non fund based facilities guaranteed (Joint & Several guarantee) by:

- Shri Niranjan Amritlal Shah
- Shri Amit Chandrakant Shah
- Shri Bhupen Chandrakant Shah
- Shri Sumit Niranjan Shah
- Shri Hitesh Mahendra Shah

Our Company shall not pay any guarantee commission to the guarantors.

Repayment schedule

As and when the payment comes we repay the loan & take fresh loan.

EPC / PCFC - 90 Days

PSC / PSFC - 120 Days

Unsecured Loans

(Rs. in millions)

| Particulars | Period ended June 30, 2007 | 31st March 2007 | 31st March 2006 | 31st March 2005 | 31st March 2004 | 31st March 2003 | 31st March 2002 |
|---------------------------------------|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| From Bodies Corporate | - | - | - | - | - | - | - |
| Security from Staff & Customers | - | - | - | - | - | - | - |
| Fixed Deposits | - | - | - | - | - | - | - |
| Redeemable Non-Convertible Debentures | - | - | - | - | - | - | - |
| From Directors | - | - | 3.85 | 2.63 | 8.99 | 22.36 | - |
| Others | - | - | - | - | - | - | - |
| Total | - | - | 3.85 | 2.63 | 8.99 | 22.36 | - |

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KEY INDUSTRY REGULATIONS AND POLICIES

There are no specific laws in India governing the gems and jewellery industry in India. However our Company's works are situated in Special Economic Zone and Export Oriented Zone, which are governed by certain policies and laws. Set forth below are certain significant legislations and regulations that generally govern this industry in India:

Special Economic Zones Act, 2005 (SEZ)

The Act provides for the establishment, development and management of the special Economic Zones for the promotion of exports and for matters connected therewith or incidental thereto.

The units established in the SEZ have certain drawbacks, exemption and concessions under certain policies and rules:-

- Exemption from duties of customs under Customs Act, 1962
- Central Excise Act, 1944
- Exemption in Service tax under the finance act, 1994
- Exemption from levy of the taxes on the sale or purchase of goods under the Central Sales Tax Act, 1956
- Exemption under section 10 of the Income Tax Act, 1961
- Exemption from payment of stamp duty under the Bombay Electricity Act
- Treatment of supplies from DTA to SEZ on par with physical exports for the purpose of Income Tax exemptions.
- Suppliers to SEZ entitled to physical export benefits such as drawback, advance licence, DFRC and DEPB

Maharashtra Special Economic Zone Scheme

The SEZ scheme seeks to create, a simple and transparent system and procedures for enhancing productivity and the ease of doing business in Maharashtra. The main features of the scheme are:

- Exemption from Public hearing under and payment of electricity duty for a period of 10 years Environment (Protection) Rules, 1986.
- Exemption from all State and local taxes and levies, including Sales Tax, Purchase Tax, Octroi Cess, etc. in respect of all transactions made between units/establishments within the SEZs, and in respect of the supply of goods and services from the Domestic Tariff Area to units/establishments.
- Declaration of all industrial units and other establishments in the SEZs will be declared as 'Public Utility Service' under the provisions of the Industrial Disputes Act.

Foreign Trade Policy 2004-2009

The Act provides for special fiscal and regulatory regime in order to impart a hassle free operational regime encompassing the state of the art infrastructure and support services. The legislation on SEZs covers the concept of the developer and co-developer, incorporate the provision of virtual SEZs, have fiscal concessions under the Income Tax and Customs Act, provide for Offshore Banking Units (OBUs) etc. The facilities available under the SEZ for the gems and jewellery units are given as under:

- Exemption of duties for goods those are imported / procured from the Domestic Tariff Area.
- Eligibility for grant of Replenishment Licenses for the supply of precious and semi-precious stones, synthetic stones and processed pearls from Domestic Tariff Area to the units situated in SEZ.
- Permission for sale from Domestic Tariff Area on annual basis by the Development Commissioners up to 10% of FOB value of exports during the preceding year.
- Permission for display / sale of exported jewellery in the permitted shops set up abroad.
- Permission for Sub-contracting through other SEZ units or EOUs or units in DTA
- Permission for Import/ export through personal carriage of gem and jewellery items.
- Export of free samples, without any limit, including samples made in wax moulds, silver mould and rubber moulds through all permissible mode of export including through couriers agencies/post.
- No payment of duty in case capital goods, raw material, consumables, spares, and goods manufactured, processed or packaged.

- Exemption under section 80 IA of the Income Tax Act, 1961.
- Foreign Equity up to 100% is permissible for all manufacturing activities under automatic route.
- SEZ units may retain 100% of their export proceeds in their Exchange Earners Foreign Currency (EEFC) Accounts.

U.S Generalised System of Preferences

The U.S. Generalised System of Preferences (GSP), a program designed to promote economic growth in the developing world, provides preferential duty-free treatment for approximately 3,400 products from 134 designated beneficiary countries and territories, including 43 least-developed beneficiary developing countries. In 1996, an additional 1,400 articles just from least developed beneficiary developing countries were made eligible for duty-free treatment. The GSP Program was instituted on January 1, 1976 and authorized under the Trade Act of 1974(19 USC 2461 et seq) for a ten year period. It has been renewed periodically since then, most recently in 2006, continuing the GSP Program upto December 31, 2008. The Policy lays down Competitive need limitations which provide a ceiling on GSP benefits for each product and BDC. A BDC will automatically lose its GSP eligibility with respect to a product if competitive need limitations are exceeded (if no waiver is granted). Further competitive need limitations require the termination of a BDCs GSP eligibility on a product, if during any calendar year, US imports from the country (1) account for 50% or more of the value of total U.S imports of that product; or (2) exceed a certain dollar value (this dollar value limit is increase by \$5 million annually, the limit was \$125 million in 2006, increased to \$130 million in 2007, and will be \$135 million in 2008). By statute, GSP treatment for an article exceeding competitive need limits terminates July 1 of the next calendar year. As per the GSP Policy certain products from certain beneficiary developing countries eligible for GSP treatment enjoy waiver of the ceiling limits provided in respect of GSP benefits. India was granted waiver of competitive need limitation in respect of precious metal (other than silver) articles of jewellery and thereto, whether or not plated or clad with precious metal, nesoi in the year 2001. A waiver remains in effect until the President of the U.S.A determines that it is no longer Warranted. The statute also provides that the President should revoke any waiver that has been in effect for the last 5 years, if a GSP- eligible product from a specific country has an annual trade level in the previous calendar year that exceeds 150 percent of the annual dollar-value limit or exceeds 75% of all U.S imports. The list of articles and countries eligible for duty free treatment is reviewed annually, and the modifications come into force with effect from July 1 of the calendar year. The eligibility for duty free treatment in respect of gold jewellery from Indian has been terminated as a result of a proclamation issued by the President of the USA dated June 28, 2007. India is no longer eligible for duty free privileges in respect of gold jewellery exports to the US. The exemption of payment of duty has been withdrawn effective from July 1, 2007. As a result, all gold jewellery exported from India to the USA would now be subjected to US duty which is currently leviable on such jewellery.

Foreign Exchange Management Act (FEMA)

Foreign Exchange Management Act consolidates and amends the laws relating to foreign exchange with the objective of Facilitating external trade and payments and for promoting the orderly development and maintenance of foreign exchange market in India. Under the Industrial Policy and as per Notification NO.FEMA 36/2001-RB dated February 27 2001, foreign direct investment up to 100% is permitted in the gems and jewellery industry.

Further as per Press Note 9 of 2000- 100% FDI is permitted through Automatic Route for all manufacturing activities in SEZs other than arms and ammunition , atomic substances, narcotic and psychotropic substances, hazardous chemicals, distillation and brewing of alcoholic beverages, cigarettes, cigars and tobacco substitutes.

Environmental Regulations

In India, regulation and enforcement of environment protection and safety is governed by three major central regulations namely Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control (Prevention and Control of Pollution) Act, 1981, and the Environment Protection Act, 1986. The main purpose of these legislations is to regulate prevent and control pollution, by the setting up, inter alia of national and regional Pollution Control Boards (PCBs) which monitor and enforce standards and norms in relation to air, water pollution and other kinds of wastes causing environmental damage.

In addition, the Environment (Protection) Act, 1986 also prescribes rules for the management and disposal of hazardous industrial wastes as governed by Hazardous Wastes (Management and Handling) Rules, 1989 and Bio- Medical Waste (Management and Handling) Rules, 1998.

Further all proposals for setting up, expansion or modernization are evaluated in terms of environment assessment impact, by the Ministry of Environment and Forests, which accords the necessary clearance for projects after evaluation of Environment Impact Assessment.

Gem and Jewellery Export Promotion Council

The Government of India has designated the Gem and Jewellery Export Promotion Council (GJEPC) as the importing and exporting authority in India in keeping with its international obligations under section IV (b) of the Kimberley Process Certification

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Scheme (KPCS). The Kimberley Process is a joint government, international diamond and civil society initiative to stem the flow of conflict diamonds, which are rough diamonds used by rebel movements to finance wars against legitimate governments. The Kimberley Process comprises participating governments that represent 98% of the world trade in rough diamonds.

The KPCS has been implemented in India from January 1, 2003 by the Government of India through communication No. 12/13/2000-EP (GJ) dated November 13, 2002. The GJEPC has been notified as the nodal agency for trade in rough diamonds under para 2.2, chapter 2 of the Export-Import Policy of India (2002-2007). Accordingly, the verification and issuance of Kimberley Process certificates is administered through the Mumbai and Surat offices of GJEPC.

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OUR HISTORY AND CERTAIN CORPORATE MATTERS

We were originally incorporated on December 04, 1989 as Mayur Gem and Jewellery Export Private Limited and were engaged in the business and manufacture of jewellery. Mr. Chandrakant Dhanak and Mrs. Darshana Dhanak were the original promoters of our Company. In the year 1995, Mr. Niranjana A. Shah and family acquired the entire shareholding of Mayur Gem and Jewellery Export Private Limited.

With effect from April 16, 1997 our Company's name was changed from Mayur Gem & Jewellery Export Private Limited to Renaissance Gem & Jewellery Export Private Limited.

Merger of Sur Style Jewellery Private Limited with Renaissance Jewellery Limited

With effect from April 1, 1998 "effective date" the business of Sur Style Jewellery Private Limited ("**Sur Style**") engaged in manufacture and export of studded jewellery was merged into our Company under the provisions of Section 395(4A) of the Companies Act, 1956. The Scheme of Merger was registered with the Registrar of Companies, Mumbai at Maharashtra on July 1, 1999. Vide the said scheme, all assets and liabilities of Sur Style were taken over by our Company. Pursuant to the same, our Company issued three Equity Shares of Rs. 100/- each to the shareholders of Sur Style for every two Equity Shares of Rs. 100/- each held by them in Sur Style. The paid-up share capital of Sur Style was Rs.49,96,000 divided into 49,960 Equity Shares of Rs 100 each, consequently 74,940 Equity Shares were issued by our Company to the shareholders of Sur Style. Further, as per the requirements of Section 395(4A) of the Companies Act, 1956 our application for striking off the name of Sur Style under section 560 of the Companies Act was accepted and with effect from April 20, 2006 the name of Sur Style has been struck off from the Register of Companies.

With effect from July 1, 2000 our Company became a deemed public company under section 43A (1A) of the Companies Act, 1956 on achieving average annual turnover of more than 25 crores for the last 3 consecutive preceding years. Pursuant to the Companies (Amendment) Act, 2000 our Company made an application vide its letter dated February 21, 2001 to the Registrar of Companies, Maharashtra at Mumbai for conversion from deemed public company to private company under section 43A(2A) of the Act. Our Company's name was thereafter changed to Renaissance Jewellery Private Limited with effect from April 5, 2002.

On December 20, 2005, our Company was converted to a public limited company from private limited company and our name was changed to Renaissance Jewellery Limited.

In September 2007 Renaissance Jewelry New York Inc ("RJNY"), a venture promoted by our Promoters, which has been incorporated under the US laws, issued 100 fully paid up and non-assessable shares of RJNY out of its total authorized issue of 200 shares without par value common stock. The total consideration for the purchase of common stock was \$10,000 at a price of \$ 100/- per share of the Corporation. By virtue of this allotment of common stock of RJNY, RJNY has become our 100% foreign subsidiary with effect from September 12, 2007.

In July 2007, we also commenced exports of loose diamonds from our facility situated at Opera House, Mumbai.

Changes in our Registered Office

At the time of incorporation, our registered office was situated at, G-12, Gems and Jewellery Complex II, SEEPZ-SEZ, Andheri (E). With effect from January 22, 2001, our registered office was shifted to our present registered office at Plot No 36A & 37, SEEPZ- SEZ, Andheri (East), Mumbai-400 096 from G-12, Gems and Jewellery complex II, SEEPZ-SEZ, Andheri (E)

The main objects of our Company are as follows:

- To carry on the business of Jewellery, ornamentalists, and to manufacture, buy, sell, import export or otherwise trade and deal in, jewellery, ornament, artifacts, china, curious, antiques, idols and other objects of every type whatsoever made from or composed either wholly or in part of gold, silver, platinum, brass, copper diamonds and other precious, non-precious semi-precious metals and stones.

Our Company had filed its DRHP document on one occasion, with SEBI and the Stock Exchanges. We had initially filed our Draft Red Herring Prospectus with SEBI, BSE and NSE on April 28, 2006 for a public issue of 35,10,000 Equity Shares of Rs. 10/- each. NSE and BSE vide their letters dated June 22, 2006 and June 5, 2006 respectively, had given in-principle approval for listing. SEBI had issued its observation vide its letter No. CFD/DIL/NB/JAK/72591/2006 dated July 27, 2006. However, on account of unfavourable market conditions, we did not proceed with the Issue.

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Major Events

| Year | Description |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1989 | Incorporated as Mayur Gem and Jewellery Export Private Limited |
| 1995 | Current Management acquired Mayur Gem and Jewellery Export Private Limited on a going concern basis. |
| 1999 | Merger Of Sur Style Jewellery Private Limited with our Company with effect from April 1, 1998 |
| 2000 | Purchased the facility and commenced business at Plot 36A-37 measuring 40,000 sq.ft. from Saha Electronics. |
| 2001 | Received Export Performance Award from SEEPZ-SEZ as SEEPZ-SEZ Star 2000-2001 for export of over Rs 75 crores from the zone in the Gem And Jewellery Sector during 2001 |
| 2002 | Certification of the facility(36A & 37) by Wal-Mart and commenced business with Wal-Mart |
| 2004 | Commenced business with Zales Corporation-the largest speciality jewellery chain in North America |
| 2005 | <ul style="list-style-type: none"> Received 'International Supplier of the Year' award from Wal-Mart for the year 2004 Set-up a 100% EOU in Bhavnagar, Gujarat in a facility measuring 64,000 sq.ft. and commenced business Received Business Excellence Model (BEM) Certification as a "Certified Diamond Jewellery Manufacturer" from Rio Tinto Diamonds- An Australian mining company Conversion of our Company from private to public limited. |
| 2006 | <ul style="list-style-type: none"> Renaissance Retail Venture Private Limited and Verigold Fine Jewellery Private Limited became our Company's wholly-owned subsidiaries. Certificate of Merit by GJEPC for being the second largest exporter of studded precious metal jewellery from SEEPZ-SEZ for the year 2005-06 |
| 2007 | <ul style="list-style-type: none"> Recognition as Three Star Export House Setting up of Renaissance Jewelry New York, Inc, a 100% subsidiary of our Company. |

In addition to the aforesaid, our Company was a partner in a partnership firm, namely M/s. Sumit Diamond, which is also a Promoter Group concern. Vide retirement deed dated March 31, 2007, our Company and certain other partners have retired as partners from M/s. Sumit Diamond with effect from March 31, 2007.

Changes in Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

| Date of General Body Meeting | Change | Details of Amendment |
|------------------------------|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| March 27, 1997 (EGM) | Change of name | The name of our Company was changed from Mayur Gem and Jewellery Export Private Limited to Renaissance Gem & Jewellery Export Private Limited. |
| March 31, 1998 (EGM) | Enhancement of the Authorised Share Capital of our Company | The Authorised Share Capital of our Company was increased from Rs. 3,000,000 consisting of 30,000 Equity Shares of Rs. 100 each to Rs. 13,000,000 consisting of 130,000 Equity Shares of Rs.100 each |
| February 10, 1999 (EGM) | Enhancement of the Authorised Share Capital of our Company | The Authorised Share Capital of our Company was increased from Rs. 13,000,000 consisting of 130,000 Equity Shares of Rs. 100 each to Rs. 17,500,000 consisting of 175,000 Equity Shares of Rs.100 each. |
| October 30, 2000 (EGM) | Addition to the Other Objects Clause of our Company | Insertion of sub-clause numbers 84 to 96 to Clause III C of the Memorandum of Association of our Company |
| March 25, 2002 (EGM) | Change of name | The name of our Company was changed from Renaissance Gem & Jewellery Export Private Limited to Renaissance Jewellery Private Limited. |

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| Date of General Body Meeting | Change | Details of Amendment |
|------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| October 26, 2005 (EGM) | Sub-division of Equity Shares | Sub-division of each Equity Share of nominal value of Rs.100 each into ten Equity Shares of Rs. 10 each |
| | Enhancement of Authorised Share Capital of our Company | The Authorised Share Capital of our Company was increased from Rs. Rs. 17,500,000 consisting of 175,000 Equity Shares of Rs.100 each to Rs.150,000,000 consisting of 15,000,000 Equity Shares of Rs.10 each pursuant to the sub-division of the Equity Shares. |
| December 3, 2005 | Conversion from private limited company to public limited company | Our Company was converted from a private limited company to a public limited company. Consequently, the word "Private" was deleted from the name of our Company. |
| August 21, 2006 (AGM) | Addition to the object clause III B | Insertion of sub-clause number 43A to Clause III B of the Memorandum of Association of our Company |
| | Addition to the object clause III C | Insertion of sub-clauses number 97 to 106 Clause III C of the Memorandum of Association of our Company |
| April 19, 2007 (EGM) | Enhancement of the Authorised Share Capital of our Company | The Authorised Share Capital of our Company was increased from Rs. 150,000,000 consisting of 15,000,000 Equity Shares of Rs.10 each to Rs.250,000,000 consisting of 25,000,000 Equity Shares of Rs.10. |

Subsidiaries

Our Company has two wholly owned subsidiaries in India, namely Renaissance Retail Venture Private Limited and Verigold Fine Jewellery Private Limited, and one subsidiary ie. Renaissance Jewelry New York Inc, which has been incorporated as a New York Corporation in the USA. For further details on our subsidiaries including details of incorporation, Board of Directors, and financial performance of our subsidiaries, please refer to the section titled "Our Subsidiaries " beginning on page 128 of this Red Herring Prospectus.

Shareholders Agreements

There are no shareholders agreements among our shareholders in relation to our Company.

Joint Venture Agreements

As on date of filing this Red Herring Prospectus with SEBI we have not entered into any joint venture agreements with any other company or entity.

Other Agreements / Arrangements

We have entered into the following Non-Compete Agreements with our Promoter Group Company and some of our group companies/ Ventures of Promoters, details of which are as follows

1. Non- Compete Agreement between our Company and N. Kumar Diamond Exports Limited ("NKDEL")

Our Company has entered into a Non-Compete Agreement (the "**said Agreement**") dated April 24, 2007 with NKDEL (our Company and NKDEL collectively referred to as the "**parties**"), whereby it has been agreed between the parties that with effect from the date of the said Agreement NKDEL shall not directly or indirectly through its Affiliate(s) other than through Renaissance Jewellery Limited, compete in businesses which are similar to, or compete in similar products (including jewellery, ornaments made or composed either wholly or in part of gold, silver, platinum, brass, copper whether or not plated or clad with precious metal or precious stones including diamonds and other precious, non-precious, semi-precious metals and stones) ("**Products**") or similar jewellery business (namely business of jewellery, ornamentalists, and to manufacture, buy, sell, import export or otherwise trade and deal in, jewellery, ornament, artifacts, china, curious, antiques, idols and other objects of every type whatsoever made from or composed either wholly or in part of gold, silver, platinum, brass, copper diamonds and other precious, non-precious semi-precious metals and stones) ("**Jewellery Business**") in any territory of the world without the prior written approval of our Company. However under the said Agreement, NKDEL shall be permitted to continue its current business; namely the business of manufacturing, export and import of cut and polished diamonds ("**Current Business**") in its

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current territories of export i.e. United States of America, Belgium, Hong Kong and Japan (“**Current Territories**”). Further NKDEL shall with effect from April 1, 2007 discontinue all and any utilisation of the “Renaissance Square Logo” in connection with its Current Business in the Current Territories.

2. Non-Compete Agreement between our Company and Fancy Jewellery Private Limited (“FJPL”)

Our Company has entered into a Non-Compete Agreement (the “**said Agreement**”) dated April 24, 2007 with FJPL (our Company and FJPL are collectively referred to as the “**parties**”), whereby it has been agreed between the parties that with effect from the date of the said Agreement Fancy Jewellery Private Limited shall not, directly or indirectly through its Affiliate(s), compete in businesses which are similar to, or compete in products including jewellery, ornaments made or composed either wholly or in part of gold, silver, platinum, brass, copper whether or not plated or clad with precious metal or precious stones including diamonds and other precious, non-precious, semi-precious metals and stones (“**Products**”) or the jewellery business i.e., namely the business of jewellery, ornamentalists, and to manufacture, buy, sell, import export or otherwise trade and deal in, jewellery, ornament, artifacts, china, curious, antiques, idols and other objects of every type whatsoever made from or composed either wholly or in part of gold, silver, platinum, brass, copper diamonds and other precious, non-precious semi-precious metals and stones) (“**Jewellery Business**”) in any territory of the world without the prior written approval of our Company.

3. Non-Compete Agreement between our Company and Anika Jewellery Private Limited (“AJPL”)

Our Company has entered into a Non-Compete Agreement (the “**said Agreement**”) dated April 24, 2007 with AJPL (our Company and AJPL are collectively referred to as the “**parties**”), whereby it has been agreed between the parties that with effect from the date of the said Agreement, AJPL shall not directly or indirectly through its Affiliate(s), compete in businesses which are similar to, or compete in products (including jewellery, ornaments made or composed either wholly or in part of gold, silver, platinum, brass, copper whether or not plated or clad with precious metal or precious stones including diamonds and other precious, non-precious, semi-precious metals and stones) (“**Products**”) or the jewellery business (namely business of jewellery, ornamentalists, and to manufacture, buy, sell, import export or otherwise trade and deal in, jewellery, ornament, artifacts, china, curious, antiques, idols and other objects of every type whatsoever made from or composed either wholly or in part of gold, silver, platinum, brass, copper diamonds and other precious, non-precious semi-precious metals and stones) (“**Jewellery Business**”) in any territory of the world without the prior written approval of our Company.

4. Non-Compete Agreement between our Company and M/s Sumit Diamond

Our Company has entered into a Non-Compete Agreement (the “**said Agreement**”) dated April 24, 2007 with M/s Sumit Diamond (collectively referred to as the “**parties**”), whereby it has been agreed between the parties that with effect from the date of the said Agreement M/s Sumit Diamond shall not directly or indirectly through its Affiliate(s), compete in businesses which are similar to, or compete in products (including jewellery, ornaments made or composed either wholly or in part of gold, silver, platinum, brass, copper whether or not plated or clad with precious metal or precious stones including diamonds and other precious, non-precious, semi-precious metals and stones) (“**Products**”) or the jewellery business (namely business of jewellery, ornamentalists, and to manufacture, buy, sell, import export or otherwise trade and deal in, jewellery, ornament, artifacts, china, curious, antiques, idols and other objects of every type whatsoever made from or composed either wholly or in part of gold, silver, platinum, brass, copper diamonds and other precious, non-precious semi-precious metals and stones) (“**Jewellery Business**”) in any territory of the world without the prior written approval of our Company.

Strategic Partners

As on date of filing this Red Herring Prospectus with SEBI there are no strategic partner agreements entered into by our Company.

Financial Partners

As on date of filing this Red Herring Prospectus with SEBI there are no financial partnership agreements entered into by our Company.

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OUR MANAGEMENT

Our Company is currently managed by a Board of Directors comprising 8 Directors. As per our Articles of Association, our Board shall consist of not less than three Directors and not more than twelve Directors.

OUR DIRECTORS

Our Board consists of 8 Directors of which 4 are independent Directors and our Chairman is a non-executive and non-Independent Directors.

| Name, Fathers name, Address, Occupation, Nationality | Designation | Age | Other Directorships |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Niranjana A. Shah S/o Amritlal Shah 71 Vijay Deep 31, Ridge Road Mumbai 400006 Occupation: Service Indian | Chairman | 60 | <ul style="list-style-type: none"> ● N.Kumar Diamond Exports Limited ● Fancy Jewellery Private Limited ● Anika Jewellery Private Limited ● Verigold Fine Jewellery Private Limited ● Renaissance Retail Venture Private Limited ● House Full International Limited ● Renaissance Jewelry New York, Inc |
| Mr. Sumit N. Shah S/o Niranjana A. Shah 71 Vijay Deep 31, Ridge Road Mumbai 400006 Occupation: Service Indian | Managing Director | 33 | <ul style="list-style-type: none"> ● N. Kumar Diamond Exports Limited ● Fancy Jewellery Private Limited ● Anika Jewellery Private Limited ● Verigold Fine Jewellery Private Limited ● Renaissance Retail Venture Private Limited ● Renaissance Jewelry New York, Inc |
| Mr. Hitesh M. Shah S/o Mahendra Shah Address: 202, Jyoti Drasan Society, 68 Nepean Sea Road, Mumbai-400006 Occupation: Service Indian | Executive Director | 35 | <ul style="list-style-type: none"> ● N. Kumar Diamond Exports Limited ● Fancy Jewellery Private Limited ● Anika Jewellery Private Limited ● Verigold Fine Jewellery Private Limited ● Renaissance Retail Venture Private Limited ● House Full International Limited ● Renaissance Jewelry New York, Inc |
| Mr. Neville Tata S/o Rustom Tata Address: Eken Heights, 21/33 Cross Road, 4 th Floor, 401, Bandra (W) Mumbai- 400 050 Occupation: Service Indian | Executive Director | 34 | Nil |
| Mr. Veerkumar C. Shah S/o Chotalal Shah, F604, Hamilton Coop Housing Society Limited, 9, Laburnum Road, Gamdevi, Mumbai – 400007 Occupation: Chartered Accountant Indian | Independent Director | 61 | <ul style="list-style-type: none"> ● Kotak Chemicals Limited |
| Mr. Anil K. Chopra S/o Dr. B.L Chopra Flat 5B, Somerset Place, Sophia College Road, Off. B. Desai Road, Mumbai- 400 026 Occupation: Consultant Indian | Additional Director Independent Director | 64 | NIL |

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| Name, Fathers name, Address, Occupation, Nationality | Designation | Age | Other Directorships |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Pramod H. Lele S/o Mr. Hari D. Lele 5/8, Chandrashekar Society, Vinaynagar Colony, S N marg, Andheri (East), Mumbai- 400 069 Occupation: Service Indian | Additional Director Independent Director | 58 | <ul style="list-style-type: none"> ● Sicom Limited ● Organon Limited ● Maharashtra Safe Chemists & Distributors Alliance Limited |
| Mr. Vishwas.V.Mehendale S/o Vasudev V. Mehendale Flat No. B-103, Makwana Building, 260, P.M Road, Vile Parle (East), Mumbai- 400 057 Occupation: Chartered Accountant Indian | Additional Director Independent Director | 50 | NIL |

For a brief biography on each of our Promoter Directors namely Mr. Niranjana A. Shah, Mr. Sumit N. Shah and Mr. Hitesh M. Shah, please refer to section titled "Promoters And Their Background" beginning on page 88 of this Red Herring Prospectus.

Brief biographies of directors of our Company other than our Promoter Directors namely Mr. Neville Tata, Mr. Veerkumar C. Shah, Mr. Anil K. Chopra, Mr. Pramod H. Lele and Mr. Vishwas V. Mehendale are as given below:

Brief Biography of the Directors of our Company other than our Promoter Directors

MR. NEVILLE RUSTOM TATA

Mr. Neville Tata, 34 years our Executive Director, has been associated with our Company since the last 7 years. He has total work experience of 14 years. He has completed his H.S.C from Mithibai College, Mumbai. Prior to joining us, Mr. Tata has worked with Inter Gold Private Limited as a Production Manager. Mr. Tata was initially designated as the Chief Operating Officer and was responsible for overseeing operational functioning of our factories. He is currently responsible for the entire operations with relation to production activities starting with product planning, ensuring quality of product and taking corrective and preventive actions while producing the product.

Mr. Neville Tata joined the Board of Directors of our Company as Executive Director with effect from February 1, 2006

MR. VEERKUMAR. C. SHAH

Mr. Veerkumar C. Shah, 61 years is an Independent Director of our Company. He is a practicing Chartered Accountant. He has over 35 year experience in accountancy. He is a director in Kotak Chemicals Limited. He is also member of Audit Committee, Shareholders and Investor Grievance Committee, Remuneration Committee of our Company and Chairman of the Audit Committee of our Company.

Mr. Veerkumar C. Shah joined the Board of Directors of our Company on February 1, 2006

MR. ANIL K. CHOPRA

Mr. Anil K. Chopra, 64 years is an Independent Director of our Company. He holds a Bachelor's Degree in Chemistry from St. Xavier's College Calcutta, and a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. He has 40 years experience *inter-alia* in marketing of durables & non-durables, commercial operations & management of Business Ethics. He started his career in Voltas Limited in 1967 & continued in various corporate assignments with them till 1998. From 1999 to 2004, till his retirement, he was on deputation from Voltas to Tata Sons Limited, as Senior Consultant, Management of Business Ethics, Tata Quality Management Services. Mr. Chopra has been active in various positions in academics, industry associations & social institutions including Rotary International, Transparency International, Berlin, Center for Business Ethics, Bentley College, Waltham USA & Tiri, a London based NGO.

Mr. Anil K. Chopra joined the Board of Directors of our Company on April 2, 2007 as an Additional Director and was regularized as an Independent Director on September 29, 2007.

MR. PRAMOD H. LELE

Mr. Pramod H. Lele, 58 years is an Independent Director of our Company. He holds a Bachelor's Degree in Commerce from Mumbai University, a Bachelor's Degree in Law from Mumbai University, and is a qualified member of the Institute of the Chartered Accountants of India and Association of Cost Accountants and Institute of Cost and Work Accountants of India. Mr. Lele is the CEO of P.D Hinduja National Hospital & Medical Research Centre. He has over 31 years of experience. Mr. Pramod H. Lele has formerly been associated with the following organizations namely Park Davis (India) Limited as Managing Director, Johnson And Johnson Ltd., as Executive Vice President- Consumer Business and HRD, and Board of Internal Trade, Dar- Es-Salaam as Internal Auditor, and Duphar-Interfran Ltd as Internal Auditor.

Mr. Pramod H. Lele joined the Board of Directors of our Company as Additional Director on April 2, 2007 as an Additional Director and was regularized as an Independent Director on September 29, 2007.

MR. VISHWAS V. MEHENDALE

Mr. Vishwas. V. Mehendale, 50 years is an Independent Director of our Company. He holds a Bachelor's Degree in Commerce from Sydenham College, Mumbai and a Bachelor's Degree in law from New Law College, Matunga and is a Chartered Accountant and is a fellow member of the Institute of Chartered Accountants of India. Mr. Vishwas.V Mehendale is a practicing Chartered Accountant. He is the proprietor of V.V.Mehendale & Co., Chartered Accountants and a partner in a firm of chartered accountants M/s Trilokekar Thosar & Associates. Mr.Vishwas V. Mehendale has over 27 years of experience in areas relating to finance, taxation and auditing.

Mr. Vishwas.V.Mehendale joined the Board of Directors of our Company as an Additional Director on April 2, 2007 as an Additional Director and was regularized as an Independent Director on September 29, 2007.

BORROWING POWERS OF DIRECTORS

The borrowing powers of our Company is as per our Articles of Association which allows our Board to borrow any amount not exceeding the aggregate of the paid up equity capital of our Company plus free reserves except with the consent of our Company in general meeting.

The Articles of Association of our Company authorises the board to borrow the extract of which is as follows:

To raise, or borrow money from time to time for any of the purposes of the Company by bonds, debentures or promissory notes or by taking credit in, or opening account with any individual or firm or with any Bank of Bankers and whether with or without giving any security, goods or other articles or by mortgaging, pledging, charging, hypothecating, or selling or receiving advances, on the sale of any lands, buildings and machinery, goods, assets revenue of the Company present or future including its uncalled capital or by the issue of debentures, debenture-stock, perpetual or otherwise including debentures or debenture-stock, convertible into shares of this or any other Company or to convey absolutely or in trust and give lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off such securities.

Shareholders have, at the resolution passed at the AGM held on August 21, 2006, passed a resolution enhancing the borrowing powers of our Board. The extract of the Resolution is as follows:

"RESOLVED that the Board of Directors of the Company be and is hereby authorized, pursuant to the provisions of section 293(1)(d) of the Companies Act, 1956, to borrow money from time to time, at its discretion either from the company's bank or any other bank, financial institution or any other lending institution or persons on such terms and conditions as may be considered suitable by the Board of Directors up to a limit not exceeding in the aggregate of Rs. 300 crores notwithstanding that the money to be borrowed along with the money's already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the company and its free reserves that is to say, reserves not set apart for any specific purpose.

COMPENSATION AND BENEFITS TO THE WHOLE TIME DIRECTORS

Mr. Sumit N. Shah, Managing Director

Sumit N. Shah was re-appointed as our Managing Director pursuant to the provisions of the Companies Act for a period of five (5) years with effect from April 26, 2007 by Agreement dated April 26, 2007 entered into between Mr. Sumit Shah and our Company in pursuance of a resolution of our Board on April 2, 2007 and resolution of our shareholders at the EGM held on April 26, 2007 approving the terms of the agreement for his re-appointment.

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The significant employment terms as set out in the agreement for his re-appointment are as follows:

| Particulars | Remuneration |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Salary | Rs 1,00,000 per month |
| Perquisites | <ul style="list-style-type: none"> ● Free use of company's car for company business ● Free use of mobile phone ● Free use of club with admission of life membership fee on company's account ● Contribution to Provident Fund, Superannuation fund to the extent of these either singly or put together, are not taxable under the Income Tax Act, 1961 ● Gratuity at a rate not exceeding half a month's salary for each completed year of service |

Mr. Hitesh M. Shah

Hitesh M. Shah was re-appointed as our Executive Director from January 1, 2006 by resolution of our Board on January 25, 2006 and shareholder's resolution at the EGM held on February 20, 2006 for a period of three (3) years. The significant employment terms are as follows

| Particulars | Remuneration |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Salary | Rs 75,000 per month |
| Perquisites | <ul style="list-style-type: none"> ● Free use of company's car for company business ● Free use of mobile phone ● Free use of club with admission of life membership fee on company's account ● Contribution to Provident Fund, Superannuation fund to the extent of these either singly or put together, are not taxable under the Income Tax Act, 1961 ● Gratuity at a rate not exceeding half a month's salary for each completed year of service |

Mr. Neville Tata

Neville Tata was appointed as our Executive Director from February 1, 2006 by resolution of our Board on January 25, 2006 and shareholder's resolution at the EGM held on February 20, 2006 for a period of three (3) years. The significant employment terms are as follows:

| Particulars | Remuneration |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Salary | Rs 1,30,000 per month |
| Perquisites | <ul style="list-style-type: none"> ● Free use of company's car for company business ● Free use of mobile phone ● Free use of club with admission of life member ship fee on company's account ● Contribution to Provident Fund, Superannuation fund to the extent of these either singly or put together, are not taxable under the Income Tax Act, 1961 ● Gratuity at a rate not exceeding half a month's salary for each completed year of service |

DETAILS OF APPOINTMENT AND COMPENSATION OF OUR DIRECTORS

| Sr No | Name of Director | Contract/ Appointment Letter/ Resolution | Details of Remuneration |
|-------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| 1 | Mr. Niranjana A. Shah | Appointed as Chairman by Resolution of Board dated January 1, 2003 and resolution of our shareholders on January 30, 2003. Re-Appointed as Chairman by resolution of our Board on May 22, 2006 and shareholder's resolution on August 21, 2006 Term: Liable to retire by rotation | No Remuneration except Sitting Fees of Rs.10,000/- per Board Meeting. |
| 2 | Mr. Sumit N. Shah | Re-appointed as Managing Director vide Agreement dated April 26, 2007. Term: Re-appointed for a period of 5 years with effect from April 26, 2007 | As set out above |

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| Sr No | Name of Director | Contract/ Appointment Letter/ Resolution | Details of Remuneration |
|-------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3 | Mr. Hitesh M. Shah | Re- appointed as Executive Director vide Resolution of Board of Directors on January 25, 2006 and shareholder's resolution on February 20, 2006 for 3 years Term: Appointed for a period of 3 years with effect from January 1, 2006 | As set out above |
| 4 | Mr. Neville Tata | Appointed as Executive Director vide Resolution of Board of Directors dated January 25, 2006 and Shareholder's Resolution dated February 20, 2006 for 3 years Term: Appointed for a period of 3 years with effect from February 1, 2006 | As set out above |
| 5 | Mr. V. C. Shah | Appointed as Independent Director vide resolution of Board of Directors on January 25, 2006 and shareholder's resolution on February 20, 2006 Term : Liable to retire by rotation | No Remuneration except:- (i) Sitting Fees of Rs. 10,000/- per Board Meeting. (ii)Sitting Fees of Rs. 5000/- per Audit Committee Meeting (iii) Sitting Fees of Rs. 5000/- per Share Holders / Investor Grievances Committee |
| 6 | Mr. Vishwas.V.Mehendale | Appointed as Additional Director vide resolution of our Board on April 2, 2007 and regularized vide resolution of our shareholders on September 29, 2007 Term : Liable to retire by rotation | No Remuneration except:- (i) Sitting Fees of Rs. 10,000 per Board Meeting. (ii)Sitting Fees of Rs. 5000 per Audit Committee Meeting (iii) Sitting Fees of Rs. 5000 per Remuneration Committee Meeting |
| 7 | Mr. Pramod H. Lele | Appointed as Additional Director vide resolution of Board of Directors on April 2, 2007 and regularized vide resolution of our shareholders on September 29, 2007 Term : Liable to retire by rotation | No Remuneration except:- (i)Sitting Fees of Rs. 10,000 per Board Meeting. (ii)Sitting Fees of Rs. 5000 per Audit Committee Meeting (iii) Sitting Fees of Rs. 5000 per Shareholder's/ Investor Grievance Committee Meeting(iv) Sitting Fees of Rs. 5000 per Remuneration Committee Meeting |
| 8 | Mr. Anil K. Chopra | Appointed as Additional Director vide resolution of Board of Directors on April 2, 2007 and regularized vide resolution of our shareholders on September 29, 2007 Term : Liable to retire by rotation | No Remuneration except:- (i) Sitting Fees of Rs. 10000 per Board Meeting. (ii) Sitting Fees of Rs. 5000 per Shareholder's/Investor Grievance Committee Meeting (iii) Sitting Fees of Rs. 5000 per Remuneration Committee Meeting |

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SHAREHOLDING OF DIRECTORS

| Name of the Director | No of Equity Shares held asOn date | % of Holding in our Company |
|-----------------------|------------------------------------|-----------------------------|
| Mr. Sumit N. Shah | 3,258,720 | 25.00 |
| Mr. Niranjana A. Shah | 2,607,040 | 20.00 |
| Mr. Hitesh M. Shah | 1,303,520 | 10.00 |
| Total | 7,169,280 | 55.00 |

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance and the SEBI Guidelines will become applicable to our Company immediately upon the listing of our Company's Equity Shares on the Stock Exchanges. Our Company undertakes to adopt the corporate governance code as per Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges prior to listing. Our Company undertakes to comply with such provisions, including with respect to the appointment of independent directors to its Board and the constitution of the Audit Committee, the Remuneration/Compensation Committee and the Share Transfer and Investor Grievance Committee. The following are the details of the Committees formed in order to comply with Clause 49 of the listing agreement.

Audit Committee

This Committee was formed on March 2, 2006.

The Audit Committee was re-constituted on April 2, 2007 and comprises of the following members of our Board:

Our audit committee consists of the following members:

| Name | Designation |
|--------------------|---------------------------------|
| Mr. V. C. Shah | Chairman – Independent Director |
| Mr. Pramod H. Lele | Member – Independent Director |
| Mr. V.V Mehendale | Member – Independent Director |

Terms of reference of the Committee are as follows:

- Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required the replacement of removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- Reviewing with the management, the annual financial statements before submission to the Board for approval with particular reference to:
 - Matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956
 - Changes if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgement by management.
 - Significant adjustments made in the financial statements arising out of the audit financials
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
 - Reviewing with the management, quarterly financial statement before submission to the board for approval
 - Reviewing with the management the performance of statutory and internal auditors, adequacy of the internal control systems

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- o Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- o Discussion with the internal auditors of any significant findings and follow up thereon
- o Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- o Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
- o To look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- o To review the functioning of the whistle blower mechanism, in case same is existing
- o Carrying out any other function as is mentioned in the terms of reference of the audit committee

Remuneration Committee

This Committee was formed on March 2, 2006

The Remuneration Committee was re-constituted on April 2, 2007 and comprises of the following members of our Board:

| Name | Designation |
|--------------------|---------------------------------|
| Mr. Pramod H. Lele | Chairman – Independent Director |
| Mr. Anil K. Chopra | Member – Independent Director |
| Mr. V.V Mehendale | Member – Independent Director |

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

- The Remuneration Committee recommends to the board the compensation terms of the executive directors
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of our Company and the shareholders.

Shareholders' / Investor Grievances Committee

This Committee was formed on March 2, 2006

The Shareholders' / Investor Grievances Committee were re-constituted on April 2, 2007 and comprises of the following members of our Board: -

| Name | Designation |
|--------------------|---------------------------------|
| Mr. Anil K. Chopra | Chairman – Independent Director |
| Mr. V.C.Shah | Member – Independent Director |
| Mr. Pramod H. Lele | Member – Independent Director |

The scope and function of this committee is to consider and review shareholders'/ investors' grievances and complaints and ensure that all shareholders' / investors' grievances and correspondence are attended to expeditiously and satisfactorily unless constrained by incomplete documentation and/ or legal impediments.

Interest of our Directors

All the Directors may be deemed to be interested to the extent of reimbursement of expenses, if any, payable to them under the Articles of Association. The Directors may also be deemed to be interested to the extent of the Equity Shares, if any, held by them or by the relatives or by firms or companies of which any of them is a partner and a Director/ Member respectively and

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the Equity Shares if any, out of the present Issue that may be subscribed for and allotted to them or their relatives or any Company in which they are Directors / members of firms in which they are partners. Our Directors are also interested to the extent of transactions given under sub-heading titled "Transaction with related parties" beginning on page 111 of this Red Herring Prospectus.

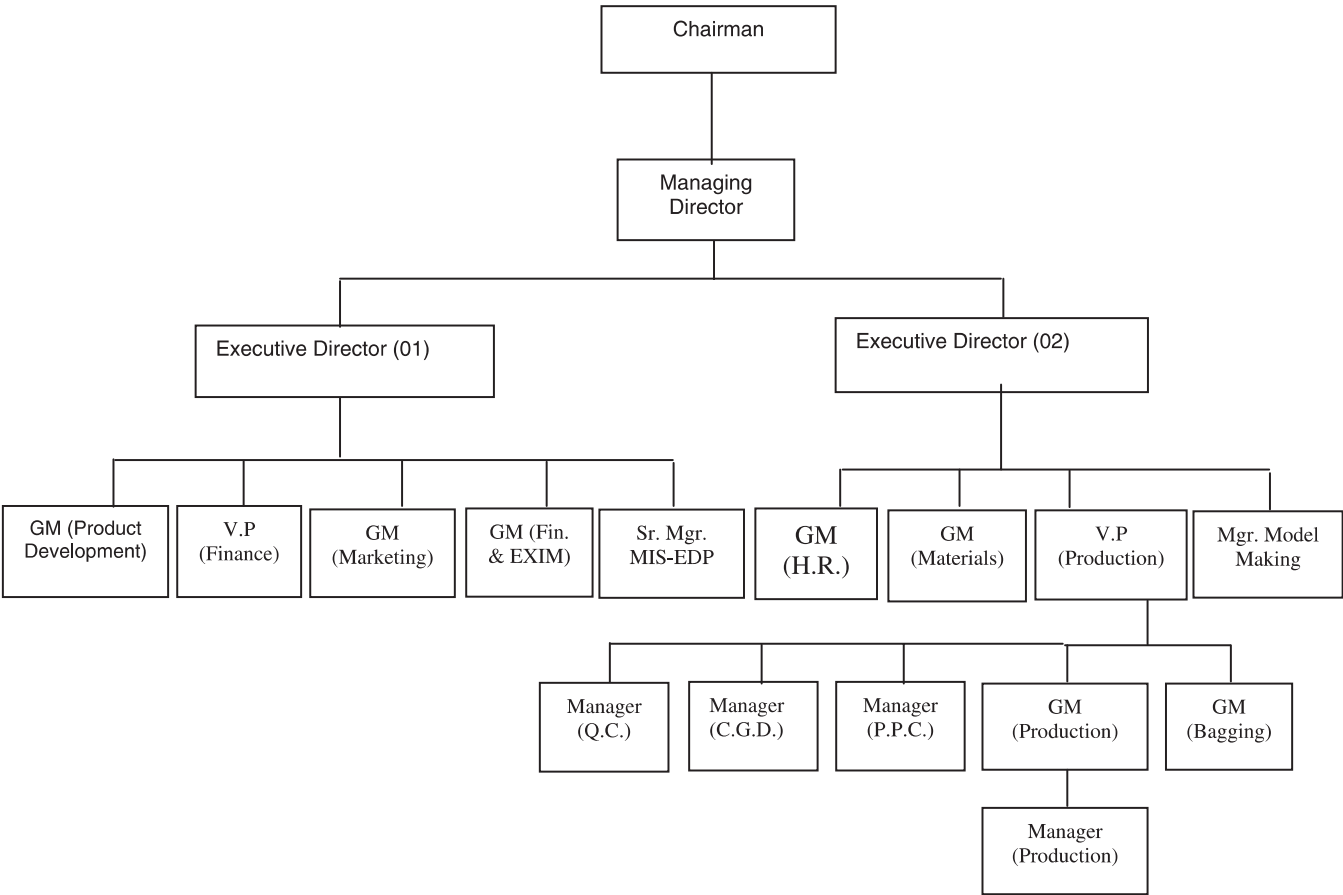
Our Executive Director, Mr. Neville Tata had periodically availed of certain loan amounts from our Company. However at the time of the disbursement of the loans Mr. Tata was the Chief Operating Officer of our Company and was not on our Board of Directors. As on May 31, 2007, the total amount outstanding against the loan is Rs. Nil

There has been following changes in our Directors in last 3 years:

| Name of the Director | Date of Appointment | Date of Resignation | Remarks |
|--------------------------|---------------------|---------------------|-----------------------------------|
| Mr. Neville Tata | 01.02.06 | - | Appointed as Executive Director |
| Mr. Bharat Mehta | 01.02.06 | 01.04.06 | Resigned |
| Mr. Arun Shah | 01.02.06 | - | Appointed as Additional Director |
| Mr. V.C.Shah | 01.02.06 | - | Appointed as Additional Director |
| Mr. Jinendra Shah | 01.04.06 | - | Appointed as Additional Director |
| Mr. Bhupen C. Shah | 30.06.95 | 26.03.07 | Resigned as Director |
| Mr. Amit C Shah | 30.06.95 | 26.03.07 | Resigned as Director |
| Mr. Arun Shah | 01.02.06 | 26.03.07 | Resigned as Independent Director |
| Mr. Jinendra Shah | 01.04.06 | 26.03.07 | Resigned as Independent Director |
| Mr. Anil K. Chopra | 02.04.07 | - | Appointed as Additional Director |
| Mr. Pramod H. Lele | 02.04.07 | - | Appointed as Additional Director |
| Mr. Vishwas.V Mehendale | 02.04.07 | - | Appointed as Additional Director |
| Mr. Anil K. Chopra* | 29.09.07 | - | Appointed as Independent Director |
| Mr. Pramod H. Lele* | 29.09.07 | - | Appointed as Independent Director |
| Mr. Vishwas.V Mehendale* | 29.09.07 | - | Appointed as Independent Director |

* Change in designation from Additional Director to Independent Director on account of regularization of their appointments by the shareholders on the corresponding date.

ORGANISATION STRUCTURE



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KEY MANAGERIAL PERSONNEL

Details in brief of our key managerial personnel other than our Executive Directors are given below:

| Sr No | Name of Employee | Qualification | Designation | Date of Appointment | Activities | Present salary per annum (in Rs) (for last fiscal) |
|-------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| 1. | Mr. Nikesh Sureshchandra Shah. | Bachelors' Degree in Commerce from Mumbai University | Vice- President Operations)- (Production | 1 st January 1998 | Organizing and guiding the process of planning commercial orders. Also responsible for implementation of the same. | 460,500 |
| 2. | Mr. Sailesh Shantilal Sangani | Qualified Chartered Accountant | Vice President (Finance And EXIM) | 1 st July 1998 | Financial planning, budgeting, accounting, control, taxation, audit, legal matters and oversees corporate secretarial functions. | 420,000 |
| 3. | Mr. Amar Sudhakar Mayekar | Bachelors' Degree in Commerce- Mumbai University | General Manager- Production | 26 th October 1998 | Responsible for maintaining harmonious relations and discipline on shop floor, including safety aspect and also responsible for improving overall productivity in the department in terms of man, machine, materials and methods. | 4,10,000 |
| 4. | Mr. Dilip Bhogilal Joshi | Bachelors' Degree in Commerce, Gokhale College, Diploma- Finance Management from Narsee Monjee Institute of Management Studies, Mumbai M.B.A Finance Narsee Monjee Institute of Management Studies | General Manager, Finance, EXIM and HRM | 1 st December 1996 | Responsible for handling corporate matters relating to finance and banking, issues related to Exports & Imports and Personnel & Administration. | 6,00,000 |

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| Sr No | Name of Employee | Qualification | Designation | Date of Appointment | Activities | Present salary per annum (in Rs) (for last fiscal) |
|-------|----------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| 5 | Mr. Harikrishna N Mehta | Bachelors' Degree in Commerce, Bombay University Diploma in Business Management, S.I.E.S Institute of Management | General Manager- Materials | 21st June 2000 | Responsible for maintaining adequate levels of stocks of all items required by the production departments to ensure uninterrupted supply and to ensure adherence to right principles of buying encompassing right source, quality, time and terms and to co-ordinate between stores and purchase and to synergize their workings on a continuous basis. | 540,000 |
| 6. | Mr. Nimish Randhir Zaveri- | B. Com, Sydenham College, MBA- Marketing, New Port University, California | Marketing Manager | 1st June 2000 | Responsible for promotion of our Company's products internationally. | 318,000 |
| 7. | Mr. Amrish Jayant Shah- | B.Com, Hinduja College of Commerce, Bombay. | General Manager Bagging | 1st December 2001 | Responsible for maintaining the diamond tolerance defined in the jobs and formulating systems with respect to tallying and maintenance of Diamond Stocks | 360,000 |
| 8 | Ms. Manju B. Batham | B.Sc, University of Bombay, Institute of Company Secretaries of India, Associate | Company Secretary | 26th March 2007 | Responsible for overseeing and ensuring secretarial and legal related compliances. | NA |

Brief Biographies of our Key Managerial Personnel other than our Executive Director are given below:

Mr. Nikesh Sureshchandra Shah, aged 33, is designated as Vice- President (Operations)-Production. He is a holder of Bachelor's degree in Commerce from Mumbai University. He started his career with our Company and has been associated with our Company for the last 8 years. He is working with us as Vice President-Production, and is responsible for organizing and provision of guidance in planning commercial orders and to follow up on its implementation. For the fiscal 2006-07 the remuneration paid to Mr. Nikesh Shah, was Rs. 460,500/-.

Mr. Sailesh Shantilal Sangani, aged 46, is designated as Vice President (Finance and EXIM). He holds a Bachelor's Degree in Commerce from Lala Lajpatrai College, Mumbai University and is a qualified Chartered Accountant. He has been associated

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with our Company for the last 9 years. He has a total work experience of 21 years in areas of audit accounting and finance. Prior to joining us Mr. Sangani has worked with Classic Diamonds India Limited as Accounts Manager and Finance Controller, and with M/s J.K Khanna & Co as an Audit Manager. As the Vice President Finance and EXIM in our Company, Mr. Sangani manages the full spectrum of financial functions of our Company including planning, budgeting, accounting, control, taxation, audit, legal matters and oversees corporate secretarial functions. For the fiscal 2006-07 the remuneration paid to Mr. Sangani, was Rs. 420,000/-

Mr. Amar Sudhakar Mayekar, aged 36, is designated as General Manager-Production. He is a holder of Bachelor's Degree in Commerce from Mumbai University. He has been associated with our Company for the last 8 years. He has a total work experience of 14 years. Prior to joining our Company Mr. Mayekar has worked with Inter Gold India Limited as a Production Officer and was responsible for production related activities. He is working with us as a General Manager-Production, and is responsible for maintaining harmonious relations and discipline on shop floor, including safety aspect and also responsible for improving overall productivity in the department in terms of man, machine, materials and methods. . For the fiscal 2006-07 the remuneration paid to Mr. Mayekar was Rs. 4,10,000/- .

Mr. Dilip Bhogilal Joshi, aged 36, is designated as General Manager, Finance, EXIM and HRM . He is a holder of Bachelor's Degree in Commerce from Gokhale College, and a Diploma in Finance Management from Narsee Monjee Institute of Management Studies, Mumbai. He also hold an M.B.A Finance Degree from Narsee Monjee Institute of Management Studies. He has been associated with our Company for last 10 years. He has a total work experience of 14 years. Prior to joining our Company Mr. Joshi has worked with Precise Gem as a Finance executive. He is working with the group as a General Manager-Finance & EXIM, and is responsible for handling corporate matters relating to finance and banking, issues related to Exports & Imports and Personnel & Administration. For the fiscal 2006-07 the remuneration paid to Mr. Joshi was Rs. 6,00,000/-.

Mr. Harikrishna N Mehta, aged 51, is designated as General Manager - Materials. He holds a Bachelor's Degree in Commerce from University of Mumbai and is a Diploma holder in Business Management from S.I.E.S Institute of Management. He has been associated with our Company for last 7 years. He has total work experience of 29 years. He has previously worked with Mahindra Spicer Limited, Eastern Limited (Dubai) and Brisk Control Systems Private Limited. Prior to joining us, Mr. Mehta was working with Inter Gold Private Limited as a Material Manager. As General Manager-Materials of our Company, he is responsible for maintaining adequate levels of stocks of all items required by the production departments to ensure uninterrupted supply and to ensure adherence to right principles of buying encompassing right source, quality, time and terms and to co-ordinate between stores and purchase and to synergize their workings on a continuous basis. For the fiscal 2006-07 the remuneration paid to Mr. Mehta was Rs. 540,000/- .

Mr. Nimish Randhir Zaveri, aged 33, is designated as Marketing Manager. He holds a Bachelor's Degree in Commerce from Sydenham College, University of Mumbai and further holds a Masters of Business Administration degree in Marketing, from New Port University, California. He has been associated with our Company for the last 7 years. He has total experience of 12 years in marketing. Prior to joining our Company Mr. Zaveri was working with Visual Chairs Limited as a Zonal Co-coordinator. As General Manager-Marketing, he is responsible for managing the process of promoting our Company's products internationally using appropriate means for its chosen product category and scale of operation. For the fiscal 2006-07 the remuneration paid to Mr. Zaveri was Rs.318,000/-.

Mr. Amrish Jayant Shah, aged 34, is designated as General Manager Bagging. He is a holder of Bachelor's degree in Commerce from Hinduja College of Commerce, University of Mumbai. He has been associated with our Company for the last 5 years. He has total experience of 4 years in respect of managerial functions. He was earlier working with M/s Sumit Diamonds as a Manager. As General Manager-Bagging, Mr. Shah is responsible for maintaining the diamond tolerance defined in the jobs and formulating systems with respect to tallying and maintenance of Diamond Stocks. For the fiscal 2006-07 the remuneration paid to Mr. Shah was Rs. 360,000/-

Ms Manju B. Batham, 35 years, is designated as the Company Secretary. She holds a bachelors degree in science from Bombay University and is an Associate Member of the Institute of Companies Secretaries of India, and is currently pursuing her LLB from Bombay University and a degree from the Institute of Cost And Works Accountants of India. Prior to joining our Company Ms Batham was working with one of our group companies House Full International Limited in the secretarial department. She has total work experience of 5 years in areas of accounts, taxation, audit, and secretarial work. She has been appointed as a Company Secretary of Renaissance Jewellery with effect from 26th March, 2007 and responsible for Secretarial & Legal Matters.

The key managerial personnel whose names appear above are permanent employees and are on the rolls of our Company. None of the above mentioned key managerial personnel are related to each other. None of the key managerial personnel are appointed pursuant to any arrangement or understanding with major shareholder, customer or supplier.

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Shareholding of Our Key Managerial Personnel

None of our key managerial personnel except the Executive Directors-Mr. Sumit N. Shah and Mr. Hitesh M. Shah hold any Equity Shares in our Company. For shareholding of our Executive Directors please refer to section titled “Our Management” beginning on page 75 of this Red Herring Prospectus.

Bonus or profit sharing to Key Managerial Employees

There is no specific bonus or profit sharing plan.

Changes in the Key managerial Personnel

Except as stated below, there has been no change in our key managerial employees during the last three years.

| Name & Designation | Date of Appointment | Date of Leaving | Reason |
|------------------------------------------|---------------------|-----------------|-------------|
| Mr. S Narayana- Company Secretary | February 6, 2006 | March 12, 2007 | Resignation |
| Ms. Manju B. Batham Company Secretary | March 26, 2007 | - | Appointment |

Manpower /Employees

At present, we have around 1808 permanent employees (in parent company), which comprise of managers, office staff, skilled, semiskilled and unskilled labourer's details of which have been given in the table below:

| Cadre | Unit I | Unit II | Unit III | Total Manpower |
|--------------------------------|-------------|------------|------------|-------------------|
| Presidents and Vice Presidents | 5 | - | - | 5 |
| General Managers | 6 | - | - | 6 |
| Senior Manager | 1 | - | - | 1 |
| Manager / Executives | 152 | - | 25 | 77 |
| Supervisors | 224 | 1 | 130 | 225 |
| Workers / labour | 966 | 165 | 263 | 1131 |
| Total | 1224 | 166 | 418 | 1808 |

Interest of Employees

Our Company provides interest-free loans and advances to employees including key managerial personnel for various purposes. The amounts outstanding as on September 30, 2007 on account of loans and advances to employees was Rs. 1,662,332.

ESOP / ESOS Scheme to Employees

Presently, we do not have ESOP / ESOS scheme for employees.

Payment or Benefit to Our Officers


Except for the payment of salaries and yearly bonus, we do not provide any other benefit to our employees.

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PROMOTERS AND THEIR BACKGROUND


Our current Promoters are:

1. Mr. Niranjan A. Shah, Chairman

| | |
|-----------------------------------------------------------------------------------|-------------------------------------|
|  | PAN :AMXPS9150N |
| | Voter ID: Not Applied |
| | Driving License No: 602509 |
| | Passport No: F6112284 |
| | Bank Account No. 5362 Bank of India |

Mr. Niranjan A. Shah aged 60 years, has over 37 years experience in the gems and jewellery business. He completed his SSC from Babu Panalal P Jain High School, Pydhone. He started his career as partner of M/s. N. Kumar Diamond & Co. on July 23, 1970. He later also became partner of M/s. Sumit Diamond on March 22, 1978. He is the Promoter Director and the Chairman of our Company. He is the managing director of our Promoter Group Company, N. Kumar Diamond Exports Limited, a company engaged in diamond business. As a non- executive chairman, he advises on the overall strategy of our Company. He is a director on our subsidiaries and some of our Group Companies/ Ventures of Promoters. Mr. Niranjan A. Shah joined the Board of Directors of our Company in 1995 and was appointed as Chairman of our Company with effect from January 1, 2003.


2. Mr Sumit N. Shah, Managing Director

| | |
|------------------------------------------------------------------------------------|-------------------------------------|
|  | PAN :AAHPS1841E |
| | Voter ID: Not Applied |
| | Driving License No: 92/32293 |
| | Passport No: F4940581 |
| | Bank Account No. 4758 Bank of India |

Mr. Sumit N. Shah, aged 33 years, Son of Mr. Niranjan A. Shah, holds a bachelors degree in science from Bentley College, Boston and has over 10 years of experience in the gems and jewellery business. He started his career with our Company as a Director in the year 1995. He is the Managing Director of our Company and he is responsible for strategic planning, business promotion, monitoring long-term plans of our Company and technology transfer/ up-gradation. He is a director on one of our subsidiaries and some of our Group Companies/ Ventures of Promoters. He is also a partner in M/s. Sumit Diamond.

Mr. Sumit N. Shah joined the Board of Directors of our Company in August 3 1995, and was appointed as Managing Director with effect from February 1, 2006.

3. Mr. Hitesh M. Shah, Whole Time Director


| | |
|-------------------------------------------------------------------------------------|--------------------------------------|
|  | PAN :AALPS6980N |
| | Voter ID: Not Applied |
| | Driving License No: MH 01-84-10937 |
| | Passport No: V100984 |
| | Bank Account No. 18097 Bank of India |

Mr. Hitesh M. Shah, aged 35 years, is a bachelor in Commerce from Bombay University and has over 12 years of experience in the gems and jewellery business. He was earlier working with Sudiam B.V.BA, Japan as president and was responsible for managing operations. Mr. Hitesh M. Shah joined our Company as Chief Financial Officer and was appointed as Whole Time and Executive Director in January 2003. He is responsible for product development, merchandising, marketing and financial planning. He is a director on one of our subsidiaries and some of our Group Companies/ Ventures of Promoters. He is also a partner in M/s Sumit Diamond

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Mr. Hitesh M. Shah joined the Board of Directors of our Company on September 3, 2003, and was re-appointed as Executive Director with effect from January 1, 2006.

4. Mr Bhupen C. Shah

| | |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>PAN :ALTPS6275P</p> <p>Voter ID: Not Applied</p> <p>Driving License No:84/C/3723</p> <p>Passport No: E5253936</p> <p>Bank Account No. 15326 Bank of India</p> |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Mr. Bhupen C. Shah, aged 44 years, has experience of over 20 years in the gems and jewellery business. He completed his higher secondary education from Pune. He started his career as partner of N. Kumar Diamond & Co. on November 5, 1983. He is a whole time director of N. Kumar Diamond Exports Limited, and is a director on one of subsidiaries and some of our Group Companies/ Ventures of Promoters. He is also a partner in M/s Sumit Diamond.

5. Mr. Amit C. Shah

| | |
|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>PAN : AAHPS5130J</p> <p>Voter ID: Not Applied</p> <p>Driving Licenses No:83/C/28803</p> <p>Passport No: G2455597</p> <p>Bank Account No. 15325</p> <p>Bank of India</p> |
|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Mr. Amit C. Shah, aged 45 years, has experience of over 20 years in the gems and jewellery business. He has completed his higher secondary education from the Pune. He started his career as partner of M/s. N. Kumar Diamond & Co. on October 28, 1981. He is a whole time director of N.Kumar Diamond Exports Limited, and is a director on one of subsidiaries and some of our Group Companies/ Ventures of Promoters. He is also a partner in M/s Sumit Diamond. For details of terms of appointment of Mr. Sumit N. Shah as our Managing Director and Mr. Hitesh M. Shah as our Executive Director please see the section titled "Our Management" beginning on page 75 of this Red Herring Prospectus.

Promoter Group Company

The following Promoter Group Company holds Equity Shares in our Company:

1. N. KUMAR DIAMOND EXPORTS LIMITED ("NKDEL")

NKDEL was incorporated as a partnership firm by a Partnership Deed dated July 23, 1970 in the name of N. Kumar & Co. The firm was converted into company limited shares under provisions of Part IX of Companies Act, 1956 on March 6, 1995 with registration No. 086106 and the name was changed to N. Kumar Diamond Exports Limited. It obtained Certificate of Commencement of Business dated July 6, 1995. The registered office is situated at 1511, Prasad Chambers, Opera House Mumbai-400004 and the company is engaged in manufacturing, export and import of cut and polished diamonds.

Board of Directors as on October 15, 2007

| Sr No | Directors |
|-------|----------------------|
| 1. | Mr. Niranjan A. Shah |
| 2. | Mr. Sumit N. Shah |
| 3. | Mr. Amit C. Shah |
| 4. | Mr. Bhupen C. Shah |
| 5. | Mr. Hitesh M. Shah |
| 6. | Mr. Bharat Parikh |
| 7. | Mr. Rohit Shah |
| 8. | Mr. Arun Shah |
| 9. | Mr. Sandeep Shah |

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Shareholding Pattern as on October 15, 2007

| Shareholder | No. of Equity Shares held | % Shareholding |
|----------------------|---------------------------|----------------|
| Mr. Niranjan A. Shah | 2,209,000 | 33.98 |
| Mr. Sumit N. Shah | 1,170,000 | 18.00 |
| Mr. Amit C. Shah | 1,556,000 | 23.94 |
| Mr. Bhupen C. Shah | 1,556,000 | 23.94 |
| Mrs. Pallavi Shah | 4,000 | 0.06 |
| Mrs. Ashita Shah | 4,000 | 0.06 |
| Mrs. Suchita Shah | 1,000 | 0.02 |
| Total | 6,500,000 | 100.00 |

Financial Performance for the last three years

The audited financial results of NKDEL for the last three financial years are as follows: (Rs. in million)

| Particulars | FY 2004-05 | FY 2005-06 | FY 2006-07 |
|------------------------|------------|------------|------------|
| Equity capital | 65.00 | 65.00 | 65.00 |
| Reserves | 138.85 | 142.45 | 146.66 |
| Sales | 338.20 | 305.80 | 248.51 |
| Profit After Tax | 3.20 | 3.59 | 4.21 |
| Earning per Share(Rs.) | 0.55 | 0.55 | 0.65 |
| Net Asset Value (Rs.) | 31.26 | 31.88 | 32.56 |

NKDEL is an unlisted company and has not made any rights issue or public issue in preceding three years. It has not become sick company under the meaning of SICA and is not under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against NKDEL, its promoters and directors except as stated in section titled "Outstanding Litigation and Material Developments" beginning on page 151 of this Red Herring Prospectus.

Other Confirmations

We confirm that the details of the permanent account numbers, bank account numbers and passport numbers of our Promoters have been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

None of our Promoters have been restricted from accessing the capital markets.

Relationship between Promoters-

The relationship amongst our promoters is as follows:

| Name of Promoter | Relationship |
|------------------|------------------------|
| Niranjan Shah | Sumit Shah |
| | Son |
| | Hitesh Shah |
| | Brother's son |
| Sumit N. Shah | Amit C. Shah |
| | Wife's brother |
| | Bhupen C. Shah |
| | Wife's brother |
| Sumit N. Shah | Niranjan A. Shah |
| | Father |
| | Hitesh M. Shah |
| | Father's brother's son |
| Sumit N. Shah | Amit C. Shah |
| | Mother's brother |
| Sumit N. Shah | Bhupen C. Shah |
| | Mother's brother |

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| Name of Promoter | | Relationship |
|------------------|------------------|------------------------------------|
| Hitesh C. Shah | Niranjan A. Shah | Father's brother |
| | Sumit N. Shah | Son of father's brother |
| | Amit .C Shah | Brother-in law of father's brother |
| | Bhupen C. Shah | Brother-in law of father's brother |
| Amit C. Shah | Niranjan A. Shah | Sister's husband |
| | Sumit N. Shah | Sister's Son |
| | Hitesh M. Shah | Son of Brother-in-law's brother |
| | Bhupen C. Shah | Brother |
| Bhupen C. Shah | Niranjan A. Shah | Sister's husband |
| | Sumit N. Shah | Sister's Son |
| | Hitesh M. Shah | Son of Brother-in-law's brother |
| | Amit C. Shah | Brother |

In addition to our Promoters, the following persons/entities constitute the Promoter Group:

1. Kalpana Shah- Wife of Mr. Niranjan A. Shah and mother of Mr. Sumit N. Shah and sister of Mr Amit C. Shah and Mr. Bhupen C. Shah
2. Amritlal Shah- Father of Mr. Niranjan A. Shah
3. Dineshbhai Shah- Brother of Mr. Niranjan A. Shah
4. Mahendrabhai Shah- Brother of Mr. Niranjan A. Shah and Father of Mr. Hitesh M. Shah
5. Nareshbhai Shah- Brother of Mr. Niranjan A. Shah
6. Jitendrabhai Shah- Brother of Mr. Niranjan A. Shah
7. Mrs. Bhadrakaben- Sister of Mr. Niranjan A. Shah
8. Mrs. Suchita Kothari– Daughter of Mr. Niranjan A. Shah and sister of Mr. Sumit N. Shah
9. Mrs. Leshna Shah-Wife of Mr. Sumit N. Shah
10. Ms. Anika Shah- Daughter of Mr. Sumit N. Shah
11. Mrs. Kanal Shah- Wife of Mr. Hitesh M. Shah
12. Hitesh M Shah (HUF)
13. Mrs. Jyotsnaben Shah- Mother of Mr. Hitesh M. Shah
14. Mr. Jatin Shah- Brother of Mr. Hitesh M. Shah
15. Mr. Sanat Shah- Son of Mr. Hitesh M. Shah
16. Mr. Divyaj Shah-Son of Mr. Hitesh M. Shah
17. Mr. Pallavi Shah- Wife of Mr. Amit C. Shah
18. Mr. Chandrakant Shah- Father of Mr. Amit and Mr Bhupen C. Shah
19. Mr. Dhirenabhai Shah- Brother of Mr. Amit C. Shah and Mr. Bhupen C. Shah
20. Ms. Varshaben Shah- Sister of Mr. Amit C. Shah and Mr. Bhupen C. Shah
21. Ms. Jainita Shah- Daughter of Mr. Amit C. Shah
22. Mr. Kunal Shah- Son of Mr. Amit C. Shah
23. Mrs Ashita Shah- Wife of Mr. Bhupen C. Shah
24. Ms. Disha Shah- Daughter of Mr. Bhupen C. Shah
25. Ms Bijuri Shah- Daughter of Mr. Bhupen C. Shah

RENAISSANCE JEWELLERY LIMITED

Common pursuits

We have four entities, ie one Promoter Group Company N. Kumar Diamond Exports Limited, and three Group Companies/ Ventures of Promoters, Fancy Jewellery Private Limited, Anika Jewellery Private Limited and M/s Sumit Diamond which have the main objects similar to that of our Company.

N. Kumar Diamond Exports Limited and M/s Sumit Diamond, two of the entities promoted by our Promoters, are engaged in the business of manufacturing and exporting of cut and polished diamonds. Our Company has entered into non-compete agreements dated April 24, 2007 with N. Kumar Diamond Exports Limited and M/s Sumit Diamond respectively on account of common pursuits arising out of similar main objects between our Company and the said Promoter Group Entities.

One of the ventures promoted by our Promoters Anika Jewellery Private Limited was established in the year 2004 for manufacturing and exporting studded jewellery. However our Company has not commenced business activities as on date. Our Company has entered into a non-compete agreement dated April 24, 2007 with Anika Jewellery Private Limited on account of the common pursuit arising out of similar business operations between our Company and the said company.

Further another venture promoted by our Promoters namely Fancy Jewellery Private Limited is engaged in the business of manufacture and export of studded jewellery. Our Company has entered into a non- compete agreement with Fancy Jewellery Private Limited dated April 24, 2007.

For details on the Non Compete agreements, refer the section titled 'Material Contracts and Documents' beginning on page no. 223 of this Red Herring Prospectus.

Interest of Promoters

All the Promoters may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or committees thereof as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per provisions of the Articles of our Company.

The Promoters, who are Executive Directors, are interested to the extent of remuneration paid to them for services rendered to our Company. Further, the Promoters are interested to the extent of Equity Shares they are holding and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Our Promoters are also interested to the extent of transactions given under sub-heading titled "Related Party Transactions" beginning on page 111 of this Red Herring Prospectus.

Except as stated otherwise in this Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Red Herring Prospectus in which the Directors are directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements and no such payments are proposed to be made to them.

One of the ventures promoted by our Promoter ie Fancy Jewellery Private Limited is interested to the amount of lease rent payable to them for our branch office situated at Opera House to the extent of Rs. 9,000 per month.

Related Party Transactions

Details of Related Party Transactions are given under sub-heading titled "Related Party Transactions " beginning on page 111 of this Red Herring Prospectus

DIVIDEND POLICY

The declaration and payment of dividend if any, will be recommended by our Board of Directors and our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position. Our Company has no stated dividend policy. In order to conserve the funds for meeting the long-term working capital requirements and future needs of the business of our Company, we have not declared and paid any dividend since fiscal 2001.

RENAISSANCE JEWELLERY LIMITED

FINANCIAL INFORMATION OF OUR COMPANY

Auditors Report

The Board of Directors

Renaissance Jewellery Limited,

Plot No. 36A & 37, MIDC,

SEEPZ, Andheri (East),

Mumbai 400 096

Re: Public Issue of Renaissance Jewellery Limited

Dear Sirs

1. We have examined and found correct the financial statements of Renaissance Jewellery Limited ('the Company') for the five financial years ended on March 31 2003, 2004, 2005, 2006 and 2007 and three months ended June 30, 2007 being the last date up to which the accounts of the Company have been made up and audited by us..
2. In accordance with the requirements of Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (the Act), and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (SEBI Guidelines) for the purpose of the Offering Memorandum in connection with the initial public offering of the Company, we report that:
 - a. The restated profits of the Company for the financial years ended March 31 2003, 2004, 2005, 2006 and 2007 and three months ended June 30, 2007 are as set out in **Annexure I** to this report. These profits have been arrived at after charging all expenses including depreciation and after making such adjustment and regroupings as in our opinion are appropriate and more fully described in the Significant Accounting Policies and Notes on Account appearing in **Annexure III** and **IV** respectively to this report.
 - b. The restated assets and liabilities of the Company as at March 31 2003, 2004, 2005, 2006 and 2007 and as at June 30, 2007 are as set out in **Annexure II** to this report after making such adjustments and regroupings as in our opinion are appropriate and more fully described in the Notes to Accounts appearing in **Annexure IV** to this report.
 - c. We have examined the cash flow statement relating to the Company financial years ended March 31 2003, 2004, 2005, 2006 and 2007 and three months ended June 30, 2007 appearing in **Annexure V** to this report.
 - d. No dividend has been paid by the Company in respect of the financial years ended March 31, 2003, 2004, 2005, 2006 and 2007 and three months ended June 30, 2007 as shown in **Annexure VI** to this report.
3. We have examined the attached restated Summary of Assets and Liabilities, Summary of Profit and Loss account and Summary of Significant Accounting Policies of each of the subsidiaries, i.e., of Renaissance Retail Venture Private Limited appearing in **Annexure XVII**, of Verigold Fine Jewellery Private Limited appearing in **Annexure XVIII**. The accounts of these subsidiaries for these years/periods have been made up and approved by the Board of Directors. We have relied on the relevant accounts of these subsidiaries for each of the years/periods audited and reported by us.
4. Based on our examination of these Restated Summary Statements we confirm that:
 1. The accounting policies have been consistently applied by the company and are consistent to those used in previous year;
 2. There are no extra ordinary items in the period covered by the Restated Summary Statement.
5. We have examined the following financial information relating to the Company and as approved by the Board of Directors for the purpose of inclusion in the Offer document:
 1. Performance Ratios as appearing in **Annexure VII** to this report
 2. Capitalization Statement as at March 31, 2006, March 31, 2007 and as at June 30, 2007 as appearing in **Annexure VIII** to this report
 3. Statement of tax shelters as appearing in **Annexure IX** to this report
 4. Details of other income as appearing in **Annexure X** to this report
 5. Details of sundry debtors as appearing in **Annexure XI** to this report
 6. Details of loans and advances made to persons or Companies in whom/in which Directors are interested as appearing in **Annexure XII** to this report

7. Details of unsecured loans as appearing in **Annexure XIII** to this report
8. Details of secured loans as appearing in **Annexure XIV** to this report
9. Details of transactions with related parties as appearing in **Annexure XV** to this report
10. Details of aggregate value and market value of quoted investments as appearing in **Annexure XVI** to this report

In our opinion the above financial information of the Company read with Significant Accounting Policies and Notes on Account attached in **Annexure III & IV** respectively to this report, after making adjustments and regroupings as considered appropriate has been prepared in accordance with paragraph B (1) Part II of Schedule II of the Act and the SEBI Guidelines.

6. We have also examined the consolidated financial information of Renaissance Jewellery Limited and its subsidiaries Renaissance Retail Venture Private Limited and Verigold Fine Jewellery Private Limited (together referred to as the 'Group'). We have examined the attached 'Restated Summary Statement of Assets and Liabilities (Consolidated)' of the Group as at March 31, 2006, March 31, 2007 and as at June 30, 2007 (**Annexure XIX**) and the attached 'Restated Summary Statement of Profits and Losses(Consolidated)' for the years ended March 31, 2006, March 31, 2007 and three months ended June 30, 2007 (**Annexure XX**) and the attached 'Restated Cash Flow Statement (Consolidated)' for the years ended March 31, 2006, March 31, 2007 and three months ended June 30, 2007 (**Annexure XXI**) and together referred to as 'Restated Consolidated Summary Statements'. These Restated Consolidated Summary Statements have been extracted from the consolidated financial statements of the years ended March 31, 2006, March 31, 2007 and three months ended June 30, 2007 and have been adopted by the Board of Directors and audited by us. Based on our examination of these Restated Consolidated Summary Statement, we state that:

- a) **Annexure XIX** contains the Restated Summary Statement of Assets and Liabilities (Consolidated) of the Group as at March 31, 2006 and 2007and as at June 30, 2007 ;
- b) **Annexure XX** contains the Restated Summary Statement of Profits and Losses (Consolidated) of the Group for the years ended March 31, 2006 and 2007 and three months ended June 30, 2007 ;
- c) **Annexure XXI** contains the Restated Cash Flow Statement (Consolidated) for the years ended March 31, 2006 and 2007and three months ended June 30, 2007 ; and
- d) **Annexure XXII** contains Summary of Significant Accounting Policies and Notes.

report is intended solely for your information and for inclusion in the Offer document in connection with the specific Public Offer of equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our written consent.

For J. K. Shah & Co.,
Chartered Accountants

Sanjay Dhruva
Partner
Membership No. 38480

Place: Mumbai

Date: 16th October, 2007

RENAISSANCE JEWELLERY LIMITED

| RENAISSANCE JEWELLERY LTD. | | | | ANNEXURE – I | | |
|-----------------------------------------------------|---------------------------|------------|----------|--------------|----------|----------|
| RESTATED PROFIT AND LOSS ACCOUNT | | | | | | |
| Rs. In Millions | | | | | | |
| | Period Ended 30-Jun-07 | Year Ended | | | | |
| | | 2007 | 2006 | 2005 | 2004 | 2003 |
| INCOME | | | | | | |
| Sales | | | | | | |
| Of Products Mfg by the Company | 881.44 | 3,802.70 | 3,141.90 | 1,950.67 | 1,607.21 | 1,223.04 |
| Of Products traded by the Company | 31.08 | 79.77 | 0.27 | 0.62 | 0.20 | 0.20 |
| Total | 912.52 | 3,882.47 | 3,142.17 | 1,951.29 | 1,607.41 | 1,223.24 |
| Other Income | 51.36 | 0.84 | 0.54 | 0.56 | 1.04 | 1.74 |
| Increase (Decrease) in Inventories | - | | (179.5) | 85.40 | (6.5) | 47.35 |
| Total Income | 963.88 | 3,883.32 | 2,963.21 | 2,037.25 | 1,601.95 | 1,272.33 |
| EXPENDITURES | | | | | | |
| Raw Material Consumed | 826.7 | 3,279.36 | 2,501.04 | 1,768.53 | 1,377.20 | 1,036.81 |
| Staff Cost | 48.40 | 168.37 | 119.3 | 100.81 | 83.79 | 61.36 |
| Other Manufacturing expenses | 14.31 | 59.97 | 47.94 | 42.25 | 37.74 | 41.64 |
| Administration Expenses | 9.95 | 41.43 | 43.01 | 25.53 | 19.43 | 23.59 |
| Selling and Distribution Expenses | 1.21 | 59.74 | 33.41 | 2.68 | 5.09 | 36.68 |
| Total | 900.57 | 3,608.87 | 2,744.70 | 1,939.80 | 1,523.25 | 1,200.08 |
| Profit Before Interest, Depreciation and Income Tax | 63.31 | 274.45 | 218.51 | 97.45 | 78.7 | 72.25 |
| Interest and Financial charges | 18.62 | 42.69 | 52.25 | 9.83 | 3.89 | 11.35 |
| Depreciation | 5.86 | 26.52 | 20.90 | 18.82 | 18.74 | 20.95 |
| Net Profit before tax and Extra- Ordinary items | 38.83 | 205.24 | 145.36 | 68.80 | 56.07 | 39.95 |
| Taxation | | | | | | |
| Current tax | 4.40 | 1.50 | 1.05 | 0.12 | - | 1.71 |
| Wealth tax | - | 0.07 | 0.10 | - | - | - |
| Fringe benefits tax | 0.14 | 0.67 | 0.95 | - | - | - |
| Deferred tax | (0.69) | (1.26) | (4.37) | 0.49 | (0.41) | 1.03 |
| MAT Credit for Current Period | (4.40) | - | - | - | - | - |
| Ealier year's tax | - | - | - | - | - | - |
| Net Profit before Extra-ordinary items (net of tax) | 39.38 | 204.26 | 147.63 | 68.19 | 56.48 | 37.21 |
| Extra-ordinary items (net of tax) | | | | | | |
| Net Profit after Extra-ordinary items | 39.38 | 204.26 | 147.63 | 68.19 | 56.48 | 37.21 |

RENAISSANCE JEWELLERY LIMITED

| ANNEXURE – II | | | | | | | |
|------------------------|--------------------------------------------|-----------------|-----------------|-----------------|-----------------|---------------|---------------|
| RESTATED BALANCE SHEET | | | | | | | |
| Rs. In Millions | | | | | | | |
| | | Period Ended | Year Ended | | | | |
| | | 30-Jun-07 | 2007 | 2006 | 2005 | 2004 | 2003 |
| A | FIXED ASSETS | | | | | | |
| | Gross Block | 309.01 | 305.02 | 291.43 | 203.34 | 183.61 | 174.49 |
| | Less: Depreciation | 142.94 | 137.50 | 112.72 | 93.34 | 74.88 | 56.35 |
| | Net Block | 166.07 | 167.52 | 178.71 | 110.00 | 108.74 | 118.14 |
| | Capital Work in Progress | - | - | - | 28.56 | 9.50 | - |
| B | INVESTMENTS | 10.10 | 12.08 | 2.06 | 4.31 | 0.34 | 0.03 |
| C | CURRENT ASSETS LOANS & ADVANCES | | | | | | |
| | Inventories | 568.44 | 974.05 | 830.54 | 421.40 | 300.80 | 336.99 |
| | Sundry Debtors | 1,178.05 | 945.72 | 856.03 | 586.99 | 471.68 | 263.26 |
| | Cash & Bank Balance | 20.20 | 14.40 | 17.97 | 16.72 | 5.70 | 3.73 |
| | Loans & Advances | 323.83 | 105.77 | 23.01 | 10.20 | 8.23 | 4.34 |
| | Total | 2,090.51 | 2,039.94 | 1,727.55 | 1,035.31 | 786.41 | 608.32 |
| D | LIABILITIES & PROVISIONS | | | | | | |
| | Secured Loans | 1,021.92 | 904.54 | 575.26 | 474.77 | 234.49 | 220.82 |
| | Unsecured Loans | - | - | 3.85 | 2.63 | 8.99 | 22.36 |
| | Current Liabilities & Provisions | 412.23 | 517.53 | 729.02 | 240.81 | 270.22 | 148.09 |
| | Deferred Tax Liability | (4.20) | (3.52) | (2.25) | 2.11 | 1.62 | 2.04 |
| | Total | 1,429.95 | 1,418.55 | 1,305.88 | 720.33 | 515.32 | 393.32 |
| | NET WORTH (A + B + C - D) | 836.73 | 801.00 | 602.44 | 457.85 | 389.66 | 333.17 |
| E | REPRESENTED BY: | | | | | | |
| | Equity Shares | 130.35 | 65.18 | 65.18 | 16.29 | 16.29 | 16.29 |
| | Reserves & Surplus | 718.77 | 744.56 | 540.30 | 441.56 | 373.36 | 316.88 |
| | Total | 849.12 | 809.74 | 605.48 | 457.85 | 389.66 | 333.17 |
| F | MISC EXPENDITURE NOT W/OFF | 12.39 | 8.74 | 3.04 | - | - | - |
| | NET WORTH (E - F) | 836.73 | 801.00 | 602.44 | 457.85 | 389.66 | 333.17 |

RENAISSANCE JEWELLERY LIMITED

SIGNIFICANT ACCOUNTING POLICIES:

a) General

The Accounts have been prepared on historical cost basis ignoring changes, if any, in the purchasing power of money.

All revenues and expenses are accounted on accrual basis except to the extent stated otherwise.

b) Fixed Assets and Depreciation

Fixed assets are stated at cost of acquisition/construction, less accumulated depreciation. Depreciation is provided on Written Down Value basis at the rates prescribed in Schedule XIV to The Act. Depreciation on additions/ deletions are calculated pro-rata from the month of additions/ deletions.

c) Investments

Investments which are Long Term in nature are stated at cost of acquisition with provision where necessary for diminution, other than temporary, in the value of investments.

d) Inventories

Classification:

Due to the short period of processing and/or manufacturing, difficulty in identifying the stages of process and the insignificant impact on valuation, goods in process is classified as raw materials for the purpose of classification and valuation.

Valuation:

- i) Stores and spares are valued at cost. The cost is computed on moving weighted average.
- ii) Raw materials are valued at cost on a specific identification basis.
- iii) Silver Models are valued based on technical estimates and accordingly, 50% is written off in the year of purchase and balance in the subsequent year.

e) Retirement Benefits

i) Gratuity

Liabilities for gratuity is accounted based on the assumption that such benefits are payable to all eligible employees at the end of the year.

ii) Leave Encashment

Provisional Liability for leave encashment is made for unavailed accumulated leave balances of the employees on the basis of their current salaries.

f) Foreign Currency Transactions

Transactions in foreign currency are accounted at the exchange rate prevailing at the time of transaction.

Gains or Losses upon settlement of transaction during the year is recognised in the profit and loss account.

Assets and liabilities denominated in foreign currency are restated at the year end rates. Gains or losses arising as a result of the above are recognized in the profit and loss account.

In respect of foreign exchange transactions covered by forward exchange contracts, the difference between the forward contract rate and the exchange rate at the date of the transaction is recognised as income or expenses over the life of contracts.

Gains or losses on cancellation or renewal of forward exchange contracts are recognised as income or expenses.

g) Income Tax:

Tax expenses comprise of current, deferred and fringe benefit tax.

Provision for current income tax and fringe benefit tax is made on the basis of relevant provisions of Income Tax Act, 1961 as applicable to the financial year.

RENAISSANCE JEWELLERY LIMITED

Deferred Tax is recognized subject to the consideration of prudence on timing differences, being the difference between taxable Income and Accounting Income that originate in one period and are capable of reversal in one or more subsequent periods.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

h) **Borrowing Cost**

Borrowing Cost directly attributable to the acquisition of or construction of fixed assets are capitalized as part of cost of the assets up to the date the asset is put to use. Other borrowing costs are charged to the profit & loss account in the year in which they are incurred.

i) **Impairment of Assets**

Where there is an indication that an asset is impaired, the recoverable amount if any, is estimated and the impairment loss is recognized to the extent carrying amount exceeds recoverable amount.

j) **Contingent Liabilities**

Contingent Liabilities are not provided and are disclosed by way of notes on accounts.

k) **Miscellaneous Expenditure**

Preliminary Expenses and public issue expenses are amortised over a period of ten years.

NOTES TO ACCOUNTS:

1. In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business. Provisions for all the known liabilities and depreciation are adequate and not in excess of the amount reasonably necessary.
2. Contingent Liabilities at the period-end not provided for: **Refer to Annexure – I**
3. Particulars of Investment in Partnership Firm: **Refer to Annexure - II**
4. Disclosure regarding exposure of the company in respect of outstanding foreign currency transaction as on the date of Balance Sheet, which are not hedged by a derivative instrument or otherwise: Refer to Annexure - III
5. **Transaction with related party:**

Related party Disclosure as required by Accounting Standard 18 issued by the Institute of Chartered Accountants of India is as under:

a) **Key Management Personnel:**

| | |
|---------------------|--------------------|
| Mr.Niranjan A. Shah | Mr.Sumit N. Shah |
| Mr.Hitesh M. Shah | Mr.Neville R. Tata |

b) **Subsidiary Companies:**

Verigold Fine Jewellery Private Limited.
Renaissance Retail Venture Private Limited.

c) **Associate Concerns / Companies under Control of Key Management Personnel & Relatives:**

| | |
|------------------------------------|---------------------------------|
| N. Kumar Diamonds Exports Limited. | Anika Jewellery Private Limited |
| Fancy Jewellery Private Limited. | M/s Sumit Diamonds |
| Housefull International Limited. | |

d) **Details of transactions with related Parties** : Refer to Annexure - IV

RENAISSANCE JEWELLERY LIMITED

6. Segment Reporting:

Company has only one business segment viz. Jewellery.

7. Deferred Tax:

Refer to Annexure - V

8. The suppliers' invoices or other documents furnished by them do not give any ostensible information about their status and in particular, whether a small scale industrial undertaking (SSI Units). Accordingly it is not possible to disclose any authentic information due to SSI units.

In the absence of necessary information with the company relating to the registration status of the suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said Act could not be compiled and disclosed.

There is no liability for interest which would be payable under 'The Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Ordinance 1992'. Moreover, the Company has also not received any claims in respect of Interest.

9. Payment to Executive Director: Refer to Annexure - VI

10. Earning per share (EPS) is computed in accordance with the Accounting Standard 20 issued by the Institute of Chartered Accountants of India as under: Refer to Annexure - VII

11. Previous year's figures are regrouped / rearranged, wherever necessary.

| RENAISSANCE JEWELLERY LIMITED | | | | | | |
|-----------------------------------------------------------------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| ANNEXURE – I to notes | | | | | | |
| Rs In Millions | | | | | | |
| Contingent Liabilities at the period-end not provided for in respect of: | As at June 30, 2007 | As at March 31, 2007 | As at March 31, 2006 | As at March 31, 2005 | As at March 31, 2004 | As at March 31, 2003 |
| i) Letters of Credit and Guarantees given by Banks on behalf of the Company to third parties. | 60.00 | 70.00 | 64.55 | 25.46 | 20.00 | 10.00 |
| ii) Penalty levied by the Custom Authorities | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.11 |
| iii) Income Tax demand disputed in appeal by the company | 3.15 | 3.15 | 1.11 | 6.27 | 0.16 | - |
| iv) Income Tax demand disputed in appeal by the department | 6.11 | 6.11 | 6.11 | - | - | - |

RENAISSANCE JEWELLERY LIMITED

| ANNEXURE – II to notes | | | | | | | | | | | | |
|--------------------------------------------------|----------------------------------------|---------------|--------|----------|--------|----------|--------|----------|--------|----------|--------|------|
| Particulars of Investment in Partnership Firm :- | | | | | | | | | | | | |
| Partnership With | Name of the Partners & Capital Balance | June 30, 2007 | | 2007 | | 2006 | | 2005 | | 2004 | | 2003 |
| | | Profit % | Loss % | Profit % | Loss % | Profit % | Loss % | Profit % | Loss % | Profit % | Loss % | |
| KBS Designs | | | | | | | | | | | | |
| | Total Capital of the Firm: | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| | Names of Partners | | | | | | | | | | | |
| | Kunal Shah | | | | | | | | | | | |
| | Deepak Shah | | | | | | | | | | | |
| | Indira Shah | | | | | | | | | | | |
| | Nikunj Shah | | | | | | | | | | | |
| | Sangeeta Shah | | | | | | | | | | | |
| | Sanjay Shah | | | | | | | | | | | |
| | Smita Shah | | | | | | | | | | | |
| | Renaissance Jewellery Pvt. Ltd. | | | | | | | | | | | |
| Sumit Diamonds | | | | | | | | | | | | |
| | Total Capital of the Firm: | - | - | 75.69 | | 19.50 | | 16.62 | | 18.71 | | NIL |
| | Names of Partners | | | | | | | | | | | |
| | Niranjan Shah | - | - | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | |
| | Amit Shah | - | - | 12.60 | 18.60 | 12.60 | 18.60 | 12.60 | 18.60 | 12.60 | 18.60 | |
| | Pallavi Shah | - | - | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | |
| | Jainita Shah | - | - | 3.00 | - | 3.00 | - | 3.00 | - | 3.00 | - | |
| | Kunal Shah | - | - | 3.00 | - | 3.00 | - | 3.00 | - | 3.00 | - | |
| | Bhupen Shah | - | - | 15.60 | 18.60 | 12.60 | 18.60 | 12.60 | 18.60 | 12.60 | 18.60 | |
| | Ashita Shah | - | - | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | |
| | Disha Shah | - | - | - | - | 3.00 | - | 3.00 | - | 3.00 | - | |
| | Bijuri Shah | - | - | 3.00 | - | 3.00 | - | 3.00 | - | 3.00 | - | |
| | Sumit Shah | - | - | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | |
| | Leshna Shah | - | - | 10.80 | 10.80 | 10.80 | 10.80 | 10.80 | 10.80 | 10.80 | 10.80 | |
| | N.Kumar Diamond Exports Ltd. | - | - | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | |
| | Renaissance Jewellery Pvt. Ltd. | - | - | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | |

RENAISSANCE JEWELLERY LIMITED

| Annexure – III to notes | | | | | | | | | | | | |
|-------------------------|----------------------------|----------|--------------------------|--------|--------------------------|--------|--------------------------|--------|--------------------------|--------|--------------------------|--------|
| Rs. In Millions | | | | | | | | | | | | |
| | Period Ended 30/06/2007 | | Year Ended 31/03/2007 | | Year Ended 31/03/2006 | | Year Ended 31/03/2005 | | Year Ended 31/03/2004 | | Year Ended 31/03/2003 | |
| | Foreign Currency | Rupees | Foreign Currency | Rupees | Foreign Currency | Rupees | Foreign Currency | Rupees | Foreign Currency | Rupees | Foreign Currency | Rupees |
| A Payables | | | | | | | | | | | | |
| In US Dollars (\$) | 8.52 | 347 | 15.84 | 690.61 | 19.19 | 857.50 | 4.90 | 214.30 | 5.60 | 246.26 | 2.38 | 113.26 |
| In Euro (€) | 0.01 | 0.60 | 0.01 | 0.71 | - | - | 0.00 | 0.17 | 0.00 | 0.20 | - | - |
| In Italian Lira | - | - | - | - | - | - | - | - | - | - | 0.10 | 0.20 |
| B Receivables | | | | | | | | | | | | |
| In US Dollars (\$) | 28.89 | 1,177.03 | 21.70 | 945.72 | 15.16 | 679.64 | 13.41 | 586.99 | 10.72 | 471.68 | 5.54 | 263.26 |
| C Secured Loans | | | | | | | | | | | | |
| In US Dollars (\$) | 41.22 | 1,005.37 | 20.54 | 895.20 | 12.90 | 575.64 | 10.83 | 473.97 | 4.31 | 189.51 | 3.29 | 156.19 |

| ANNEXURE – IV to notes | | | | |
|-------------------------------------------------------------------------|---------------------------------|------------|-----------|--------------------------|
| Rs. In Millions | | | | |
| Transactions with related parties during the period ended June 30, 2007 | | | | |
| Particulars | Names of related Parties | Subsidiary | Associate | Key management personnel |
| Remuneration | Sumit N. Shah | | | 0.30 |
| | Hitesh M. Shah | | | 0.23 |
| | Neville R. Tata | | | 0.39 |
| Loan paid | Verigold fine jewellery | 173.85 | | |
| | Pvt Ltd | | | |
| | Renaissance Retail | 105.95 | | |
| | Venture Pvt. Ltd. | | | |
| Sales of Raw Materials | Verigold Fine Jewellery Pvt Ltd | 31.08 | | |
| Purchase of Raw Materials | Sumit Diamond | | 19.74 | |
| | Fancy Jewellery Pvt Ltd | | 7.20 | |
| ROC charges paid | Renaissance Jewelry (N.Y) Inc | | 0.03 | |
| Outstanding Receivable | Renaissance Retail | 105.92 | | |
| | Venture Pvt. Ltd. | | | |
| | Verigold Fine Jewellery | 205.05 | | |
| | Pvt Ltd | | | |
| | Renaissance Jewelry | 0.03 | | |
| | (N.Y) Inc | | | |
| Loan Recd Back | Neville R. Tata | | | 0.61 |

RENAISSANCE JEWELLERY LIMITED

| Transactions with related parties during the year ended March 31, 2007 | | | | |
|------------------------------------------------------------------------|-----------------------------------------|------------|-----------|--------------------------|
| Particulars | Names of related Parties | Subsidiary | Associate | Key management personnel |
| Remuneration | Sumit N. Shah | | | 1.21 |
| | Hitesh M. Shah | | | 0.91 |
| | Neville R. Tata | | | 1.57 |
| Repayment of | | | | |
| Unsecured Loans (net) | Hitesh M. Shah | | | 3.85 |
| Acquisition of Shares | Renaissance Retail | 9.90 | | |
| | Venture Pvt. Ltd. | | | |
| Outstanding Receivable | Renaissance Retail | 74.65 | | |
| | Venture Pvt. Ltd. | | | |
| | Neville R. Tata | | | 0.61 |
| Purchase of Raw Material | Sumit Diamond | | 10.78 | |
| Purchase of Assets | Housefull Intl Ltd | | 0.09 | |
| | Fancy Jewellery Pvt Ltd | | | 0.07 |
| Miscellaneous Expenses | Housefull Intl Ltd | | 0.59 | |
| | Fancy Jewellery Pvt Ltd | | | 0.02 |
| Sale of Fixed Assets/Moulds | Renaissance Retail Venture Pvt. Ltd. | 1.46 | | |
| Sale of Raw Materials | Verigold Fine Jewellery Pvt Ltd | 78.44 | | |
| Loan Paid | Verigold Fine Jewellery Pvt Ltd | 130.63 | | |
| | Renaissance Retail | 74.65 | | |
| | Venture Pvt. Ltd. | | | |

Renaissance Jewellery Ltd.

Rs. In millions

| Transactions with related parties during the year ended march 31, 2006 | | | | |
|------------------------------------------------------------------------|-----------------------------|------------|-----------|--------------------------|
| Particulars | Names of related Parties | Subsidiary | Associate | Key management personnel |
| Purchase of Raw Material | N.Kumar Diamond Export Ltd. | | 15.41 | |
| Remuneration | Hitesh M. Shah | | | 0.39 |
| | Sumit Shah | | | 0.20 |
| | Neville R. Tata | | | 0.26 |
| Acquisition of Shares | Renaissance Retail | | | |
| | Venture Pvt. Ltd. | 0.10 | | |
| | Verigold Fine | | | |
| | Jewellery Pvt. Ltd. | 0.10 | | |
| Repayment of Unsecured Loans (net) | Hitesh M. Shah | | | 1.22 |
| Outstanding Payable | Hitesh M. Shah | | | 3.85 |

RENAISSANCE JEWELLERY LIMITED

| Transactions with related parties during the year ended march 31, 2005 | | | | |
|------------------------------------------------------------------------|-------------------------------|------------|-----------|--------------------------|
| Particulars | Names of related Parties | Subsidiary | Associate | Key management personnel |
| Purchase of Raw material | Sumit Diamond | | 35.71 | |
| | N.Kumar Diamond Export Ltd.. | | 28.94 | |
| Remuneration | Hitesh M. Shah | | | 0.22 |
| Purchase of Fixed assets | Sumit Diamond | | 0.41 | |
| Sale of Fixed assets | Fancy Jewellery Pvt. Ltd. | | 0.14 | |
| Transactions with related parties during the year ended march 31, 2004 | | | | |
| Particulars | Names of related Parties | Subsidiary | Associate | Key management personnel |
| Purchase of Raw material | Sumit Diamond | | 13.05 | |
| | N. Kumar Diamond Export Ltd.. | | 31.42 | |
| Remuneration | Hitesh M. Shah | | | 0.22 |
| Purchase of Fixed assets | Fancy Jewellery Pvt. Ltd. | | 2.06 | |
| Sale of Fixed assets | Fancy Jewellery Pvt. Ltd. | | 0.35 | |
| Outstanding Payable | N.Kumar Diamond Export Ltd. | | 22.38 | |
| Renaissance jewellery ltd. | | | | |
| Rs. In millions | | | | |
| Transactions with related parties during the year ended march 31, 2003 | | | | |
| Particulars | Names of related Parties | Subsidiary | Associate | Key management personnel |
| Purchase of Raw material | Sumit Diamond | | 1.30 | |
| Remuneration | Hitesh M. Shah | | | 0.05 |
| Purchase of Fixed assets | Sumit Diamond | | 0.18 | |
| Sale of Fixed assets | Fancy Jewellery Pvt. Ltd. | | 0.33 | |
| Outstanding Payable | Sumit Diamond | | 0.68 | |

| ANNEXURE – V to notes | | | | | | | | |
|------------------------------------|----|----------------------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Rs. In Millions | | | | | | | | |
| Deferred Tax Assets & Liabilities. | | | | | | | | |
| Sr.No. | | Particulars | June 30, 2007 | March 31, 2007 | March 31, 2006 | March 31, 2005 | March 31, 2004 | March 31, 2003 |
| 1 | | Deferred Tax Assets | | | | | | |
| | a) | Leave Salary Payable | 2.13 | 1.94 | 1.43 | 1.24 | 1.23 | 0.91 |
| | d) | Gratuity | 3.46 | 2.93 | 2.12 | 1.38 | 0.88 | 0.25 |
| | | | 5.59 | 4.87 | 3.55 | 2.62 | 2.11 | 1.16 |
| 2 | | Deferred Tax Liabilities | | | | | | |
| | a) | Depreciation | 1.39 | 1.36 | 1.30 | 4.73 | 3.74 | 3.20 |
| 3 | | Net Deferred Tax Liability | (4.20) | (3.52) | (2.25) | 2.11 | 1.62 | 2.04 |

RENAISSANCE JEWELLERY LIMITED

| ANNEXURE – VI to note | | | | | | | |
|----------------------------|--------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Payment made to a Director | | | | | | | |
| Rs. In Millions | | | | | | | |
| Sr.No. | Particulars | June 30, 2007 | March 31, 2007 | March 31, 2006 | March 31, 2005 | March 31, 2004 | March 31, 2003 |
| | Remuneration | 0.92 | 3.87 | 0.85 | 0.22 | 0.22 | - |
| | TOTAL | 0.92 | 3.87 | 0.85 | 0.22 | 0.22 | - |

| ANNEXURE – VII to notes | | | | | | | |
|-----------------------------------------------------------------|------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Rs. In Millions | | | | | | | |
| Particulars | | June 30, 2007 | March 31, 2007 | March 31, 2006 | March 31, 2005 | March 31, 2004 | March 31, 2003 |
| Net Profit available for Equity Shareholders | Rs. | 39.38 * | 204.26 | 147.64 | 68.19 | 56.48 | 37.21 |
| No. of Equity Shares outstanding | No. | 6,517,600 | 6,517,600 | 1,629,400 | 1,629,400 | 1,629,400 | 1,629,400 |
| Bonus shares issued | No. | 6,517,600 | | 4,888,200 | - | - | - |
| Weighted Average No. of Shares after Adjustment of Bonus Shares | No. | 13,035,200 | 13,035,200 | 13,035,200 | 13,035,200 | 13,035,200 | 13,035,200 |
| Face value of Equity Shares | Rs. | 10 | 10 | 10 | 10 | 10 | 10 |
| Earning Per Share | Rs. | 3.02 | 15.67 | 11.33 | 5.23 | 4.33 | 2.85 |

* Not Annualised

RENAISSANCE JEWELLERY LIMITED

| ANNEXURE - V | | | | | | |
|--------------------------------------------------------|----------------------------------|-----------------|----------------|-----------------|----------------|----------------|
| CASH FLOW STATEMENTS | | | | | | |
| | | Rs. In Millions | | | | |
| Particulars | Period Ended June 30, 2007 | Year Ended | | | | |
| | | 2007 | 2006 | 2005 | 2004 | 2003 |
| Cashflow from operating activities | | | | | | |
| Net Profit before tax | 38.83 | 205.25 | 145.36 | 68.80 | 56.07 | 39.95 |
| ADJUSTMENTS: | | | | | | |
| Interest income | 0.01 | 0.42 | (0.33) | (0.24) | (0.18) | (0.52) |
| Dividend income | - | - | - | - | - | (0.01) |
| Share of profit from Partnership | - | (0.12) | (0.05) | (0.02) | (0.04) | - |
| Exchange fluctuation | 16.30 | 11.53 | (4.81) | 11.72 | 6.65 | 2.03 |
| Profit on Sale of Assets | - | - | - | - | (0.07) | (0.64) |
| Loss on sale of assets (Net) | 0.31 | 0.53 | 0.07 | 0.08 | 0.17 | 0.20 |
| Prior Period Adjustments | - | - | - | - | - | - |
| Depreciation | 5.86 | 26.52 | 20.90 | 18.82 | 18.74 | 20.95 |
| Interest and Financial Charges | 18.61 | 42.68 | 52.25 | 9.83 | 3.89 | 11.35 |
| Operating Profit before working capital changes | 79.92 | 286.81 | 213.39 | 108.99 | 85.23 | 73.31 |
| CHANGES IN WORKING CAPITAL | | | | | | |
| Trade & other receivable | (461.26) | (181.77) | (281.48) | (104.61) | (224.92) | 24.20 |
| Inventories | 405.61 | (143.50) | (409.14) | (120.60) | 36.20 | (131.44) |
| Trade payables | (103.73) | (207.38) | 491.69 | (36.71) | 128.14 | (14.69) |
| Cash used in operation | (79.46) | (245.84) | 14.46 | (152.93) | 24.65 | (48.62) |
| Direct taxes | (3.74) | (2.01) | (1.88) | (0.13) | (0.05) | (1.55) |
| Net cash used in operating activities (A) | (83.21) | (247.86) | 12.59 | (153.06) | 24.60 | (50.17) |
| Cash flow from investing activities | | | | | | |
| Interest income | 0.03 | (0.51) | 0.44 | 0.23 | 0.03 | 0.52 |
| Dividend Income | - | - | - | - | - | 0.01 |
| Investment in Subsidiaries | - | (9.90) | (0.20) | | | |
| Investment in Partnership | - | - | - | (3.95) | (0.28) | 2.00 |
| Preliminary Expenses | (3.65) | (5.70) | (3.04) | - | - | - |
| Drawing from Partnership Firm | - | - | 2.50 | | | |
| Purchase of fixed assets including CWIP | (5.42) | (18.34) | (62.81) | (39.71) | (19.34) | (11.28) |
| Sale of fixed assets | 0.71 | 2.48 | 1.68 | 0.49 | 0.40 | 2.56 |
| (B) | (8.33) | (31.97) | (61.43) | (42.94) | (19.19) | (6.19) |

RENAISSANCE JEWELLERY LIMITED

| Particulars | June 30, 2007 | 2007 | 2006 | 2005 | 2004 | 2003 |
|------------------------------------------------------------|------------------|---------------|--------------|---------------|---------------|---------------|
| Cash flow from financing activities | | | | | | |
| Interest Paid | (20.03) | (49.18) | (51.61) | (26.91) | (3.73) | (12.01) |
| Borrowings | 117.37 | 325.44 | 101.70 | 233.93 | 0.29 | 65.97 |
| (C) | 97.34 | 276.26 | 50.09 | 207.02 | (3.44) | 53.96 |
| Net Increase in Cash & Cash Equivalents (A+B+C) | 5.80 | (3.57) | 1.25 | 11.02 | 1.97 | (2.40) |
| NET CASH / CASH EQUIVALENT | | | | | | |
| Cash & cash Equivalent at beginning | 14.40 | 17.97 | 16.72 | 5.70 | 3.73 | 6.13 |
| Cash & cash Equivalent at the end | 20.20 | 14.40 | 17.97 | 16.72 | 5.70 | 3.73 |
| | 5.80 | (3.57) | 1.25 | 11.02 | 1.97 | (2.40) |

ANNEXURE - VI

DETAILS OF DIVIDEND PAID

Rs in Millions

| Class of Shares | Period Ended June 30, 2007 | Year Ended | | | | |
|-----------------|----------------------------------|------------|------|------|------|------|
| | | 2007 | 2006 | 2005 | 2004 | 2003 |
| Equity | NIL | NIL | NIL | NIL | NIL | NIL |
| - Interim | | | | | | |
| - Final | | | | | | |

ANNEXURE – VII

ACCOUNTING RATIOS

Amt In Millions

| Particulars | Period Ended June 30, 2007 | Year Ended | | | | |
|------------------------------------------------------------------|----------------------------------|------------|------------|------------|------------|------------|
| | | 2007 | 2006 | 2005 | 2004 | 2003 |
| Earning per share (Rs) | 3.02* | 15.67 | 11.33 | 5.23 | 4.33 | 2.85 |
| Net Asset value per share (Rs) | 64.19 | 61.45 | 46.22 | 35.12 | 29.89 | 25.56 |
| Return on Net Worth (%) | 4.71* | 25.50 | 24.51 | 14.89 | 14.50 | 11.17 |
| Weighted average number of equity shares in the period (in nos.) | 13,035,200 | 13,035,200 | 13,035,200 | 13,035,200 | 13,035,200 | 13,035,200 |

* Not Annualized

Note : The significant accounting ratios as given above are computed considering the face value of Equity Shares @ Rs. 10/- per share in terms of resolution passed on 26th October, 2005, and considering the bonus shares issued in the ratio of 3 shares for every 1 share held.

Earning per share (Rs.) = $\frac{\text{Net profit attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the period.}}$

Net Asset Value per share (Rs.) = $\frac{\text{Net Worth excluding revaluation reserve at the end of the period/year}}{\text{Weighted average number of equity shares outstanding during the period.}}$

Return on Net Worth = $\frac{\text{Net profit attributable to equity shareholders} \times 100}{\text{Net Worth excluding revaluation reserve at the end of the period/year}}$

RENAISSANCE JEWELLERY LIMITED

| ANNEXURE – VIII | | | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------|---------------|---------------|---------------|---------------|
| CAPITALISATION STATEMENT | | | | | | |
| Rs. In Millions | | | | | | |
| | Period Ended | Year Ended | | | | |
| Particulars | June 30, 2007 | 2007 | 2006 | 2005 | 2004 | 2003 |
| Borrowings : | | | | | | |
| Short Term Debt ** | 1,021.92 | 904.54 | 579.11 | 477.40 | 243.48 | 243.18 |
| Long Term Debt*** | - | - | - | - | - | - |
| Total Debt | 1,021.92 | 904.54 | 579.11 | 477.40 | 243.48 | 243.18 |
| Shareholders' Funds | | | | | | |
| Share Capital | 130.35 | 65.18 | 65.18 | 16.29 | 16.29 | 16.29 |
| Reserves | 718.77 | 744.56 | 540.30 | 441.55 | 373.36 | 316.88 |
| Less: Misc. Expenditure | 12.39 | 8.74 | 3.04 | - | - | - |
| Total Shareholders' Funds | 836.73 | 801.00 | 602.44 | 457.85 | 389.66 | 333.17 |
| Total Capitalisation | 1,858.65 | 1,705.54 | 1,181.55 | 935.25 | 633.14 | 576.35 |
| Long-Term Debt/Equity ratio | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Total Debt/Equity ratio | 1.22 | 1.13 | 0.96 | 1.04 | 0.62 | 0.73 |
| ** Short-term Debts are loans taken from Financial Institute/Banks for working Capital requirement and are due within one year from the date of above statement. | | | | | | |
| *** The Company has no long-term debts during the period under review | | | | | | |

| ANNEXURE – IX | | | | | |
|------------------------------------------------------------|-------------------------|-----------|-----------|-----------|-----------|
| STATEMENT OF TAX SHELTER | | | | | |
| Rs. In Millions | | | | | |
| Particulars | Financial Year ended on | | | | |
| | 31-Mar-07 | 31-Mar-06 | 31-Mar-05 | 31-Mar-04 | 31-Mar-03 |
| Profit/(Loss) Before Tax But After Extraordinary Items (A) | 205.23 | 145.36 | 68.80 | 56.07 | 39.95 |
| Tax Rate (%) (B) | 33.66 | 33.66 | 36.59 | 35.88 | 36.75 |
| Tax thereon (C) = (A x B) | 69.08 | 48.93 | 25.17 | 20.12 | 14.68 |
| <u>Adjustments:</u> | | | | | |
| <i>Permanent Difference</i> | | | | | |
| Deduction u/s 10A | (212.96) | (160.00) | (65.98) | (61.80) | (35.00) |
| Other Adjustments | - | - | - | - | - |
| Total Permanent Difference (D) | (212.96) | (160.00) | (65.98) | (61.80) | (35.00) |
| <i>Timing Difference</i> | | | | | |
| Depreciation | 7.86 | 0.50 | (1.44) | (0.90) | (0.10) |
| Other Adjustments | 3.80 | 2.62 | (1.15) | 6.62 | (0.95) |
| Total Timining Difference (E) | 11.66 | 3.12 | (2.59) | 5.72 | (1.05) |
| Net Adjustments (F) = (D+E) | (201.30) | (156.88) | (68.57) | (56.08) | (36.05) |
| Tax Expenses/(Saving) thereon (G) = (FxB) | (67.76) | (52.81) | (25.09) | (20.12) | (13.25) |
| Total Tax (Current Tax) (H) = (C+G) | 1.32 | - | 0.08 | - | 1.43 |
| Book Profit (Taxable income as per MAT) (I) | 2.31 | (10.75) | - | - | 3.99 |
| Tax as per MAT (J) | 0.23 | - | - | - | 0.30 |
| Tax (K) = Higher of (H) or (J) | 1.32 | - | 0.08 | - | 1.43 |
| Exceptional Items (M) | | | | - | - |
| Tax on Profit after Exceptional Items (N) = (K+M) | 1.32 | - | 0.08 | - | 1.43 |

RENAISSANCE JEWELLERY LIMITED

| ANNEXURE – X | | | | | | |
|------------------------------------|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Rs.In Millions | | | | | | |
| Schedule of other income | Period Ended June 30, 2007 | Year Ended | | | | |
| | | 2007 | 2006 | 2005 | 2004 | 2003 |
| Dividend on trade Investment | - | - | - | - | 0.00 | 0.01 |
| Share of profit from partnership | - | 0.12 | 0.05 | 0.02 | 0.04 | - |
| Jewellery making charges | - | - | - | 0.00 | - | 0.48 |
| Interest Received | 0.01 | 0.42 | 0.33 | 0.24 | 0.18 | 0.52 |
| Profit on sale of Assets | - | - | - | 0.00 | 0.07 | 0.64 |
| Misc.Income | - | 0.12 | 0.02 | 0.30 | 0.48 | 0.05 |
| Exchange Fluctuations in PCFC/PSFC | 51.35 | - | - | - | - | - |
| Discount Received | - | 0.18 | 0.14 | - | 0.00 | 0.01 |
| Sundry Balances Written off | - | - | - | - | 0.26 | 0.03 |
| TOTAL | 51.36 | 0.84 | 0.54 | 0.56 | 1.04 | 1.74 |

| ANNEXURE – XI | | | | | | |
|-----------------------------------------------------------|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| STATEMENT OF SUNDRY DEBTORS | | | | | | |
| Rs. in Millions | | | | | | |
| Particulars | Period Ended June 30, 2007 | Year Ended | | | | |
| | | 2007 | 2006 | 2005 | 2004 | 2003 |
| (Unsecured, Considered Good unless and other wise stated) | | | | | | |
| Outstanding for more than six months | | | | | | |
| - Subsidiary Companies | - | - | - | - | - | - |
| - Others | 0.97 | 6.03 | 1.78 | 1.67 | 0.03 | - |
| Others | | | | | | |
| - Subsidiary Companies | 31.20 | - | - | - | - | - |
| - Others | 1,145.88 | 939.70 | 854.25 | 585.32 | 471.65 | 263.26 |
| | 1,178.05 | 945.72 | 856.03 | 586.99 | 471.68 | 263.26 |

RENAISSANCE JEWELLERY LIMITED

| ANNEXURE – XII | | | | | | |
|--------------------------------------------------------------------------------|----------------------------------|---------------|--------------|--------------|-------------|-------------|
| STATEMENT OF LOANS & ADVANCES | | | | | | |
| Rs.in Millions | | | | | | |
| Particulars | Period Ended June 30, 2007 | Year Ended | | | | |
| | | 2007 | 2006 | 2005 | 2004 | 2003 |
| Advances Recoverable in Cash or in Kind or for the value to be received | | | | | | |
| Deposit | 2.90 | 2.74 | 2.21 | 2.16 | 1.23 | 0.97 |
| Staff Advance | 1.80 | 2.56 | 7.67 | 2.11 | 2.88 | 1.48 |
| Loan to Subsidiary companies | 279.77 | 74.65 | - | - | - | - |
| Advance to Suppliers | 1.86 | 0.32 | 2.17 | 0.63 | 0.72 | - |
| Taxes | 0.09 | 0.89 | 1.13 | 1.44 | - | - |
| MAT Credit Receivable | 4.40 | - | - | - | - | - |
| Others | 33.01 | 24.62 | 9.83 | 3.86 | 3.40 | 1.89 |
| | 323.83 | 105.78 | 23.01 | 10.20 | 8.23 | 4.34 |

| ANNEXURE – XIII | | | | | | |
|---------------------------------------|----------------------------------|------------|-------------|-------------|-------------|--------------|
| UNSECURED LOANS | | | | | | |
| Rs. In Millions | | | | | | |
| Particulars | Period Ended June 30, 2007 | Year Ended | | | | |
| | | 2007 | 2006 | 2005 | 2004 | 2003 |
| From Bodies Corporate | - | - | - | - | - | - |
| Security from Staff & Customers | - | - | - | - | - | - |
| Fixed Deposits | - | - | - | - | - | - |
| Redeemable Non-Convertible Debentures | - | - | - | - | - | - |
| From Directors | - | - | 3.85 | 2.63 | 8.99 | 22.36 |
| Others | | | | | | |
| TOTAL | - | - | 3.85 | 2.63 | 8.99 | 22.36 |

RENAISSANCE JEWELLERY LIMITED

| ANNEXURE - XIV | | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| SECURED LOANS | | | | | | |
| Rs. In Millions | | | | | | |
| Particulars | Period Ended June 30, 2007 | Year Ended | | | | |
| | | 2007 | 2006 | 2005 | 2004 | 2003 |
| Term Loan | - | - | - | - | - | - |
| Working Capital Loan | 1,021.92 | 904.54 | 575.26 | 474.77 | 234.49 | 220.82 |
| TOTAL | 1,021.92 | 904.54 | 575.26 | 474.77 | 234.49 | 220.82 |
| <p>Security Details :1) Hypothecation of Stocks & Receivables. 2) Factory Building at 36A & 37, SEEPZ-SEZ, Andheri (East), Mumbai - 400 096 3) Bhavnagar Unit at Plot No. 2302, Hill Drive, Talaja Road, Bhavnagar - 364002 4) Hypothecation of Plant & Machinery, Furniture & Fixtures, Electrical Installations, Office Equipments etc.,</p> <p>Directors Guarantee Details : All fund based and non fund based facilities guaranteed (Joint & Several guarantee) by : a) Shri Niranjana Amritlal Shah b) Shri Amit Chandrakant Shah c) Shri Bhupen Chandrakant Shah d) Shri Sumit Niranjana Shah e) Shri Hitesh Mahendra Shah The Company shall not pay any guarantee commission to the guarantors.</p> <p>Repayment schedule : As and when the payment comes we repay the loan & take fresh loan. EPC / PCFC - 90 Days PSC / PSFC - 120 Days</p> | | | | | | |

| ANNEXURE - XV | | | | | | | |
|----------------------------|------------------------------|----------------------------------|------------|-------|-------|-------|------|
| RELATED PARTY TRANSACTIONS | | | | | | | |
| Rs. In Millions | | | | | | | |
| Particulars | Related party | Period Ended June 30, 2007 | Year Ended | | | | |
| | | | 2007 | 2006 | 2005 | 2004 | 2003 |
| Purchase of Raw Material | N.Kumar Diamond Export Ltd | - | - | 15.41 | 28.94 | 31.42 | - |
| | Fancy Jewellery Pvt Ltd | 7.20 | | | | | |
| | Sumit Diamond | 19.74 | 10.78 | - | 35.71 | 13.05 | 1.30 |
| Purchase of Fixed asset | Sumit Diamond | - | - | - | 0.41 | - | 0.18 |
| | Fancy Jewellery Pvt Ltd | - | - | - | - | 0.21 | - |
| Miscellaneous Expenses | Housefull International Ltd. | - | 0.59 | - | - | - | - |
| Purchase of Asset | Housefull International Ltd. | - | 0.09 | - | - | - | - |
| Purchase of Asset | Fancy Jewellery Pvt Ltd | - | 0.07 | - | - | - | - |
| Sale of fixed asset | Fancy Jewellery Pvt Ltd | - | - | - | 0.14 | 0.35 | 0.33 |
| Miscellaneous Expenses | Fancy Jewellery Pvt Ltd | - | 0.02 | - | - | - | - |

RENAISSANCE JEWELLERY LIMITED

| Particulars | Related party | Period Ended June 30, 2007 | Year Ended | | | | |
|----------------------------|------------------------------------|----------------------------------|------------|------|------|-------|------|
| | | | 2007 | 2006 | 2005 | 2004 | 2003 |
| ROC Expenses | Renaissance Jewelry (New York) | 0.03 | - | - | - | - | - |
| Sales - Raw Materials | Verigold Fine Jewellery Pvt Ltd | 31.08 | 78.44 | - | - | - | - |
| Loan Paid | Verigold Fine Jewellery Pvt Ltd | 173.85 | 130.63 | - | - | - | - |
| Sale of fixed asset/ mould | Renaissance Retail Venture Pvt Ltd | - | 1.46 | - | - | - | - |
| Loan Paid | Renaissance Retail Venture Pvt Ltd | 105.95 | 74.65 | - | - | - | - |
| Unsecured Loans (Net) | Hitesh M. Shah | - | 3.85 | 1.22 | - | - | - |
| Outstanding Receivable | Renaissance Retail Venture Pvt Ltd | 105.92 | 74.65 | - | - | - | - |
| Outstanding Receivable | Verigold Fine Jewellery Pvt Ltd | 173.85 | - | - | - | - | - |
| Outstanding Receivable | Verigold Fine Jewellery Pvt Ltd | 31.20 | - | - | - | - | - |
| Outstanding Receivable | Renaissance Jewelry (New York) | 0.03 | - | - | - | - | - |
| Outstanding Payable | N.Kumar Diamond Export Ltd | - | - | - | - | 22.38 | 0.68 |
| Outstanding Payable | Hitesh M. Shah | - | - | 3.85 | - | - | - |
| Remuneration | Hitesh Shah | 0.23 | 0.91 | 0.39 | 0.22 | 0.22 | 0.05 |
| Remuneration | Sumit Shah | 0.30 | 1.21 | 0.20 | - | - | - |
| Remuneration | Neville Tata | 0.39 | 1.57 | 0.26 | - | - | - |
| Loan Recd Back | Neville Tata | 0.61 | - | - | - | - | - |
| Outstanding Receivable | Neville Tata | - | 0.61 | - | - | - | - |
| Acquisition of Shares | Renaissance Retail Venture Pvt Ltd | - | 9.90 | - | - | - | - |
| Acquisition of Shares | Hitesh M. Shah | - | - | 0.03 | - | - | - |
| Acquisition of Shares | Niranjan Shah | - | - | 0.06 | - | - | - |
| Acquisition of Shares | Sumit Shah | - | - | 0.07 | - | - | - |
| Acquisition of Shares | Amit Shah | - | - | 0.01 | - | - | - |
| Acquisition of Shares | Bhupen Shah | - | - | 0.01 | - | - | - |
| Acquisition of Shares | Leshna Shah | - | - | 0.01 | - | - | - |
| Acquisition of Shares | Suchita Shah | - | - | 0.02 | - | - | - |

RENAISSANCE JEWELLERY LIMITED

| Annexure - XVI | | | | | | |
|----------------------------------------------------------------------------|----------------------------------|--------------|-------------|-------------|-------------|-------------|
| Details of Aggregate value & market value of quoted / Unquoted investment. | | | | | | |
| Rs. In Millions | | | | | | |
| Particulars | Period Ended June 30, 2007 | Year Ended | | | | |
| | | 2007 | 2006 | 2005 | 2004 | 2003 |
| A) Trade (Quoted) | - | - | - | - | - | - |
| Total (A) | - | - | - | - | - | - |
| B) Trade (Unquoted) | | | | | | |
| The Saraswat Co-operative Bank Ltd | - | - | - | - | - | 0.03 |
| KBS Designs | - | - | - | - | - | - |
| Sumit Diamond | - | 1.98 | 1.86 | 4.31 | 0.34 | - |
| Total (B) | - | 1.98 | 1.86 | 4.31 | 0.34 | 0.03 |
| C) In Subsidiary Company (Unquoted) | | | | | | |
| Renaissance Retail Venture Pvt Ltd | 10.00 | 10.00 | 0.10 | - | - | - |
| Verigold Fine Jewellery Pvt Ltd | 0.10 | 0.10 | 0.10 | - | - | - |
| Total (C) | 10.10 | 10.10 | 0.20 | - | - | - |
| Total (A+B+C) | 10.10 | 12.08 | 2.06 | 4.31 | 0.34 | 0.03 |

RENAISSANCE JEWELLERY LIMITED

| RENAISSANCE RETAIL VENTURE PRIVATE LIMITED | | | ANNEXURE-XVII | |
|------------------------------------------------------------|-------------------------------|----------------|-----------------|--|
| RESTATED PROFIT AND LOSS ACCOUNT. | | | Rs. in Millions | |
| Particulars | Period Ended June 30, 2007 | Year Ended | | |
| | | 2007 | 2006 | |
| INCOME | | | | |
| Sales | 15.40 | 18.73 | - | |
| Other Income | 0.03 | 0.01 | - | |
| Total | 15.43 | 18.74 | - | |
| EXPENDITURES | | | | |
| Raw Material Consumed | 14.29 | 9.75 | - | |
| Purchase of Traded Goods | 3.85 | 6.88 | - | |
| Decretion/ (Accretion) to Inventories | (6.67) | (21.13) | - | |
| Staff Cost | 4.06 | 11.35 | 1.21 | |
| Administration Expenses | 7.79 | 22.70 | 0.64 | |
| Preliminary Expenses | 0.01 | 0.04 | | |
| Total | 23.34 | 29.59 | 1.85 | |
| Particulars | Period Ended June 30, 2007 | Year Ended | | |
| | | 2007 | 2006 | |
| Profit Before Interest, Depreciation and Income Tax | (7.91) | (10.85) | (1.85) | |
| Interest and Financial charges | 0.06 | 0.20 | 0.01 | |
| Depreciation | 0.57 | 2.35 | - | |
| Net Profit before tax and Extra- Ordinary items | (8.54) | (13.40) | (1.86) | |
| Taxation | | | | |
| Deferred Tax | (2.58) | (4.45) | - | |
| Fringe benefits tax | | | | |
| - Current Year | 0.03 | 0.11 | 0.01 | |
| - Earlier Year | - | 0.00 | | |
| Net Profit before Extra-ordinary items | (6.00) | (9.06) | (1.86) | |
| Extra-ordinary items | | | - | |
| Net Profit after Extra-ordinary items | (6.00) | (9.06) | (1.86) | |

RENAISSANCE JEWELLERY LIMITED

ANNEXURE-XVII

| RESTATED BALANCE SHEET | | Rs. in Millions | |
|-----------------------------------------------------|-------------------------------|-----------------|---------------|
| Particulars | Period Ended June 30, 2007 | Year Ended | |
| | | 2007 | 2006 |
| A FIXED ASSETS | | | |
| Gross Block | 23.68 | 19.26 | - |
| Less: Depreciation | 2.92 | 2.35 | - |
| Net Block | 20.76 | 16.91 | - |
| Capital Work in Progress | - | - | 4.08 |
| Total Rs. | 20.76 | 16.91 | 4.08 |
| B CURRENT ASSETS LOANS & ADVANCES | | | |
| Inventories | 52.16 | 43.85 | 0.05 |
| Debtors | 11.61 | 0.21 | 0.00 |
| Cash & Bank Balance | 6.01 | 3.70 | 0.98 |
| Loans & Advances | 10.91 | 10.26 | 4.66 |
| Total Rs. | 80.69 | 58.02 | 5.69 |
| C LIABILITIES & PROVISIONS | | | |
| Unsecured Loans | 105.92 | 74.65 | 7.16 |
| Current Liabilities & Provisions | 9.61 | 5.79 | 4.56 |
| Deferred Tax Liability | (7.03) | (4.45) | - |
| Total Rs. | 108.50 | 75.99 | 11.72 |
| NET WORTH (A + B - C) | (7.05) | (1.06) | (1.95) |
| D REPRESENTED BY: | | | |
| Equity Shares | 10.00 | 10.00 | 0.10 |
| Reserves & Surplus | - | - | - |
| Total Rs. | 10.00 | 10.00 | 0.10 |
| E MISC EXPENDITURE NOT W/OFF | (0.14) | (0.14) | (0.18) |
| F DEBIT BALANCE IN PROFIT & LOSS ACCOUNT | (16.91) | (10.92) | (1.87) |
| NET WORTH (D + E+F) | (7.05) | (1.06) | (1.95) |

RENAISSANCE JEWELLERY LIMITED

RENAISSANCE RETAIL VENTURE PRIVATE LIMITED

ANNEXURE XVII

SIGNIFICANT ACCOUNTING POLICIES:

a) General

The Accounts have been prepared on historical cost basis ignoring changes, if any, in the purchasing power of money. All revenues and expenses are accounted on accrual basis except to the extent stated otherwise.

b) Inventories

- i) Raw Materials are valued at lower of cost or market value. Cost is computed on FIFO Basis.
- ii) Finished Goods are valued at lower of Cost or Net Realisable Value. Cost includes cost of material, labour, other direct cost and related production.
- iii) Silver Models are valued based on technical estimates and accordingly, 50% is written off in the year of purchase and balance in the subsequent year.

c) Fixed Assets and Depreciation

Fixed assets are stated at cost of acquisition/construction, less accumulated depreciation. Depreciation is provided on Written Down Value basis at the rates prescribed in Schedule XIV to The Act. Depreciation on additions/ deletions are calculated pro-rata from the month of additions/ deletions.

d) Borrowing Cost

Borrowing Cost directly attributable to the acquisition of or construction of fixed assets are capitalized as part of cost of the assets up to the date the asset is put to use. Other borrowing costs are charged to the profit & loss account in the year in which they are incurred.

e) Retirement Benefits

Leave Encashment

Provisional Liability for leave encashment is made for unavailed accumulated leave balances of the employees on the basis of their current salaries.

f) Foreign Currency Transactions

Transactions in foreign currency are accounted at the exchange rate prevailing at the time of transaction.

Gains or Losses upon settlement of transaction during the year is recognised in the profit and loss account.

Assets and liabilities denominated in foreign currency are restated at the year end rates. Gains or losses arising as a result of the above are recognized in the profit and loss account.

In respect of foreign exchange transactions covered by forward exchange contracts, the difference between the forward contract rate and the exchange rate at the date of the transaction is recognised as income or expenses over the life of contracts.

Gains or losses on cancellation or renewal of forward exchange contracts are recognised as income or expenses.

g) Income Tax:

Tax expenses comprise of current, deferred and fringe benefit tax.

Provision for current income tax and fringe benefit tax is made on the basis of relevant provisions of Income Tax Act, 1961 as applicable to the financial year.

Deferred Tax is recognized subject to the consideration of prudence on timing differences, being the difference between taxable Income and Accounting Income that originate in one period and are capable of reversal in one or more subsequent periods.

h) Impairment of Assets

Where there is an indication that an asset is impaired, the recoverable amount if any, is estimated and the impairment loss is recognized to the extent carrying amount exceeds recoverable amount.

i) Contingent Liabilities

Contingent Liabilities are not provided and are disclosed by way of notes on accounts.

RENAISSANCE JEWELLERY LIMITED

NOTES TO ACCOUNTS:

1. In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business. Provisions for all the known liabilities and depreciation are adequate and not in excess of the amount reasonably necessary.

2. Contingent Liabilities not provided for :

| Particulars | Rupees in Millions | |
|----------------------------------------------------|----------------------------------|-----------------------------------|
| | As at June 30, 2007 Rupees | As at March 31, 2007 Rupees |
| Guarantees given by Banks on behalf of the Company | 1.53 | 1.40 |

3. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance) Rs.1.26 (Previous Year Rs. Nil).

4. **Transaction with related party:**

Related party Disclosure as required by Accounting Standard 18 issued by the Institute of Chartered Accountants of India is as under:

a) Key Management Personnel:

Mr.Niranjan A. Shah

Mr.Sumit N. Shah

Mr.Hitesh M. Shah

b) Holding Company

Renaissance Jewellery Limited.

c) Associate Concerns / Companies under Control of Key Management Personnel & Relatives

N. Kumar Diamonds Exports Limited.

Verigold Fine Jewellery Private Limited.

Fancy Jewellery Private Limited.

Housefull International Limited.

Anika Jewellery Private Limited.

M/s Sumit Diamond

d) Details of transactions with related Parties :

| Transaction with related parties | Holding Company | Associated Companies / Concerns | Rupees in Millions | |
|----------------------------------------|--------------------|---------------------------------------|-----------------------------|--|
| | | | Key Management Personnel | |
| Purchase of Assets/Moulds | - | 2.67 | - | |
| Sale of Materials / Finished Goods | - | 0.02 | - | |
| Purchase of Materials / Finished Goods | - | 0.66 | - | |
| Unsecured Loan (Net) | 105.92 | - | | |
| Outstanding Payable | 105.92 | 3.33 | - | |

5. **Segment Reporting:**

Company has only one business segment viz. Jewellery.

RENAISSANCE JEWELLERY LIMITED

6. Deferred Tax:

Major components of deferred tax assets and liabilities on account of timing difference are as below:

| Rupees in Millions | | |
|---------------------------------------|----------------------|------------------|
| Deferred Tax Assets | JUNE 30, 2007 | 2006-2007 |
| Unabsorbed Depreciation/Business Loss | 7.61 | 4.51 |
| Disallowance U/s 40(a) (ia) | 0.01 | 0.15 |
| Leave encashment u/s 43B | 0.15 | 0.11 |
| | 7.77 | 4.77 |
| Deferred Tax Liabilities | | |
| Depreciation | 0.73 | 0.32 |
| | 0.73 | 0.32 |
| Deferred Tax Credit | 7.03 | 4.45 |

7. Small Scale Industries

The suppliers' invoices or other documents furnished by them do not give any ostensible information about their status and in particular, whether a small scale industrial undertaking (SSI Units). Accordingly it is not possible to disclose any authentic information due to SSI units.

In the absence of necessary information with the company relating to the registration status of the suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said Act could not be compiled and disclosed.

There is no liability for interest which would be payable under 'The Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Ordinance 1992'. Moreover, the Company has also not received any claims in respect of Interest.

8. **Earning per share (EPS) is computed in accordance with the Accounting Standard 20 issued by the Institute of Chartered Accountants of India as under:**

| Rupees in Millions | | | |
|-------------------------------------------------------|------------|----------------------|------------------|
| | | JUNE 30, 2007 | 2006-2007 |
| Net Profit/(Loss) available for Equity Shareholders | Rs. | (6.00) | (9.05) |
| No. of Equity Shares as at April 1, 2007 | No. | 1,000,000 | 10,000 |
| No. of Equity Shares outstanding as at March 31, 2007 | No. | 1,000,000 | 1,000,000 |
| Weighted Average No. of Equity Shares | No. | 1,000,000 | 934,905 |
| Face value of Equity Shares | Rs. | 10 | 10 |
| Earning Per Share | Rs. | (6.00) * | (9.68) |

* Not Annualized

RENAISSANCE JEWELLERY LIMITED

| VERIGOLD FINE JEWELLERY PRIVATE LIMITED | | | |
|------------------------------------------------------------|-------------------------------|---------------|---------------|
| ANNEXURE-XVIII | | | |
| PROFIT AND LOSS ACCOUNT | | | |
| Rs. in Millions | | | |
| Particulars | Period Ended June 30, 2007 | Year Ended | |
| | | 2007 | 2006 |
| INCOME | | | |
| Sales | | | |
| Of Products manufactured by the Company | 279.70 | 561.74 | 202.01 |
| Total | 279.70 | 561.74 | 202.01 |
| Other Income | 0.01 | 0.48 | 0.05 |
| Total Income | 279.71 | 562.22 | 202.06 |
| EXPENDITURES | | | |
| Raw Material Consumed | 232.44 | 471.38 | 178.43 |
| Staff Cost | 5.21 | 18.71 | 6.80 |
| Other Manufacturing expenses | 1.59 | 7.22 | 3.82 |
| Administration Expenses & | 0.50 | 2.30 | 1.02 |
| Selling and Distribution Expenses | 0.13 | 0.57 | 0.31 |
| Total | 239.87 | 500.18 | 190.38 |
| Profit Before Interest, Depreciation and Income Tax | 39.84 | 62.04 | 11.68 |
| Interest and Financial charges | 0.44 | 0.88 | 0.27 |
| Depreciation | 0.56 | 2.46 | 1.51 |
| Net Profit before tax and Extra- Ordinary items | 38.84 | 58.70 | 9.90 |
| Taxation | | | |
| Current tax | 0.01 | 0.02 | 0.02 |
| Earlier year's tax | - | - | - |
| Fringe benefits tax | - | 0.01 | 0.01 |
| Deferred tax | (0.04) | (0.16) | 0.06 |
| Net Profit before Extra-ordinary items (net of tax) | 38.87 | 58.83 | 9.81 |
| Extra-ordinary items (net of tax) | - | - | - |
| Net Profit after Extra-ordinary items | 38.87 | 58.83 | 9.81 |

RENAISSANCE JEWELLERY LIMITED

| VERIGOLD FINE JEWELLERY PRIVATE LIMITED | | | |
|----------------------------------------------|-------------------------------|---------------|---------------|
| BALANCE SHEET | | | |
| Rs. in Millions | | | |
| Particulars | Period Ended June 30, 2007 | Year Ended | |
| | | 2007 | 2006 |
| A FIXED ASSETS | | | |
| Gross Block | 18.89 | 18.84 | 17.06 |
| Less: Depreciation | 4.53 | 3.97 | 1.51 |
| Net Block | 14.36 | 14.87 | 15.55 |
| Capital Work in Progress | - | - | - |
| Incidental Expenditure Pending Allocation | - | - | - |
| | 14.36 | 14.87 | 15.55 |
| B CURRENT ASSETS LOANS & ADVANCES | | | |
| Inventories | 31.38 | 101.76 | 78.16 |
| Sundry Debtors | 307.00 | 37.75 | 21.35 |
| Cash & Bank Balance | 5.56 | 5.22 | 14.34 |
| Loans & Advances | 3.12 | 1.51 | 3.19 |
| Total Rs. | 347.06 | 146.24 | 117.04 |
| C LIABILITIES & PROVISIONS | | | |
| Unsecured Loans | 173.85 | - | 2.00 |
| Current Liabilities & Provisions | 80.12 | 92.47 | 120.63 |
| Deferred Tax Liability / (Reserve) | (0.14) | (0.09) | 0.06 |
| Total Rs. | 253.83 | 92.38 | 122.69 |
| NET WORTH (A + B – C) | 107.59 | 68.73 | 9.90 |
| D REPRESENTED BY: | | | |
| Equity Shares | 0.10 | 0.10 | 0.10 |
| Reserves & Surplus | 107.50 | 68.64 | 9.81 |
| Total Rs. | 107.60 | 68.74 | 9.91 |
| E MISC EXPENDITURE NOT W/OFF | 0.01 | 0.01 | 0.01 |
| NET WORTH (D - E) | 107.59 | 68.73 | 9.90 |

VERIGOLD FINE JEWELLERY PRIVATE LIMITED

ANNEXURE XVIII

SIGNIFICANT ACCOUNTING POLICIES:

a) General

The Accounts have been prepared on historical cost basis ignoring changes, if any, in the purchasing power of money.

All revenues and expenses are accounted on accrual basis except to the extent stated otherwise.

b) Fixed Assets and Depreciation

Fixed assets are stated at cost of acquisition/construction, less accumulated depreciation. Depreciation is provided on Written Down Value basis at the rates prescribed in Schedule XIV to The Act.

c) Inventories

Classification:

Due to the short period of processing and/or manufacturing, difficulty in identifying the stages of process and the insignificant impact on valuation, goods in process is classified as raw materials for the purpose of classification and valuation.

Valuation:

- i) Stores and spares are valued at cost. The cost is computed on moving weighted average.
- ii) Raw materials are valued at cost on a specific identification basis.

d) Retirement Benefits

Leave Encashment

Provision for leave encashment is made for unavailed accumulated leave balances of the employees on the basis of their current salaries.

e) Foreign Currency Transactions

Transactions in foreign currency are accounted at the exchange rate prevailing at the time of transaction.

Gains or Losses upon settlement of transaction during the year is recognised in the profit and loss account.

Assets and liabilities denominated in foreign currency are restated at the year end rates. Gains or losses arising as a result of the above are recognized in the profit and loss account.

In respect of foreign exchange transactions covered by forward exchange contracts, the difference between the forward contract rate and the exchange rate at the date of the transaction is recognised as income or expenses over the life of contracts.

Gains or losses on cancellation or renewal of forward exchange contracts are recognised as income or expenses.

f) Income Tax:

Tax expenses comprise of current, deferred and fringe benefit tax.

Provision for current income tax and fringe benefit tax is made on the basis of relevant provisions of Income Tax Act, 1961 as applicable to the financial year.

Deferred Tax is recognized subject to the consideration of prudence on timing differences, being the difference between taxable Income and Accounting Income that originate in one period and are capable of reversal in one or more subsequent periods.

g) Borrowing Cost

Borrowing Cost directly attributable to the acquisition of or construction of fixed assets are capitalized as part of cost of the assets up to the date the asset is put to use. Other borrowing costs are charged to the profit & loss account in the year in which they are incurred.

h) Contingent Liabilities

Contingent Liabilities are not provided and are disclosed by way of notes on accounts.

RENAISSANCE JEWELLERY LIMITED

NOTES TO ACCOUNTS:

1. In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business. Provisions for all the known liabilities and depreciation are adequate and not in excess of the amount reasonably necessary.

Rupees in Millions

| 2. Contingent Liabilities at the period-end not provided forIn respect of: | As at June 30, 2007 Rupees | As at March 31, 2007 Rupees |
|----------------------------------------------------------------------------|----------------------------------|-----------------------------------|
| i) Guarantees given by Banks on behalf of the Company to third parties. | 0.76 | 0.76 |

3. **Transaction with related party:**

Related party Disclosure as required by Accounting Standard 18 issued by the Institute of Chartered Accountants of India is as under:

e) **Key Management Personnel:**

Mr.Niranjan A. Shah

Mr.Amit C. Shah

Mr.Bhupen C. Shah

Mr.Sumit N. Shah

Mr.Hitesh M. Shah

f) **Holding Company:**

Renaissance Jewellery Ltd.

g) **Associate Concerns / Companies under Control of Key Management Personnel & Relatives**

N. Kumar Diamonds Exports Ltd

Fancy Jewellery Private Ltd.

Renaissance Retail Venture Pvt. Ltd.

Housefull International Ltd.

Anika Jewellery Private Ltd.

M/s Sumit Diamonds

Renaissance Jewelry New York Inc.

h) **Details of transactions with related Parties :**

Rupees in Millions

| Transaction with related parties | Holding Companies | Associated Companies / Concerns | Key Management Personnel |
|----------------------------------|----------------------|---------------------------------------|--------------------------------|
| Purchase of Raw Materials | 31.08 | - | - |
| Loan Received | 173.85 | - | - |
| O/S Payable | 205.05 | - | - |

RENAISSANCE JEWELLERY LIMITED

4. Disclosure regarding exposure of the company in respect of outstanding foreign currency transaction as on the date of Balance Sheet, which are not hedged by a derivative instrument or otherwise.

Amount in Millions

| | | As at 30-06-2007 | | 2006-2007 | |
|----------|--------------------|------------------|--------|------------------|--------------|
| | | Foreign Currency | Rupees | Foreign Currency | Rupees |
| A | Payable | | | | |
| | In US Dollars (\$) | 1.86 | 75.65 | 2.04 | 90.43 |
| B | Receivable | | | | |
| | In US Dollars (\$) | 7.54 | 307.05 | 0.87 | 37.75 |

5. Segment Reporting:

Company has only one business segment viz. Jewellery.

6. Deferred Taxation:

Major components of deferred tax assets and liabilities on account of timing difference are as below:

Rupees in Millions

| | As at 30-06-2007 | As at 31-03-2007 |
|----------------------------------------|------------------|------------------|
| Deferred Tax Assets | | |
| Leave Salary Payable | 0.21 | 0.19 |
| Total | 0.21 | 0.19 |
| Deferred Tax Liabilities | | |
| Timing Difference u/s 10AA | 0.08 | 0.10 |
| Total | 0.08 | 0.10 |
| Net Liability / (Asset) | (0.14) | (0.09) |
| Net Provision/(Credit) during the year | (0.04) | (0.16) |

7. Small Scale Industries

The suppliers' invoices or other documents furnished by them do not give any ostensible information about their status and in particular, whether a small scale industrial undertaking (SSI Units). Accordingly it is not possible to disclose any authentic information due to SSI units.

In the absence of necessary information with the company relating to the registration status of the suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said Act could not be compiled and disclosed.

There is no liability for interest which would be payable under 'The Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Ordinance 1992'. Moreover, the Company has also not received any claims in respect of Interest.

8. Earning per share (EPS) is computed in accordance with the Accounting Standard 20 issued by the Institute of Chartered Accountants of India as under:

Rupees in Millions

| | As at 30-06-2007 | 2006-2007 |
|--------------------------------------------|-------------------|-----------------|
| No. of Equity Shares | 10,000 | 10,000 |
| Face value of Equity Shares | 10 | 10 |
| Profit after Tax available to shareholders | 38.87 | 58.83 |
| Earning Per Share | 3,886.62 * | 5,883.28 |

* Not Annualized

9. Previous year's figures are regrouped / rearranged, wherever necessary.

RENAISSANCE JEWELLERY LIMITED

Annexure - XIX

RENAISSANCE JEWELLERY LTD. (RESTATED) CONSOLIDATED BALANCE SHEET

Rs. In Millions

| | Particulars | Period Ended | Year Ended | |
|----------|--------------------------------------------|-----------------|-----------------|-----------------|
| | | Jun-07 | 2007 | 2006 |
| A | FIXED ASSETS | | | |
| | Gross Block | 351.72 | 343.26 | 308.48 |
| | Less: Depreciation | 150.63 | 144.06 | 114.23 |
| | Net Block | 201.09 | 199.20 | 194.25 |
| | Incidental Expenditure Pending Allocation | - | - | - |
| | Capital Work in Progress | - | - | 4.08 |
| B | INVESTMENTS | - | 1.98 | 1.86 |
| C | CURRENT ASSETS LOANS & ADVANCES | | | |
| | Inventories | 651.97 | 1,119.65 | 908.76 |
| | Sundry Debtors | 1,465.45 | 983.68 | 877.38 |
| | Cash & Bank Balance | 31.77 | 23.33 | 33.29 |
| | Loans & Advances | 58.18 | 43.01 | 30.87 |
| | Total Rs. | 2,207.37 | 2,169.67 | 1,850.30 |
| D | LIABILITIES & PROVISIONS | | | |
| | Secured Loans | 1,021.92 | 904.54 | 575.26 |
| | Unsecured Loans | - | - | 13.01 |
| | Current Liabilities & Provisions | 470.70 | 615.75 | 854.22 |
| | Deferred Tax Liability | (11.37) | (8.06) | (2.19) |
| | Total Rs. | 1,481.25 | 1,512.23 | 1,440.30 |
| | NET WORTH (A + B + C - D) | 927.21 | 858.62 | 610.19 |
| E | REPRESENTED BY: | | | |
| | Equity Shares | 130.35 | 65.18 | 65.18 |
| | Reserves & Surplus | 809.25 | 802.17 | 548.05 |
| | Total Rs. | 939.60 | 867.35 | 613.23 |
| F | MISC EXPENDITURE W/OFF | 12.39 | 8.73 | 3.04 |
| | NET WORTH (E - F) | 927.21 | 858.62 | 610.19 |

RENAISSANCE JEWELLERY LIMITED

RENAISSANCE JEWELLERY LTD.

Annexure – XX

(RESTATED) CONSOLIDATED PROFIT AND LOSS ACCOUNT

Rs. In Millions

| Particulars | Period Ended | Year Ended | |
|------------------------------------------------------------|-----------------|-----------------|-----------------|
| | Jun-07 | 2007 | 2006 |
| INCOME | | | |
| Sales | | | |
| Of Products manufactured by the Company | 1,176.52 | 4,383.17 | 3,162.42 |
| Of Products traded by the Company | - | 1.32 | 0.26 |
| Total | 1,176.52 | 4,384.49 | 3,162.68 |
| Other Income | 51.40 | 1.24 | 0.55 |
| Increase (Decrease) in Inventories | 6.67 | 21.13 | (179.50) |
| Total Income | 1,234.59 | 4,406.86 | 2,983.73 |
| EXPENDITURES | | | |
| Raw Material Consumed | 1,008.84 | 3,602.32 | 2,520.18 |
| Purchase of Traded Goods | 37.37 | 86.62 | 0.09 |
| Staff Cost | 57.68 | 198.42 | 120.00 |
| Other Manufacturing expenses | 16.67 | 70.44 | 48.42 |
| Administration Expenses & | 15.87 | 56.39 | 43.22 |
| Selling and Distribution Expenses | 2.94 | 66.95 | 33.42 |
| Preliminary Expenses | - | - | - |
| Total | 1,139.37 | 4,081.14 | 2,765.33 |
| Profit Before Interest, Depreciation and Income Tax | 95.22 | 325.72 | 218.40 |
| Interest and Financial charges | 19.11 | 43.77 | 52.29 |
| Depreciation | 6.98 | 31.32 | 20.99 |
| Net Profit before tax and Extra- Ordinary items | 69.13 | 250.64 | 145.12 |
| Taxation | | | |
| Current tax | 4.41 | 1.52 | 1.05 |
| - Earlier Year's Tax | | | |
| Wealth tax | | 0.07 | 0.09 |
| Fringe benefits tax | 0.17 | 0.80 | 0.95 |
| - Earlier Year's Tax | | 0.01 | |
| Deferred tax | (3.31) | (5.87) | (4.36) |
| MAT Credit for Current Period | (4.40) | - | - |
| Net Profit before Extra-ordinary items (net of tax) | 72.26 | 254.12 | 147.39 |
| Extra-ordinary items (net of tax) | - | - | - |
| Net Profit after Extra-ordinary items | 72.26 | 254.12 | 147.39 |

RENAISSANCE JEWELLERY LIMITED

| Renaissance Jewellery Limited - Consolidated | | | | | | | |
|--------------------------------------------------------------------------|-----|-----------------|----------|------------------|----------|------------------|----------|
| Annexure-XXI | | | | | | | |
| Amt in Millions | | | | | | | |
| | | 30th June, 2007 | | 31st March, 2007 | | 31st March, 2006 | |
| | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Cashflow from operating activities | | | | | | | |
| Net Profit before tax | | | 69.13 | | 250.64 | | 145.13 |
| ADJUSTMENTS: | | | | | | | |
| Interest income | | (0.02) | | (0.48) | | (0.34) | |
| Share of profit from Partnership | | - | | (0.12) | | (0.05) | |
| Exchange fluctuation | | 20.85 | | 9.77 | | (4.01) | |
| Loss on sale of assets (Net) | | 0.32 | | 0.48 | | 0.07 | |
| Depreciation | | 6.99 | | 31.32 | | 21.00 | |
| Interest and Financial Charges | | 19.11 | 47.25 | 43.77 | 84.74 | 52.28 | 68.95 |
| Operating Profit before working capital changes | | | 116.38 | | 335.38 | | 214.08 |
| CHANGES IN WORKING CAPITAL | | | | | | | |
| Trade & other receivable | | (498.62) | | (127.74) | | (274.25) | |
| Inventories | | 467.68 | | (210.89) | | (398.36) | |
| Trade payables | | (82.62) | (113.56) | (232.60) | (571.23) | 483.07 | (189.54) |
| Cash used in operation | | | 2.82 | | (235.85) | | 24.54 |
| Direct taxes | | (3.77) | (3.77) | (2.12) | (2.12) | (1.88) | (1.88) |
| Net cash used in operating activities | (A) | | (0.95) | | (237.97) | | 22.66 |
| Cash flow from investing activities | | | | | | | |
| Interest income | | 0.04 | | 0.38 | | 0.47 | |
| Consideration paid for Acquisition of Subsidiary. | | - | | - | | (0.20) | |
| Preliminary Expenses | | (3.65) | | (5.70) | | (3.04) | |
| Drawing from Partnership Firm | | - | | - | | 2.50 | |
| Purchase of fixed assets including CWIP | | (9.90) | | (33.96) | | (63.65) | |
| Sale of fixed assets | | 0.71 | (12.80) | 1.29 | (37.99) | 1.68 | (62.24) |
| | (B) | | (12.80) | | (37.99) | | (62.24) |
| Cash flow from financing activities | | | | | | | |
| Interest Paid | | (20.53) | | (50.27) | | (51.64) | |
| Proceeds from short term Borrowings (Net) | | 42.72 | | 316.27 | | 101.79 | |
| | (C) | | 22.19 | | 266 | | 50.15 |
| NET CASH / CASH EQUIVALENT | | | 8.44 | | (9.96) | | 10.57 |
| Cash & cash Equivalent at beginning | | 23.33 | | 33.29 | | 16.72 | |
| Add :Cash & cash Equivalent Acquired pursuant to Acquisition subsidiary. | | - | | - | | 6.00 | |
| Cash & cash Equivalent at the end | | 31.77 | 8.44 | 23.33 | (9.96) | 33.29 | 10.57 |

NOTES TO ACCOUNTS

1. Basis of Consolidation

(a) Basis of Preparation

The Consolidated Financial Statements are prepared in accordance with Accounting Standard 21 on Consolidated Financial Statements issued by The Institute of Chartered Accountants of India.

(b) Principles of Consolidation

The Consolidated Financial Statements comprise the Financial Statements of Renaissance Jewellery Ltd. ("the Company") and its subsidiaries.

The Financial Statements of all the companies are prepared according to uniform accounting policies in accordance with generally accepted accounting principles in India.

The effects of the inter-company transactions between consolidated companies are eliminated on consolidation.

(c) Companies included in Consolidation*

| Name of the Company | Country of Incorporation | Ownership Interest (%) |
|--------------------------------------|---------------------------------|-------------------------------|
| Verigold Fine Jewellery Pvt. Ltd. | India | 100 % |
| Renaissance Retail Venture Pvt. Ltd. | India | 100 % |

*Note- 'Renaissance Jewelry New York' was made a subsidiary of Renaissance Jewellery Limited (RJL) on September 12, 2007 and hence is not included in the above consolidation process of RJL.

2. Other significant accounting policies

These are set out in the notes on accounts under the Head "Significant Accounting Policies" of the Company as well as respective accounts of Subsidiary Companies.

3. Previous year's figures are regrouped, arranged, recast, wherever considered necessary.

RENAISSANCE JEWELLERY LIMITED

OUR SUBSIDIARIES

We currently have three subsidiaries, two of which are wholly owned Indian subsidiaries and one wholly owned foreign subsidiary, details of which are as follows:

(A) OUR INDIAN SUBSIDIARIES

1) VERIGOLD FINE JEWELLERY PRIVATE LIMITED (VFJPL)

VFJPL was incorporated on January 29, 2004 as VME Gemtech Private Limited. The name of the company was changed to Verigold Fine Jewellery Private Limited on May 9, 2005. The registered office of VFJPL is situated at Unit No. 156 SDF V SEEPZ-SEZ, Andheri (East). VFJPL is engaged in the business of manufacturing and export of studded jewellery. VFJPL has one manufacturing facility for studded jewellery in SEEPZ-SEZ at Mumbai, and has started manufacturing activities.

VFJPL became a 100% Subsidiary of our Company with effect from March 20, 2006.

Board of Directors as on October 15, 2007

| Sr No | Directors |
|-------|----------------------|
| 1. | Mr. Niranjan A. Shah |
| 2. | Mr. Sumit N. Shah |
| 3. | Mr. Amit C. Shah |
| 4. | Mr. Bhupen C. Shah |
| 5. | Mr. Hitesh M. Shah |

Shareholding Pattern as on October 15, 2007

| Shareholder | No. of Equity Shares held | % Shareholding |
|-------------------------------|---------------------------|----------------|
| Renaissance Jewellery Limited | 9,999 | 99.99 |
| RJL with Mr. Niranjan A. Shah | 1 | 0.01 |
| Total | 10,000 | 100.00 |

Financial Performance for the last year

The audited financial results of VFJPL for the last three financial years are as follows:

(Rs. In Million Except Per Share Data)

| Particulars | FY 2004-05 | FY 2005-06 | FY 2006-07 |
|-------------------------|------------|------------|------------|
| Equity capital | 0.10 | 0.10 | 0.10 |
| Reserves | - | 9.81 | 68.64 |
| Sales | - | 202.01 | 561.73 |
| Profit After Tax | N.A | 9.81 | 58.83 |
| Earning per Share (Rs.) | N.A | 980.60 | 5883.28 |
| Net Asset Value (Rs.) | 0.90 | 989.68 | 6873.05 |

VFJPL is an unlisted company and has not made any right issue or public issue since incorporation. It has not become sick company under the meaning of SICA and is not under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against VFJPL, its promoters and directors except as stated in section titled "Outstanding Litigation and Material Developments" beginning on page 151 of this Red Herring Prospectus.

RENAISSANCE JEWELLERY LIMITED

2) RENAISSANCE RETAIL VENTURE PRIVATE LIMITED (RRVPL)

RRVPL was incorporated on December 22, 2005 with the Registration No.158276. The registered office of RRVPL is situated at Plot No. F-11/12/15 Unit No. C- 6, Western Industrial Co-operative Estate Limited., Central Road MIDC (Marol), Andheri (East) Mumbai - 400 093 and the company is engaged in the business of promoting, conducting and managing retail stores, dealing and trading in all sorts of jewellery of silver, gold and platinum. RRVPL became a 100% Subsidiary of RJL with effect from March 20, 2006. RRVPL currently has 8 retail outlets under this company (5 in Mumbai, 1 in Pune, 1 in Lucknow and 1 in Gurgaon) and 16 Shop in Shops. The retail products sold by RRVPL are under the brand name "Lucera".

Board of Directors as on October 15, 2007

| Sr No | Directors |
|-------|----------------------|
| 1. | Mr. Niranjan A. Shah |
| 2. | Mr. Sumit N. Shah |
| 3. | Mr. Hitesh M. Shah |

Shareholding Pattern as on October 15, 2007

| Shareholder | No. of Equity Shares held | % Shareholding |
|-------------------------------|---------------------------|----------------|
| Renaissance Jewellery Limited | 999,999 | 99.99 |
| RJL with Mr. Niranjan A. Shah | 1 | 0.01 |
| Total | 1,000,000 | 100.00 |

RRVPL is an unlisted company and has not made any right issue or public issue since incorporation. It has not become sick company under the meaning of SICA and is not under winding up.

Financial Performance for the last year

The audited financial results of RRVPL for the last two financial years are as follows:

(Rs. In Million Except Per Share Data)

| Particulars | FY 2005-06 | FY 2006-07 |
|-------------------------|------------|------------|
| Equity capital | 0.10 | 10.00 |
| Reserves | - | - |
| Sales | - | 18.73 |
| Profit After Tax | (1.87) | (9.05) |
| Earning per Share (Rs.) | (186.57) | (9.68) |
| Net Asset Value (Rs.) | 0.10 | 1.00 |

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against RRVPL, its promoters and directors except as stated in section titled "Outstanding Litigation and Material Developments" beginning on page 151 of this Red Herring Prospectus.

(B) OUR FOREIGN SUBSIDIARY

1) RENAISSANCE JEWELRY NEW YORK, INC. ("RJNY")

RJNY has been incorporated, as a business corporation in the State of New York, U.S on April 23, 2007 under section 402 of the Business Corporation Law of New York filed with the NYS Department of State, Division of Corporations And State Records.

In September 2007, RJNY issued 100 fully paid up and non-assessable shares out of its total authorized issue of 200 shares without par value common stock to our Company at a price of \$ 100/- per share of the Corporation. By virtue of this allotment of common stock of RJNY, RJNY became a 100% foreign subsidiary company of Renaissance Jewellery Limited with effect from September 12, 2007.

RENAISSANCE JEWELLERY LIMITED

Board of Directors of RJNY as on October 15, 2007.

| Sr No | Directors |
|-------|----------------------|
| 1. | Mr. Niranjan A. Shah |
| 2. | Mr. Sumit N. Shah |
| 3. | Mr. Hitesh M. Shah |

Shareholding Pattern as on October 15, 2007

The authorized capital of RJNY is 200 shares, no par value, all of which are classified as common shares.

| Shareholder | No. of Shares of common stock held | % Shareholding |
|-------------------------------|---------------------------------------|----------------|
| Renaissance Jewellery Limited | 100 | 100.00 |
| Total | 100 | 100.00 |

As RJNY has been incorporated on April 23, 2007 there are no financial results available.

RENAISSANCE JEWELLERY LIMITED

OTHER GROUP COMPANIES/VENTURES OF PROMOTERS

1. FANCY JEWELLERY PRIVATE LIMITED ("FJPL")

FJPL was incorporated on May 25, 1995 as Rinassence Jewellery Private Limited with Registration No-11-88785. The name was changed to Rinaissance Jewellery Private Limited on April 4, 1996 and was subsequently changed to Fancy Jewellery Private Limited on October 17, 2002. The registered office is located at 12, Hari Niwas, K. Mathew Road, Opera House, Mumbai 400004. FJPL is engaged in the business of manufacturing and export of studded jewellery.

Board of Directors as on October 15, 2007

| Sr No | Directors |
|-------|----------------------|
| 1. | Mr. Niranjan A. Shah |
| 2. | Mr. Sumit N. Shah |
| 3. | Mr.Amit C. Shah |
| 4. | Mr.Bhupen C. Shah |
| 5. | Mr. Hitesh M. Shah |

Shareholding Pattern as on October 15, 2007

| Shareholder | No. of Equity Shares held | % Shareholding |
|----------------------------------|---------------------------|----------------|
| Mr. Niranjan A. Shah | 2,000 | 20.00 |
| Mr. Sumit N. Shah | 2,499 | 24.90 |
| Mr. Amit C. Shah | 900 | 9.00 |
| Mr. Bhupen C. Shah | 900 | 9.00 |
| Mr. Hitesh M. Shah | 1,000 | 10.00 |
| Mrs. Suchita Kothari | 2,000 | 20.00 |
| Mrs. Leshna Shah | 700 | 7.00 |
| N. Kumar Diamond Exports Limited | 1 | 0.01 |
| Total | 10,000 | 100.00 |

Financial Performance for the last three years

The audited financial results of FJPL for the last three financial years are as follows:

(Rs. In Million Except Per Share Data)

| Particulars | FY 2004-05 | FY 2005-06 | FY 2006-07 |
|------------------------|------------|------------|------------|
| Equity capital | 0.10 | 0.10 | 0.10 |
| Reserves | 1.35 | 3.08 | 3.41 |
| Sales | 250.36 | 179.60 | 42.34 |
| Profit After Tax | 2.32 | 1.74 | 0.32 |
| Earning per Share(Rs.) | 232.45 | 173.95 | 31.89 |
| Net Asset Value (Rs.) | 143.90 | 318.20 | 350.81 |

FJPL is an unlisted company and has not made any rights issue or public issue in preceding three years. It has not become sick company under the meaning of SICA and is not under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against FJPL, its promoters and directors except as stated in section titled "Outstanding Litigation and Material Developments" beginning on page 151 of this Red Herring Prospectus.

RENAISSANCE JEWELLERY LIMITED

2. ANIKA JEWELLERY PRIVATE LIMITED (“AJPL”)

AJPL was incorporated on May 10, 2004 with the Registration No. 146161. The registered office is situated at 1511, Prasad Chambers, Opera House, Mumbai – 400 004. The Company is not carrying on any business as on date.

Board of Directors as on October 15, 2007

| Sr No | Directors |
|-------|----------------------|
| 1. | Mr. Niranjan A. Shah |
| 2. | Mr. Sumit N. Shah |
| 3. | Mr. Hitesh M. Shah |
| 4. | Mr. Amit.C. Shah |
| 5. | Mr. Bhupen C. Shah |

Shareholding Pattern as on October 15 , 2007

| Shareholder | No. of Equity Shares held | % Shareholding |
|----------------------|---------------------------|----------------|
| Mr. Niranjan A. Shah | 4500 | 45.00 |
| Mr. Sumit N. Shah | 4500 | 45.00 |
| Mr. Hitesh M. Shah | 1000 | 10.00 |
| Total | 10,000 | 100.00 |

Financial Performance for the last year

The audited financial results of AJPL for the financial year 2004-2005, 2005-2006 and 2006-2007 are as follows:

(Rs. In Million Except Per Share Data)

| Particulars | FY 2004-05 | FY 2005-06 | FY 2006-07 |
|-------------------------|------------|------------|------------|
| Equity capital | 0.10 | 0.10 | 0.10 |
| Reserves | (0.084) | (0.089) | (0.128) |
| Sales | NA | NA | N.A |
| Profit After Tax | (0.084) | (0.005) | (0.039) |
| Earning per Share (Rs.) | (8.37) | (0.55) | (3.91) |
| Net Asset Value (Rs.) | 0.90 | 0.60 | (3.16) |

AJPL is an unlisted company and has not made any rights issue or public issue in preceding three years. It has not become sick company under the meaning of SICA and is not under 'winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against AJPL, its promoters and directors except as stated in section titled “Outstanding Litigation and Material Developments” beginning on page 151 of this Red Herring Prospectus.

3. HOUSE FULL INTERNATIONAL LIMITED (“HFIL”)

House Full International Limited was originally incorporated as Renaissance Home Retail Private Limited on December 22, 2005 with the registration no. 158277. The registered office is situated at Lady London House, Ground Floor, Plot No.9, Western Industrial Co-operative Estate Ltd., Central Road MIDC (Marol), Andheri (East), Mumbai - 400 093 and the company is engaged in the business of home building and home improvement products. House Full International Limited became the wholly owned subsidiary of our Promoter Group Company, N. Kumar Diamond Exports Limited, with effect from May 15, 2006.

RENAISSANCE JEWELLERY LIMITED

Board of Directors as on October 15 , 2007

| Sr No | Directors |
|-------|----------------------|
| 1. | Mr. Niranjan A. Shah |
| 2. | Mr. Sumit N. Shah |
| 3. | Mr. Hitesh M. Shah |

Shareholding Pattern as on October 15 , 2007

| Shareholder | No. of Equity Shares held | % Shareholding |
|---------------------------------|---------------------------|----------------|
| Mr. Niranjan A. Shah | 1 | 0.00001 |
| Mr. Sumit N. Shah | 1 | 0.00001 |
| Mr. Hitesh M. Shah | 1 | 0.00001 |
| Mr. Bhupen C. Shah | 1 | 0.00001 |
| Mr. Amit C. Shah | 1 | 0.00001 |
| Mrs. Leshna Shah | 1 | 0.00001 |
| N Kumar Diamond Exports Limited | 9,999,994 | 99.99994 |
| Total | 10,000,000 | 100.00 |

Financial Performance for the last year

The audited financial result of HFIL for the last two financial year 2005-2006 and 2006-2007 are as follows:

(Rs. In Million Except Per Share Data)

| Particulars | FY 2005-06 | FY 2006-07 |
|-------------------------|------------|------------|
| Equity capital | 0.10 | 0.10 |
| Reserves | (4.90) | (66.54) |
| Sales | N.A | 99.03 |
| Profit After Tax | (4.90) | (61.65) |
| Earning per Share (Rs.) | (490.07) | (8.80) |
| Net Asset Value (Rs.) | (499.01) | 3.33 |

HFIL is an unlisted company and has not made any rights issue or public issue in preceding three years. It has not become sick company under the meaning of SICA and is not under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against HFIL, its promoters and directors except as stated in section titled "Outstanding Litigation and Material Developments" beginning on page 151 of this Red Herring Prospectus.

4. M/S. SUMIT DIAMOND

The firm came into existence on March 22,1978.The office of the firm is situated at 1514, Prasad Chambers, Opera House, Mumbai-400 004 and the firm is engaged in the business of manufacturing, export and import of cut and polished diamonds.

RENAISSANCE JEWELLERY LIMITED

The partners of the firm as on October 15 , 2007 are:

| Name of Partner | Share in Profit % | Share in Loss % |
|----------------------|-------------------|-----------------|
| Mr. Amit C. Shah | 6.00 | 6.00 |
| Mr. Bhupen C. Shah | 6.00 | 6.00 |
| Mr. Sumit N. Shah | 20.00 | 20.00 |
| Mr. Niranjan A. Shah | 42.00 | 42.00 |
| Mrs. Leshna Shah | 10.00 | 10.00 |
| Mr. Dhiren C. Shah | 6.00 | 6.00 |
| Mr. Hitesh M. Shah | 10.00 | 10.00 |

Financial Performance for the last three years

(Rs. In Million)

| Particulars | FY 2004-05 | FY 2005-06 | FY 2006-07 |
|---------------------|------------|------------|------------|
| Partner Capital A/c | 16.62 | 19.49 | 75.15 |
| Sales | 78.79 | 117.57 | 180.58 |
| Profit After Tax | 0.39 | 1.01 | 1.88 |

Conflict of Interest:

Except AJPL and FJPL none of our other Group Companies/ Ventures of Promoters is in the business of studded jewellery. Further we have entered into non-compete agreements with the following Promoter Group Company and Group Companies/ Ventures of Promoters :

- a) N. Kumar Diamond Exports Limited dated April 24, 2007
- b) M/s Sumit Diamond, dated April 24, 2007
- c) Anika Jewellery Private Limited dated April 24, 2007
- d) Fancy Jewellery Private Limited dated April 24, 2007

Under the non-compete agreements the abovementioned, Promoter Group Company and other Group Companies/Ventures of Promoters have agreed that the operations and markets of these companies shall not in any way infringe or compete with those of our Company. In addition all future contracts or business shall be undertaken by our Company. Further vide letter dated April 1, 2007 the existing use of our logo by our Promoter Group Company, N. Kumar Diamond Exports Limited has been discontinued with effect from April 1, 2007

Companies with which the Promoters have disassociated in the last three years.

Our Promoters have not disassociated with any company in the last three years.

Changes in accounting policies in the last three years:

There is no change in the accounting policy of our Company during the last three years.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read together with the audited financial statements, for the financial year ended March 31, 2003, 2004, 2005, 2006, 2007 and three months ended June 30, 2007 including the Schedules, Annexures and Notes thereto and the Reports thereon, which appear in the section titled "**Financial Statements**" beginning on page 94 of this Red Herring Prospectus. These financial statements are prepared in accordance with Indian GAAP, the Companies Act, and the SEBI Guidelines as described in the Auditor's Report of **J.K Shah & Co**, Chartered Accountants dated April 02, 2007 in the section titled "**Financial Information – as restated**" beginning on page 94 of this Red Herring Prospectus.

Our Financial Year (FY) ends on March 31 of each year, so all references to a particular FY are to the twelve-month period ended March 31 of that year.

Business Overview

We are in the business of manufacture and sale of studded gold, platinum and silver jewellery and are primarily focussed on international markets including the USA besides marketing our studded jewellery products through our retail stores operated by our subsidiary, Renaissance Retail Venture Private Limited. We currently have 8 retail outlets under this company (5 in Mumbai, 1 in Pune, 1 in Lucknow and 1 in Gurgaon) and 16 Shop in shops. The retail products sold by our subsidiary are under the brand name "Lucera".

We have been in the studded jewellery business for over a decade and operate through three manufacturing units of which two units are located at SEEPZ-SEZ at Mumbai and one 100% EOU unit at Bhavnagar in Gujarat. Besides, our subsidiary Renaissance Retail Venture Private Limited has a manufacturing facility at MIDC, Andheri for catering to the domestic retail market. Our subsidiary, Verigold Fine Jewellery Private Limited has a manufacturing facility for studded jewellery in SEEPZ-SEZ at Mumbai.

Our product profile includes rings, earrings, pendants, bracelets, necklaces, etc. which are manufactured using polished diamonds, precious and other semi precious stones which are set in precious metals like gold, platinum and silver. We have a vast talent base of about 40 designers, who on an average develop about 500 new designs every month. We have more than 1,600 employees in our organisation working across our 3 units.

We have been awarded a Certificate of Merit by GJEPC for being the third largest exporter of studded precious metal jewellery for the year 2006-07. In the year 2004, we were awarded 'International Supplier of the Year' by Wal-Mart and Rio Tinto Diamonds has conferred us with Business Excellence Model (BEM) certification

On a consolidated basis, our sales for Fiscal 2003 was Rs. 1223.24 million which has increased to Rs. 4384.49 million for Fiscal 2007 at a CAGR of 37.59%. Our sales for the three months period ended June 30, 2007 was Rs. 1176.52 million. Our Net profit after taxes for Fiscal 2003 was Rs. 37.21 million which has increased to Rs. 254.12 million for Fiscal 2006 at a CAGR of 61.66%. Our net profit for the three months period ended June 30, 2007 was Rs. 72.26 million

Factors affecting the business /our financial results

Our business is subject to various risks and uncertainties, including those discussed in the Section titled "**Risk Factors**" beginning on page xi of this Red Herring Prospectus. Some of the important factors that have affected and we expect will continue to affect, our results of operations, financial condition and cash flows are discussed below:

RENAISSANCE JEWELLERY LIMITED

Analysis of revenues

(Rs in million)

| Particulars | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY2007 | Three months ended June 30, 2007 |
|-----------------------------------|-----------------|-----------------|-----------------|----------------|----------------|----------------------------------|
| Sales | 1,223.24 | 1,607.41 | 1,951.28 | 3,162.68 | 4384.49 | 1,176.52 |
| % change | 120.19 | 31.41 | 21.39 | 62.08 | 38.63 | - |
| Other Income | 1.74 | 1.04 | 0.55 | 0.55 | 1.24 | 51.40 |
| % Change | - | (40.23) | (46.15) | 0.0 | 125.45 | - |
| Increase(Decrease) in Inventories | 47.35 | (6.50) | 85.40 | (179.50) | 21.13 | 6.67 |
| Total Income | 1,272.33 | 1,601.95 | 2,037.23 | 2983.73 | 4406.86 | 1,234.59 |
| % Change | 121.69 | 25.91 | 27.17 | 46.46 | 47.70 | |

Profitability Analysis

(Rs in million)

| Particulars | FY 2003 | FY 2004 | FY 2005 | FY 2006* | FY2007* | Three months ended June 30, 2007* |
|-----------------------|----------|----------|----------|----------|---------|-----------------------------------|
| Total Income / Sales | 1,272.33 | 1,601.95 | 2,037.23 | 3,162.68 | 4384.49 | 1,176.52 |
| Raw Material Cost | 989.46 | 1383.70 | 1683.13 | 2699.77 | 3667.80 | 1039.54 |
| Other Operating Costs | 103.00 | 121.53 | 143.06 | 168.42 | 268.86 | 74.35 |
| Total Operating Cost | 1092.46 | 1505.23 | 1826.19 | 2868.19 | 3936.66 | 1113.89 |
| Operating Cost% | 89.30 | 93.64 | 93.58 | 90.69 | 89.79 | 94.68 |
| EBITDA | 72.25 | 78.7 | 97.45 | 218.40 | 325.72 | 95.22 |
| EBITDA % | 5.68 | 4.91 | 4.78 | 6.91 | 7.43 | 8.09 |
| PAT | 37.21 | 56.48 | 68.19 | 147.39 | 254.12 | 72.26 |
| PAT% | 2.92 | 3.53 | 3.35 | 4.66 | 5.80 | 6.14 |

* Note : Consolidated figures

From the above tables it is observed that our sales for the financial year 2007 has increased by 38.63% as compared to our sales for the financial year 2006. This increase in sales is mainly on account of our focused entry into newer segments of the jewellery market such as Bridal and Gemstone jewellery.

Our profit margins also in terms of EBITDA and PAT have increased from 6.91% to 7.43% and 4.66% to 5.80% respectively in the FY 2007 as compared FY 2006. The better realisation in profit margins is mainly on account of change in product mix requiring lower cost and lower quantity of raw material component. The raw material consumption in terms of percentage as compared to selling price in Bridal and Gemstone jewellery are approximately 80% and 70% respectively as compared to approximately 85% of the selling price in case of Fashion Jewellery.

RENAISSANCE JEWELLERY LIMITED

Geographical Spread

(Rs in million)

| Particulars | FY 2003 | | FY 2004 | | FY 2005 | | FY 2006 | | FY2007 | | Three months ended June 30, 2007 | |
|-------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|----------------|------------------|----------------------------------|------------------|
| | Sales | % to total sales | Sales | % to total sales | Sales | % to total sales | Sales | % to total sales | Sales | % to total sales | Sales | % to total sales |
| US | 1,207.43 | 98.71 | 1,606.90 | 99.97 | 1,950.66 | 99.97 | 3,158.81 | 99.88 | 4,223.36 | 96.33 | 1,138.06 | 96.73 |
| India | 0.14 | 0.01 | 0.03 | 0.00 | 0.62 | 0.03 | 0.26 | 0.01 | 20.06 | 0.46 | 4.18 | 0.36 |
| Rest of the World | 15.67 | 1.28 | 0.48 | 0.03 | - | 0.00 | 3.61 | 0.11 | 141.07 | 3.22 | 34.28 | 2.91 |
| Total | 1,223.24 | 100.00 | 1,607.41 | 100.00 | 1,951.28 | 100.00 | 3,162.68 | 100.00 | 4384.49 | 100.00 | 1,176.52 | 100.00 |

We have begun exporting our products to countries other than US. In the long run, this would reduce our reliance on the US market that contributes to substantial part of our revenues. Our exports to countries other than the US constituted to 3.27% of our total sales for the three months ended June 30, 2007, which includes Hong Kong, United Kingdom and United Arab Emirates.

Further from the above table it is evident that our sales to the US in the year FY2007 as increased by 15.92% as compared to FY 2006, we have been able to increase our sales significantly in the US by keeping pace with the changing market trends. Our exports to the US have increased at a rate higher than the rate of growth of jewellery segment in the US. The growth in the year 2006 is also on account of our focused entry into newer segments of the jewellery market such as Bridal and Gemstone jewellery.

Analysis of Costs

(Rs in million)

| Particulars | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Three Months ended June 30, 2007 |
|--------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------------------------|
| Raw Material consumed | 989.46 | 1,383.70 | 1,768.54 | 2699.77 | 3667.80 | 1039.54 |
| % to Operating Cost | 90.57 | 91.93 | 96.82 | 94.13 | 93.17 | 93.33 |
| Employee Cost | 61.36 | 83.79 | 100.81 | 120.00 | 198.42 | 57.68 |
| % of Operating Cost | 5.62 | 5.57 | 5.52 | 4.18 | 5.04 | 5.18 |
| Other Manf. Overheads | 41.64 | 37.74 | 42.25 | 48.42 | 70.44 | 16.67 |
| % of Operating Cost | 3.81 | 2.50 | 2.31 | 1.69 | 1.79 | 1.50 |
| Total Operating Cost | 1092.46 | 1505.23 | 1826.19 | 2868.19 | 3936.66 | 1113.89 |
| Selling, General & Administrative Expenses | 60.27 | 24.52 | 28.22 | 76.64 | 123.34 | 18.81 |
| Depreciation | 20.95 | 18.74 | 18.81 | 20.99 | 31.32 | 6.98 |
| Finance Expenses | 11.35 | 3.89 | 9.83 | 52.29 | 43.77 | 19.11 |
| Total Cost | 1185.03 | 1552.38 | 1883.05 | 3018.11 | 4135.09 | 1158.79 |

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Analysis of Raw Material Cost

(Rs in million)

| Particulars | FY 2003 | FY 2004 | % of Total Raw Material Consumed | FY 2005 | % of Total Raw Material Consumed | FY 2006 | % of Total Raw Material Consumed | FY 2007 | % of Total Raw Material Consumed | Three months ended June 30, 2007 |
|--------------------------|---------|---------|----------------------------------|---------|----------------------------------|---------|----------------------------------|---------|----------------------------------|----------------------------------|
| Domestic Raw Material | 7.58 | 9.28 | 0.67% | 3.03 | 0.18% | 22.35 | 0.83 | 164.44 | 95.52 | 27.34 |
| Imported Raw Material | 981.88 | 1374.42 | 99.33% | 1680.10 | 99.82% | 2677.41 | 99.17 | 3503.36 | 4.48 | 1012.20 |
| Total | 989.46 | 1383.70 | | 1683.10 | | 2699.77 | | 3667.81 | | 1039.54 |
| Total Cost as % of Sales | 80.89% | 86.08% | | 86.26% | | 85.36% | | 83.65% | | 88.36% |

Our raw materials primarily include diamonds, gold and platinum which are imported from international markets. Over the years, we have been able to control our raw material cost in relation to our sales and this has resulted in lowering the cost of raw materials over sales, mainly on account of change in product mix requiring lower cost and lower quantity of raw material component. The raw material consumption in terms of percentage as compared to selling price in Bridal and Gemstone jewellery are approximately 80% and 70% respectively as compared to approximately 85% of the selling price in case of Fashion Jewellery which as resulted in the gradual decrease in the %age cost of raw materials to sales.

Break-up of major Raw Material components

| Particulars | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY2007 | Three months ended June 30, 2007 |
|------------------------------------|---------|---------|---------|---------|---------|----------------------------------|
| Gold/Platinum/Silver | 321.84 | 499.72 | 558.19 | 879.57 | 1353.91 | 335.05 |
| %age to Total Raw Material Cost | 32.53% | 36.11% | 33.16% | 32.58% | 36.91% | 32.23% |
| Diamond | 665.97 | 876.03 | 1122.33 | 1793.26 | 2275.88 | 670.4 |
| %age to Total Raw Material Cost | 67.31% | 63.31% | 66.68% | 66.42% | 62.05% | 64.49% |
| Gemstones | 1.65 | 7.95 | 2.62 | 26.94 | 55.25 | 36.9 |
| %age to Total Raw Material Cost | 0.17% | 0.57% | 0.16% | 1.00% | 1.51% | 3.55% |
| Total Raw Material Cost (with WIP) | 989.46 | 1383.70 | 1683.14 | 2699.77 | 3667.80 | 1039.54 |

Our increased focus on newer segments within the jewellery market as resulted in an increase in the cost of other raw materials used mainly that of Gemstones used in Jewellery studded with gemstones. **Further, the increase in the computation of precious metal in FY 07 and decrease in computation of diamonds in FY 07 is due to change in the product mix.**

Business productivity parameters

| Particulars | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY2007 | Three months ended June 30, 2007 |
|----------------------------|---------|---------|---------|---------|--------|----------------------------------|
| Return on equity | 11.17 | 14.49 | 14.89 | 24.15 | 29.60 | 7.79 |
| Return on capital employed | 8.90 | 9.47 | 8.37 | 16.47 | 16.70 | 4.53 |
| EBIDTA % | 5.68 | 4.91 | 4.78 | 6.91 | 7.43 | 8.09 |
| PAT % | 2.92 | 3.53 | 3.35 | 4.66 | 5.80 | 6.14 |

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Increasing EBITDA and PAT margin is due to foray into two new segments of Bridal and gemstone Jewellery. High margins also enable to achieve high return on equity.

Employee productivity parameters

| PARTICULARS | FY2003 | FY2004 | FY2005 | FY2006 | FY 2007 | Three Months June 30, 2007 |
|---------------------------------|--------|--------|--------|--------|---------|-------------------------------|
| Number of Employees (Number) | 1079 | 1153 | 1316 | 1909 | 2108 | 2341 |
| Cost per Employee in Million | 0.06 | 0.07 | 0.08 | 0.09 | 0.16 | 0.05 |
| Revenue per Employee in Million | 1.18 | 1.39 | 1.55 | 1.56 | 2.09 | 0.53 |
| EBITDA per Employee in Million | 0.07 | 0.07 | 0.07 | 0.11 | 0.16 | 0.04 |

The number of employees employed as increased over the years due to increase in production. However, our manufacturing process are almost common across the various segments (i.e. Fashion Jewellery, Gemstone Jewellery and Bridal Jewellery) and this results in employing our employees in the most effective production activities thereby resulting in higher EBITDA margins per employee.

Capacity and Capacity utilization

| PARTICULARS | FY2003 | FY2004 | FY2005 | FY2006 | FY 2007 | Three Months June 30, 2007 |
|---------------------------|--------|--------|--------|--------|---------|-------------------------------|
| Licensed Capacity (Kg) | 2149 | 1511 | 1511 | 3025 | 3025 | - |
| Installed Capacity((Kg) | 2100 | 1500 | 1500 | 1950 | 2250 | - |
| Capacity utilization (Kg) | 706 | 961 | 995 | 1288 | 1830 | 509.00 |
| Capacity utilization (%) | 33.62 | 64.07 | 66.33 | 66.05 | 81.33 | |

We have been able to maintain a constituent utilisation of our existing capacity. However in the industry in which we operate, capacities are based on the orders received by us, wherein further capacities can be built-in on receipt of more orders.

Liquidity and Capital Resources

Cash and Working Capital

Summary of Cash flows & Working Capital Requirements

Rs. in Million

| PARTICULARS | FY2003 | FY2004 | FY 2005 | FY 2006 | FY 2007 | Three Months June 30, 2007 |
|--------------------------------------------------------------------------|---------------|-------------|--------------|--------------|---------------|-------------------------------|
| Cash flow from : | | | | | | |
| Operating activities | (50.17) | 24.60 | (153.06) | 22.65 | (237.97) | (0.95) |
| Investing activities | (6.19) | (19.19) | (42.94) | (62.23) | (38.83) | (12.80) |
| Financing activities | 53.96 | (3.44) | 207.02 | 50.15 | 266.00 | 22.20 |
| Net increase / (decrease) in cash | (2.40) | 1.97 | 11.02 | 10.57 | (9.96) | 8.45 |
| Cash at beginning of year | 6.13 | 3.73 | 5.70 | 16.72 | 33.28 | 23.32 |
| Add :cash & cash equivalent acquired pursuant to acquisition subsidiary. | - | - | - | 6.00 | - | - |
| Cash at end of year / period | 3.73 | 5.70 | 16.72 | 33.29 | 23.32 | 31.77 |

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OPERATING ACTIVITIES

Net cash used in operating activities in three month ended June 30, 2007 was Rs. 0.95 million, although our Profit before depreciation interest and taxation in three month ended June 30, 2007 was Rs. 95.22 million. The difference is primarily on account of increase in trade and receivables by 496.62 million which is offset by decrease in inventories by 467.68 million and decrease in trade payables by 82.62 million.

Net cash in operating activities in fiscal 2007 was 237.97. Our Profit before depreciation, interest and taxation was Rs. 325.72 million. The difference is primarily on account of change in trade and other receivable, inventory and decrease in trade payables of Rs. 127.74 million, Rs.210.89 million, and Rs. 232.60 million respectively.

Net cash released from operating activities in fiscal 2006 was Rs. 22.66 million. Our Profit before depreciation, interest and taxation was Rs. 218.40 million. The difference is primarily on account of increase in trade and other receivables and inventory of Rs. 398.36 million and Rs. 274.25 million respectively. The increase was partially off-set by increase in trade payable of Rs. 483.07 million.

Net cash used in operating activities in fiscal 2005 was Rs. 153.06 million although our Profit before depreciation interest and taxation was 97.42 million. The difference is primarily on account of change in trade and other receivable, inventory and decrease in trade payables of Rs. 105.14 million, Rs.120.60 million, and Rs. 36.23 million respectively.

Net cash released from operating activities in fiscal 2004 was Rs. 24.60 million. Our Profit before depreciation, interest and taxation was Rs. 78.70 million. The difference is primarily on account of increase in trade and other receivables and decrease in inventory of Rs. 224.92 million and Rs. 36.20 million respectively which was partially off-set by increase in trade payables of Rs. 128.14 million and increase in income tax paid of 0.05 million.

Net cash used in operating activities in fiscal 2003 was Rs. 50.17 million although our Profit before depreciation interest and taxation was 72.25 million. The difference is primarily on account of decrease in trade and other receivables, increase in inventory, decrease in trade payable of Rs. 24.20 million, Rs. 131.44 million, Rs.14.69 million respectively and increase in income tax paid of 1.55 million.

INVESTING ACTIVITIES

Our expenditure for investing activities primarily relates to the purchase of fixed assets comprising property, plants and equipment used in our manufacturing facilities, and offset in each period by minor disposals of such fixed assets and investments in partnership firm. Net cash used in investing activities amounted to Rs. 12.80 million for three months ended June 2007 primarily on account of increase in fixed asset base at all our 3 units by 9.90 million and preliminary expenses of Rs. 3.65 million. The increase was partially off-set by sale of fixed asset of Rs. 0.71 million and interest income of Rs. 0.04 million Net cash used in investing activities for fiscal 2003, 2004, 2005, 2006 and 2007 were Rs. 6.19 million, Rs. 19.19 million, Rs. 42.94 million, Rs. 62.23 million and Rs. 38.83 million respectively.

FINANCING ACTIVITIES

Net cash provided by financing activities amounted to Rs. 22.20 million for the three month ended June 30, 2007, comprising of Rs. 42.72 million of borrowings in the nature of working capital loans offset by the payment of interest thereon borrowings amounting to Rs. 20.53 million.

| PARTICULARS | FY2003 | FY2004 | FY 2005 | FY 2006 | FY 2007 | Three Months June 30, 2007 |
|---------------------------------------|--------|--------|----------|----------|----------|-------------------------------|
| Current ratio | 4.11 | 2.91 | 8.36 | 4.59 | 15.59 | 17.83 |
| Current assets | 608.32 | 786.41 | 1,037.30 | 1,850.29 | 2,169.67 | 2,207.38 |
| Current liabilities | 148.09 | 270.22 | 241.30 | 854.21 | 615.76 | 470.71 |
| Net working capital | 460.23 | 516.19 | 796.00 | 996.08 | 1,553.91 | 1,736.67 |
| Collection period (in days) | 79.00 | 108.00 | 110.00 | 138.00 | 118.00 | 286.00 |
| Payment period (in days) | 42.00 | 67.00 | 44.00 | 241.00 | 208.00 | 150.00 |
| Collection period / payment period | 1.88 | 1.61 | 2.50 | 0.57 | 0.57 | 1.91 |

The industry in which we operate is working capital intensive and has resulted in increased working capital requirements due enhanced production activities year on year.

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(Rs. in million)

| PARTICULARS | FY2003 | FY2004 | FY 2005 | FY 2006 | FY 2007 | Three Months June 30, 2007 |
|------------------------------------|--------|--------|---------|---------|---------|-------------------------------|
| Secured debt | 220.82 | 234.49 | 474.77 | 575.26 | 904.54 | 1,021.92 |
| Unsecured debt | 22.36 | 8.99 | 2.63 | 3.85 | - | - |
| Total | 243.18 | 243.48 | 477.40 | 579.11 | 904.54 | 1,021.92 |
| % Increase (over previous year) | | 0.12 | 96.07 | 21.30 | 56.19 | |

Increase in debt is due to increase in working capital facilities.

Adverse Events

There has been no adverse event affecting the operations of our Company occurring within one year prior to the date of filing of the Red Herring Prospectus with SEBI.

Defaults

We have not defaulted in meeting any statutory dues, institutional dues or bank dues. We have never accepted fixed deposits from the public and we have not issued debentures since inception.

Details of any encumbrances over the property of our company and guarantees given by our company to any other party:

There are no encumbrances over the property of our Company except as disclosed in the Auditors report included in this Red Herring Prospectus.

Operating results (Standalone)

(Rs. in million)

| PARTICULARS | FY2003 | FY2004 | FY 2005 | FY 2006 | FY 2007 | Three Months June 30, 2007* |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|--------------------------------|
| Sales from manufacturing | 1223.04 | 1607.21 | 1950.67 | 3141.90 | 3802.70 | 881.44 |
| Sales from trading | 0.20 | 0.20 | 0.62 | 0.27 | 79.77 | 31.08 |
| Total Sales | 1223.24 | 1607.41 | 1951.29 | 3142.17 | 3882.47 | 912.52 |
| % increase | 120.19 | 31.41% | 21.39% | 61.03% | 23.56% | |
| Other Income | 1.74 | 1.04 | 0.56 | 0.54 | 0.84 | 51.36 |
| Increase/ (Decrease) in stocks | 47.35 | (6.50) | 85.4 | (179.50) | - | - |
| Total Income | 1272.33 | 1601.95 | 2037.25 | 2963.21 | 3883.32 | 963.88 |
| % increase | 121.69 | 25.91% | 27.17% | 45.45% | 31.05% | |
| Raw Material Consumed | 989.46 | 1,383.70 | 1,683.13 | 2680.54 | 3279.36 | 826.7 |
| % to Income | 77.77% | 86.38% | 82.62% | 90.46% | 84.45% | 85.77% |
| Manpower Costs | 61.36 | 83.79 | 100.81 | 119.30 | 168.37 | 48.40 |
| % to Income | 4.82% | 5.23% | 4.95% | 4.03% | 4.34% | 5.02% |
| Other Manf. Overheads | 41.64 | 37.74 | 42.25 | 47.94 | 59.97 | 14.31 |
| % to Income | 3.27% | 2.36% | 2.07% | 1.62% | 1.54% | 1.48% |
| Total Operating Costs | 1,092.46 | 1,505.23 | 1,826.19 | 2,847.78 | 3,507.70 | 889.41 |
| % to Income | 89.31% | 93.96% | 89.64% | 96.10% | 90.33% | 92.27% |

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| PARTICULARS | FY2003 | FY2004 | FY 2005 | FY 2006 | FY 2007 | Three Months June 30, 2007 |
|-----------------------------------------------------------|--------------|--------------|--------------|---------------|---------------|-------------------------------|
| Selling General and Administrative Cost | 60.27 | 24.52 | 28.21 | 76.42 | 101.17 | 11.16 |
| % to Income | 4.74% | 1.53% | 1.38% | 2.58% | 2.61% | 1.16% |
| EBITDA | 72.25 | 78.70 | 97.45 | 218.51 | 274.45 | 63.31 |
| % to Total Income | 5.91% | 4.90% | 4.99% | 6.95% | 7.07% | 6.94% |
| % Increase | 26.27 | 8.93% | 23.82% | 124.23% | 25.60% | - |
| R&D Expenses | - | - | - | - | - | - |
| % to Income | - | - | - | - | - | - |
| Financial Expenses | | | | | | - |
| Short Term | - | - | - | - | - | - |
| % to Income | - | - | - | - | - | - |
| Long Term | 11.35 | 3.89 | 9.83 | 52.25 | 42.69 | 18.62 |
| % to Income | 0.89% | 0.24% | 0.48% | 1.76% | 1.10% | 1.93% |
| Depreciation | 20.95 | 18.74 | 18.82 | 20.90 | 26.52 | 5.86 |
| % to Sales | 1.71% | 1.17% | 0.96% | 0.67% | 0.68% | 0.64% |
| Profit Before Tax | 39.95 | 56.07 | 68.80 | 145.36 | 205.24 | 38.83 |
| % to Income | 3.14% | 3.50% | 3.38% | 4.91% | 5.29% | 4.03% |
| Current Tax | 1.71 | - | 0.12 | 1.05 | 1.50 | 4.40 |
| Deferred Tax | 1.03 | (0.41) | 0.49 | (4.37) | (1.26) | (0.69) |
| Net Profit before Adjustments | 37.21 | 56.48 | 68.19 | 147.63 | 204.26 | 39.38 |
| Extra Ordinary items/Adjustments | - | - | - | - | - | - |
| Net Profit after Extra Ordinary Items/ Adjustments | 37.21 | 56.48 | 68.19 | 147.63 | 204.26 | 39.38 |
| % to Total Income | 2.92% | 3.53% | 3.35% | 4.98% | 5.26% | 4.09% |
| % increase | 22.93 | 51.79% | 20.73% | 116.50% | 38.36% | |

*The results for the three month period ended June 30, 2007 cannot be compared to the previous corresponding year as they are for 12 months.

There is a significant rise in Other Income for the quarter ended June 30, 2007 on account of Exchange fluctuations.

a Comparison of Performance and Analysis of Developments for the financial year ended March 31, 2007 vis-à-vis Financial Year ended March 31, 2006

Income

Our Income increased by 31.05% from Rs. 2963.21 million in fiscal 2006 to Rs. 3883.62 million in fiscal 2007. Income from sales increased by 23.56% from Rs. 3142.17 million in fiscal 2006 to Rs. 3882.47 million in fiscal 2007. We could

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register a growth in our Income mainly on account of increased sales in all the segments over the previous year. Other income increased from Rs. 0.54 million in 2006 to Rs. 0.84 million in fiscal 2007 on account of increase in share of profit from a partnership firm, gross interest and discount from suppliers.

Expenditure

Our Expenditure increased to Rs. 3608.87 million in Fiscal 2007 from Rs. 2744.70 million in fiscal 2006 showing an increase of 31.49%. As a percentage of income, the expenditure for fiscal 2007 was 92.93% as against 92.63% in fiscal 2006.

Raw Material

Expenses on raw material increased to Rs. 3279.36 million in fiscal 2007 from Rs. 2680.54 million in fiscal 2006 showing an increase of 22.34 % primarily on account of increase in our Jewellery manufacturing operations. Cost of raw material consumed as a percentage of income was 90.46% for fiscal 2006 and 84.45% for fiscal 2007 showing a decrease of 6.01% primarily on account of change of product mix requiring lower cost and lower quantity of raw material component.

Staff cost

Our staff cost increased from Rs. 119.30 million in fiscal 2006 to Rs. 168.37 million in fiscal 2007 showing a growth of 41.13%. The increase in staff cost was primarily on account additional recruitment and annual salary increase. For the fiscal 2007, staff cost as percentage of sales was 4.34% compared to 4.03 % in fiscal 2006.

Other manufacturing expenses

Our other manufacturing expenses increased from Rs. 47.94 million in fiscal 2006 to Rs. 59.97 million in fiscal 2007 showing a growth of 25.09 % mainly on account of increased expenses on tools, spares, power and fuel charges on account of increase in production. For the fiscal 2007 other manufacturing expenses as percentage of total income was 1.54% compared to 1.62 % in fiscal 2006 showing an increase of 0.07%.

Administrative, Selling and Distribution expenses

Our Administrative, selling and distribution expenses increased from Rs. 76.42 million in fiscal 2006 to 101.17 million for fiscal 2007 showing a growth of 32.39% primarily on account of increase in rent, rates and taxes, Director sitting fees, Printing and stationery, Membership and subscription, insurance, traveling and conveyance, communication expenses, auditor's remuneration, loss on sale of assets, miscellaneous expenses, advertisement and sales promotion, commission and clearing and transportation charges. Administrative, selling and distribution expenses as percentage of total income was 2.61 % for fiscal 2007 compared to 2.58 % in fiscal 2006, showing an increase of 0.03 %.

Finance Charges

Interest and Financial charges decreased to Rs. 42.69 million in fiscal 2007 from Rs. 52.25 million in fiscal 2006 showing a decrease of 18.30% primarily on account of exchange fluctuation in Post shipment credit in foreign currency.

Depreciation

Our Depreciation expenditure was Rs. 20.90 million for Fiscal 2006 compared to Rs. 26.52 million in fiscal 2007 showing an increase of 26.87%. The depreciation expenses as a percentage of total income constituted 0.68% for the fiscal 2007 compared to 0.71% in fiscal 2006.

Profit after Tax

For the reasons stated above our net profit increased from Rs. 147.63 million in fiscal 2006 to Rs. 204.26 million in fiscal 2007 showing a growth of 38.36%. Our net Profit Margin increased from 4.98% in fiscal 2006 to 5.26% in fiscal 2007 mainly on account of decrease in raw material consumption, administration expenses, interest and financial charges and taxation.

Inventory

Inventory comprises of raw material & work in progress and has increased from Rs.830.54 million in fiscal 2006 to Rs 974.05 million in fiscal 2007. This is primarily due to increase in manufacturing activity.

Sundry Debtors

Sundry debtors have increased from Rs 856.03 million in fiscal 2006 to Rs.945.72 million in fiscal 2007 is due to increase in turnover.

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Loans and Advances

Loans and advances have increased from Rs.23.01 million in fiscal 2006 to Rs 105.77 million in fiscal 2007.

Current Liabilities & Provisions

Current Liabilities & Provisions have decreased from Rs.729.02 million in fiscal 2006 to Rs.517.53 million in fiscal 2007 mainly due to an decrease in creditor balance with scheduled banks and in deferred tax liability .

Secured Loans

Secured loans comprise of bank borrowings for working capital. Secured loans have increased from Rs.575.26 million in fiscal 2006 to Rs 904.54 million in fiscal 2007 due to increase in working capital utilization.

b. Comparison of Performance and Analysis of Developments for the financial year ended March 31, 2006 vis-à-vis Financial Year ended March 31, 2005

Major Events during the year

Renaissance Retail Venture Private Limited and Verigold Fine Jewellery Private Limited became our wholly – owned subsidiaries.

Received Certificate of Merit from GJEPC for being the second largest exporter of studded precious metal jewellery for the year 2005-06.

Commenced business in Bridal and Gemstone segments.

Income

Our Income increased by 45.45% from Rs. 2037.25 million in fiscal 2005 to Rs. 2963.21million in fiscal 2006. Income from sales increased by 61.03% from Rs. 1951.29 million in fiscal 2005 to Rs. 3142.17 million in fiscal 2006. We could register a growth in our Income mainly on account of increased sales in all the segments over the previous year.

Expenditure

Our Expenditure increased to Rs. 2744.70 million in Fiscal 2006 from Rs. 1939.80 million in fiscal 2005 showing an increase of 41.49%. As a percentage of income, the expenditure for fiscal 2006 was 92.63% as against 95.22% in fiscal 2005.

Raw Material

Expenses on raw material increased to Rs. 2680.54 million in fiscal 2006 from Rs. 1683.13 million in fiscal 2005 showing an increase of 59.26% primarily on account of increase in our Jewellery manufacturing operations. Cost of raw material consumed as a percentage of income was 82.62% for fiscal 2005 and 90.46% for fiscal 2006 showing a increase of 7.84% primarily on account of change of product mix requiring lower cost and lower quantity of raw material component.

Staff cost

Our staff cost increased from Rs. 100.81 million in fiscal 2005 to Rs. 119.30 million in fiscal 2006 showing a growth of 18.34%. The increase in staff cost was primarily on account additional recruitment and annual salary increase. For the fiscal 2006, staff cost as percentage of incomewas 4.03% compared to 4.95 % in fiscal 2005.

Other manufacturing expenses

Our other manufacturing expenses increased from Rs. 42.25 million in fiscal 2005 to Rs. 47.94 million in fiscal 2006 showing a growth of 13.47 % mainly on account of increased expenses on tools, spares, power and fuel charges on account of increase in production. For the fiscal 2006 other manufacturing expenses as percentage of total income was 1.62% compared to 2.07 % in fiscal 2005 showing a decrease of 0.46%, mainly on account of Increase in the Income in fiscal 2006 as compared to fiscal 2005.

Administrative, Selling and Distribution expenses

Our Administrative, selling and distribution expenses increased from Rs. 28.21 million in fiscal 2005 to 76.62 million for fiscal 2006 showing a growth of 170.90% primarily on account of increase in rent, legal and Professional charges, printing and stationery, Membership and subscription, insurance, traveling, communication expenses, auditors remuneration, miscellaneous expenses, brokerage and clearing and transportation charges. Administrative, selling and distribution expenses as percentage of total income was 2.58% for fiscal 2006 compared to 1.38 % in fiscal 2005, showing an increase of 1.19 %.

Finance Charges

Interest and Financial charges increased to Rs. 52.25 million in fiscal 2006 from Rs. 9.83 million in fiscal 2005 showing a growth of 431.54% primarily on account of increased interest charges due to additional borrowing in fiscal 2006 to meet the increase in working capital requirements and also on account of higher interest rates in fiscal 2006.

Depreciation

Our Depreciation expenditure was Rs. 20.90 million for Fiscal 2006 compared to Rs. 18.82 million in fiscal 2005 showing an increase of 11.05%. The depreciation expenses as a percentage of total sales constituted 0.71% for the fiscal 2006 compared to 0.92% in fiscal 2005.

Profit after Tax

For the reasons stated above our net profit increased from Rs. 68.19 million in fiscal 2005 to Rs. 147.63 million in fiscal 2006 showing a growth of 116.50%. Our net Profit Margin increased from 3.35% in fiscal 2005 to 4.98% in fiscal 2006 mainly on account of decrease in raw material consumption, staff cost, other manufacturing expenses and depreciation.

Inventory

Inventory comprises of raw material & work in progress and has increased from Rs.421.40 million in fiscal 2005 to Rs 830.54 million in fiscal 2006. This is primarily due to increase in manufacturing activity.

Sundry Debtors

Sundry debtors have increased from Rs 586.99 million in fiscal 2005 to Rs.856.03 million in fiscal 2006 is due to increase in turnover.

Loans and Advances

Loans and advances have increased from Rs.10.20 million in fiscal 2005 to Rs 23.01 million in fiscal 2006.

Current Liabilities & Provisions

Current Liabilities & Provisions have increased from Rs.240.81 million in fiscal 2005 to Rs.729.02 million in fiscal 2006 mainly due to procurement of raw materials by the Company for its own production on credit terms to cater to increase in sales from Rs. 1,951.29 million for the FY ended March 31, 2005 to Rs. 3141.99 million for the FY ended March 31, 2006 which resulted in rise of liabilities from 2005 to 2006. Further Verigold Fine Jewellery Private Limited commenced production and purchased inventory for production on credit terms of about 90 to 120 days during the same period and Renaissance Retail Venture Private Limited (RRVPL) also commenced operations for conducting and managing retail stores catering to all sorts of silver, gold and platinum jewellery during the same period. Both these activities were funded by the Company without any encashment in the Bank Line of the Company.

Secured Loans

Secured loans comprise of bank borrowings for working capital. Secured loans have increased from Rs.474.77 million in fiscal 2005 to Rs 575.26 million in fiscal 2006 due to increase in working capital utilization.

c. Comparison of Performance and Analysis of Developments for Financial year ended March 31, 2005 vis-à-vis March 31, 2004**Major Events during the year**

Received " International Supplier of the Year's award from Wal-Mart for the year 2004

Set up a 100% EOU in Bhavnagar, Gujarat in a facility measuring 64,000 sq ft. and commenced business.

Received Business Excellence Model (BEM) Certification from Rio Tinto Diamonds-An Australian Mining Company.

Conversion of our Company from Private to Public Limited.

Income

Our Income increased by 27.17% from Rs. 1601.95 million in fiscal 2004 to Rs. 2037.23 million in fiscal 2005. Income from sales increased by 21.39% from Rs. 1607.41 million in fiscal 2004 to Rs. 1951.29 million in fiscal 2005. We could register a growth in our Income mainly on account of increased sales in all the segments over the previous year. Other income decreased from Rs. 1.04 million in 2004 to Rs. 0.55 million in fiscal 2005 on account of reduction of share of profit from partnership firm, miscellaneous income and sundry balances written back.

Expenditure

Our Expenditure increased to Rs. 1,939.80 million in Fiscal 2005 from Rs. 1,523.25 million in fiscal 2004 showing an increase of 27.35%.

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Raw Material

Expenses on raw material increased to Rs. 1683.13 million in fiscal 2005 from Rs. 1383.70 million in fiscal 2004 showing an increase of 21.64 % primarily on account of increase in our Jewellery manufacturing operations. Cost of raw material consumed as a percentage of income was 86.38% for fiscal 2004 and 86.62% for fiscal 2005. This increase was on account of increase in price of raw-materials.

Staff cost

Our staff cost increased from Rs. 83.79 million in fiscal 2004 to Rs. 100.81 million in fiscal 2005 showing a growth of 20.31%. The increase in staff cost was primarily on account additional recruitment and annual salary increase. For the fiscal 2005, staff cost as percentage of income was 4.95% compared to 5.23 % in fiscal 2004 showing a decrease of 0.28 % mainly on account of increase in the sales in fiscal 2005 as compared to fiscal 2004.

Other manufacturing expenses

Our other manufacturing expenses increased from Rs. 37.74 million in fiscal 2004 to Rs. 42.25 million in fiscal 2005 showing a growth of 11.95 % mainly on account of increased expenses on tools , spares , power and fuel charges on account of increase in production. For the fiscal 2005 other manufacturing expenses as percentage of total income was 2.07% compared to 2.36 % in fiscal 2004 showing a decrease of 0.28%, mainly on account of Increase in the sales in fiscal 2005 as compared to fiscal 2004.

Administrative, selling and Distribution expenses:

Our Administrative selling and distribution expenses increased from Rs. 24.52 million in fiscal 2004 to 28.21 million for fiscal 2005 showing a increase of 15.05% primarily on account of increase in rent, legal and professional fees, printing and stationery, membership and subscription, insurance, traveling communication, miscellaneous expenses , repairs and maintenance expenses and clearing and transportation expenses. Administrative, selling and distribution expenses as percentage of income was 1.38 % for fiscal 2005 compared to 1.53 % in fiscal 2004, showing decrease of 0.15 %.

Finance Charges

Interest and Financial charges increased to Rs. 9.83 million in fiscal 2005 from Rs. 3.89 million in fiscal 2004 showing an increase of 152.70% primarily on account of increased interest charges due to additional borrowing in fiscal 2005 to meet the increase in working capital requirements and also on account of higher interest rates, increase in bank transaction charges and reduction in income from exchange fluctuation in fiscal 2005.

Depreciation

Our Depreciation expenditure was Rs. 18.82 million for Fiscal 2005 compared to Rs. 18.74 million in fiscal 2004 showing a marginal increase. The depreciation expenses as a percentage of income constituted 0.92% for the fiscal 2005 compared to 1.17% in fiscal 2004

Profit after Tax

For the reasons stated above our profit after tax increased from Rs. 56.48 million in fiscal 2004 to Rs. 68.19 million in fiscal 2005 showing a growth of 20.73%. However, our net Profit Margin decreased marginally from 3.53% in fiscal 2004 to 3.35% in fiscal 2005 mainly on account of increase in raw material Consumption, interest paid on working capital borrowings and bank transaction charges.

Inventory

Inventory comprises of raw material & work in progress and has increased from Rs.300.80 million in fiscal2004 to Rs.421.40 million in fiscal 2005.

Sundry Debtors:

Sundry debtors have increased from Rs.471.68 million in fiscal 2004 to Rs.586.99 million in fiscal2005.

Loans and Advances

Loans and advances have increased from Rs.8.23 million in fiscal 2004 to Rs.10.20 million in fiscal2005

Current Liabilities & Provisions

Current Liabilities & Provisions have decreased marginally from Rs.270.22 million in fiscal 2004 to Rs.240.81 million in fiscal 2005.

Secured Loans

Secured loans comprise of bank borrowings for working capital. Secured loans have increased from Rs.234.49 million in fiscal 2004 to Rs.474.77 million in fiscal 2005.

c. Comparison of Performance and Analysis of Developments for Financial year ended March 31, 2004 vis-à-vis March 31, 2003

Major Events during the year

Commenced business with Zales Corporation-the largest speciality jewellery chain in North America.

Income

Our Income increased by 25.91% from Rs. 1272.33 million in fiscal 2003 to Rs. 1601.95 million in fiscal 2004. Income from sales increased by 31.41 % from Rs. 1223.24 million in fiscal 2003 to Rs. 1607.41 million in fiscal 2004. We could register a growth in our Income mainly on account of increased sales in all the segments over the previous year. Other income was reduced from Rs. 1.74 million for fiscal 2003 to Rs. 1.04 million in fiscal 2004 on account of reduction in the interest on margin money, jewellery making charges and profit on sale of assets.

Expenditure

Our expenditure increased from Rs. 1200.08 million in fiscal 2003 to Rs. 1523.25 million in fiscal 2004 showing an increase of 26.93 %. As a percentage of sales, the expenditure for fiscal 2004 was 94.76% as against 98.11 % in fiscal 2003.

Raw Material:

Expenses on raw material increased to Rs. 1383.70 million for fiscal 2004 from Rs. 989.46 million for fiscal 2003 showing an increase of 39.84 % primarily on account of increase in our Jewellery manufacturing operation. Cost of raw material consumed as a percentage of sales was 80.89% for FY 2003 and 86.08% for FY 2004.

Staff cost:

Our staff cost increased from Rs. 61.36 million in fiscal 2003 to Rs. 83.79 million in fiscal 2004 showing a increase of 36.55 %. The increase in staff cost was primarily on account of additional recruitment and annual salary increase. For the fiscal 2004 staff cost as percentage of sales was 5.21% when compared to 5.02 % in fiscal 2003 showing increase of 0.20% mainly on account of increased recruitment of employees for the next season and increase in salary level.

Other manufacturing expenses:

Our Other manufacturing expenses decreased from Rs. 41.64 million in fiscal 2003 to Rs. 37.74 million in fiscal 2004 showing a reduction of 9.37 % on account of reduction in Jewellery making charges paid to outside contractors. For the fiscal 2004 other manufacturing expenses as percentage of sales was 3.40% compared to 2.35% in fiscal 2003 showing decrease of 1.05%.

Administrative, Selling and Distribution Expenses:

Our Administrative, selling and distribution expenses decreased from Rs. 60.27 million in fiscal 2003 to Rs. 24.52 million in fiscal 2004 showing a reduction of 59.32 % on primarily on account of decrease in Membership and subscription, traveling expenses, software expenses, loss on sale of assets and brokerage and commission. Administrative, Selling and distribution expenses as percentage of sales for fiscal 2004 was 1.52% compared to 4.92% for fiscal 2003 showing decrease of 3.4 % mainly on account reduced traveling and software expenses.

Finance charges

Interest and financial charges decreased from Rs. 11.35 million in fiscal 2003 to 3.89 million in fiscal 2004 showing reduction of 65.73 % primarily on account of increase in income from exchange fluctuation in PCFC / PSFC and lower rate of interest.

Depreciation

The Depreciation reduced from Rs. 20.95 million in fiscal 2003 to Rs. 18.74 million in fiscal 2004 showing a reduction 10.55%. The deprecation cost as percentage of sales stood at 1.71 % for fiscal 2003 and 1.17 % for fiscal 2004.

Profit after tax

For the reasons stated above, our net profit increased from Rs. 37.21 million for fiscal 2003 to Rs. 56.48 million for fiscal 2004 showing a growth of 51.79%. Our net profit margin increased from 3.04% in fiscal 2003 to 3.51% for fiscal 2004. The

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increase in net margin was account of increase in sales and decrease in other manufacturing, administration expense, selling and distribution expenses, interest and financial charges and depreciation expenses.

Inventory

Inventory comprises of raw material & work in progress and has decreased from Rs 336.99 million in fiscal 2003 to Rs.300.80 million in fiscal 2004.

Sundry Debtors:

Sundry debtors have increased from Rs.263.26 million in fiscal 2003 to Rs.471.68 million in fiscal 2004.

Loans and Advances

Loans and advances have increased from Rs.4.34 million in fiscal 2003 to Rs 8.23 million in fiscal 2004

Current Liabilities & Provisions

Current Liabilities & Provisions have increased from Rs.148.09 million in fiscal 2003 to Rs.270.22 million in fiscal 2004.

Secured Loans

Secured loans comprise of bank borrowings for working capital Secured loans have increased from Rs.220.82 million in fiscal 2003 to Rs.234.49 million in fiscal 2004.

Significant Accounting Policies:

I. ACCOUNTING POLICIES

The following are significant accounting policies adopted by the company in the preparation and presentation of financial statements.

1. These Accounts have been prepared under historical cost convention, on accrual basis and comply with the Accounting Standards referred to in Section 211(3C) of The Companies Act, 1956, of India (The Act).

2. **Significant Accounting Policies.**

- a) **Fixed Assets and Depreciation**

Fixed assets are stated at cost of acquisition/construction, less accumulated depreciation. Depreciation is provided on Written Down Value basis at the rates prescribed in Schedule XIV to The Act. Depreciation on additions/deletions is calculated pro-rata from the month of additions/ deletions.

- b) **Investments**

Investments which are Long Term in nature are stated at cost of acquisition with provision where necessary for diminution, other than temporary, in the value of investments.

- c) **Inventories**

Classification:

Due to the short period of processing and/or manufacturing, difficulty in identifying the stages of process and the insignificant impact on valuation, goods in process is classified as raw materials for the purpose of classification and valuation.

Valuation:

- a. Stores and spares are valued at cost. The cost is computed on moving weighted average.
- b. Raw materials are valued at cost on a specific identification basis.
- c. Silver Models are valued based on technical estimates and accordingly, 50% is written off in the year of purchase and balance in the subsequent year.

- d) **Retirement Benefits**

- i) **Gratuity**

Liabilities for gratuity are accounted based on the assumption that such benefits are payable to all eligible employees at the end of the year.

ii) Leave Encashment

Provisional Liability for leave encashment is made for unavailed accumulated leave balances of the employees on the basis of their current salaries.

e) Foreign Currency Transactions

Transactions in foreign currency are accounted at the exchange rate prevailing at the time of transaction.

Gains or Losses upon settlement of transaction during the year is recognised in the profit and loss account except in respect of fixed assets where such gains or losses are adjusted in carrying amount of respective fixed assets.

Assets and liabilities denominated in foreign currency are restated at the year end rates. Gains or losses arising as a result of the above are recognized in the profit and loss account except in respect of fixed assets where such gains or losses are adjusted in carrying amount of respective fixed assets.

In respect of foreign exchange transactions covered by forward exchange contracts, the difference between the forward contract rate and the exchange rate at the date of the transaction is recognised as income or expenses over the life of contracts, except in respect of liabilities incurred for acquiring fixed assets in which case such difference is adjusted in carrying amount of respective fixed assets.

Gains or losses on cancellation or renewal of forward exchange contracts are recognised as income or expenses, except in respect of fixed assets where such gains or losses are adjusted in carrying amount of respective fixed assets.

f) Deferred Tax:

Deferred Tax is recognized subject to the consideration of prudence on timing differences, being the difference between taxable Income and Accounting Income that originate in one period and are capable of reversal in one or more subsequent periods.

g) Borrowing Cost

Borrowing Cost directly attributable to the acquisition of or construction of fixed assets is capitalized as part of cost of the assets up to the date the asset is put to use. Other borrowing costs are charged to the profit & loss account in the year in which they are incurred.

h) Contingent Liabilities

Contingent Liabilities are not provided and are disclosed by way of notes on accounts.

3. In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business. Provisions for all the known liabilities and depreciation are adequate and not in excess of the amount reasonably necessary.
4. Contingent Liabilities at the period-end not provided for in respect of:

| | As at June 30, 2007 (Rupees in million) | As at March 31, 2007 (Rupees in million) |
|-----------------------------------------------------------------------------------------------|--------------------------------------------|---------------------------------------------|
| i) Letters of Credit and Guarantees given by Banks on behalf of the Company to third parties. | 60.00 | 70.00 |
| ii) Penalty levied by the Custom Authorities | 0.31 | 0.31 |
| iii) Income Tax demand disputed in appeal : | | |
| Disputed by the Company | 3.15 | 1.11 |
| Disputed by the Department | 6.11 | 6.11 |

Material Developments after June 30, 2007

We also commenced exports of loose diamonds from our facility situated at Opera House, Mumbai. .

With effect from September 12, 2007 -Renaissance Jewelry New York, Inc, has become a 100% foreign subsidiary of our Company.

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Information required as per clause 6.10.5.5(a) of the SEBI Guidelines:

Unusual or infrequent events or transactions:

There have been no unusual or infrequent transactions that have taken place during the last three years.

Significant Economic changes that materially affected or are likely to affect income from continuing operations:

Except as detailed in the preceding paragraph and as described in the section titled “**Risk Factors**” beginning on page xi and “**Management Discussion and Analysis of Financial Conditions and Results of Operations**” beginning on page 135 in this Red Herring Prospectus, there are no known factors that will have a material adverse impact on our operations, our income from continuing operations and our finances.

Known trends or uncertainties

Apart from the risks as disclosed in the section titled “**Risk factors**” beginning on page xi, there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

Future relationship between costs and revenues

To our knowledge there are no known factors which will have a material adverse impact on our operations and profitability.

Total turnover of the Industry in which we operate

We are operating only in the business line Gems and Jewellery. Relevant published data, as available, for the industry turnover has been included in the section titled “**Industry**” beginning on page 47 of this Red Herring Prospectus.

Over dependence on Single supplier/Customer

We source large quantum of our raw materials from a small number of suppliers, details of which have been provided in the section titled “**Our Business**” beginning on page number 55 of this Red Herring Prospectus.

New products launched

We have not introduced any new product.

Seasonality of Business

We have experienced and expect to continue to experience seasonal fluctuation in our sales. We have historically experienced higher sales during the second and third quarter of our fiscal year. The demand for our products from our customers are higher, in these periods on account of anticipated sales during the Christmas holiday seasons and Thanks Giving Day in the U.S. Thus there is variation in revenues and hence profitability in each quarter.

Competitive conditions

We face competition both from larger and well-established players.

Related Party Transactions

For related party transactions, please refer to Section titled “**Related Party Transactions**” under the section titled “**Financial Information**” on page no. 111 of this Red Herring Prospectus.

Dividend Policy

For details, please refer to section titled “**Financial Statements**” beginning on page 94 of this Red Herring Prospectus.

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LEGAL AND STATUTORY INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits or criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors, our Promoters, Promoter Group Company and other entities and there are no defaults, non-payment or overdue of statutory dues, institutional/bank dues and dues payable to holders of any debentures, bonds and fixed deposits other than unclaimed liabilities against our Company or Directors or Promoters or Promoter Group Companies or joint ventures and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Directors, our Promoters and our joint ventures.

Note: Litigations appearing in this section also include litigations that were pending by or against the erstwhile Sur Style Private Limited ("Sur Style"), which was merged with our Company under section 295 of the Companies Act, with effect from April 1, 1998 ("the Effective Date"). Consequently all pending litigations by or against Sur Style are pending by or against our Company from the Effective Date.

Outstanding Litigation

(A) OUTSTANDING LITIGATIONS AND CONTINGENT LIABILITIES OF OUR COMPANY

Contingent liabilities as on June 30, 2007

(Rs. in million)

| Contingent Liabilities at the period-end not provided for in respect of: | As at June 30, 2007 |
|---------------------------------------------------------------------------------------------------|---------------------|
| i) Letters of Credit and Guarantees given by Banks on behalf of the Company to third parties. | 60.00 |
| ii) Penalty levied by the Custom Authorities | 0.31 |
| iii) Income Tax demand disputed in appeal : Disputed by the Company Disputed by the Department | 3.15 6.11 |

1. Outstanding litigation involving Our Company

A. Cases filed against our Company

• Income Tax Disputes

1. The Commissioner of Income Tax has filed an appeal being Appeal No. (Lodging 46) of 2006 in the High Court of Bombay under section 260 A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Mumbai Bench ("ITAT") dated May 26, 2005 in ITA No. 261/MUM/ 2005. The said ITAT order allowed our Company's appeal against the order of the Commissioner of Income Tax (Appeals) ("CIT-Appeals") for the Assessment year 2001-2002. The Commissioner of Income Tax has also filed Appeal No (Lodging 804) of 2006 in the High Court of Bombay against the order of the ITAT dated November 29, 2005 dismissing CIT(A) appeal against ITAT order dated May 26, 2005. The CIT-Appeals had vide order dated October 8, 2004 upheld the assessment order dated March 26, 2004 of the Income Tax Department ("**Assessing Officer**") and had made an enhancement of income computed in the Assessment Order on account of foreign exchange gain of Rs. 9,838,301 on sales made in the year thereby raising a further demand of Rs. 3,843,159. The Assessing Officer had vide its order imposed a demand of Rs. 160,556 and charged interest under section 234B and 234C of the IT Act in view of :
 - a. disallowance of foreign exchange difference under section 10 A of the IT Act and
 - b. that the net income of Rs. 9,838,801 earned by the assessee for the Assessment Year 2001 – 2002 on account of fluctuation in the rate of foreign exchange is not eligible for deduction under section 10 A of the IT Act. The appeal is pending.

Note : (i) In addition to the appeal before the ITAT, our Company had also filed stay application No. 147/ Mum/05 before the ITAT for stay of collection of recovery of tax demand of Rs. 3,843,159/- and of interest demand of Rs 2,268,254 under section 234B and 234C of the IT Act, amounting to Rs. 6,111,413 ("**disputed amounts**") in addition to the original tax demand of Rs. 160,556 imposed under the Assessment Order. The ITAT vide its order dated March 11, 2005 had granted a stay on collection/ recovery of the disputed amounts subject to deposit of Rs. 600,000 by our Company by March 25, 2005. Our Company had paid the said amount on March 18, 2005.

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- (ii) For further details of Appeal No. Lodging 804 of 2006 filed by the CIT in the High Court of Bombay please refer Sr. No. 2 under the heading "Income Tax Disputes" against our Company.

2. The Commissioner of Income Tax has filed an appeal being Appeal No. (Lodging 804) of 2006 in the High Court of Bombay under section 260 A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Mumbai Bench dated November 29, 2005 dismissing the appeal filed by the CIT (A) against the order of the ITAT dated May 26, 2005, thereby allowing our Company's appeal against order of the Commissioner of Income Tax (Appeals) dated October 8, 2004. The CIT (Appeals) had vide its order dismissed our Company's appeal against the order of the Assessing Officer dated March 26, 2004. For further details on the order of the Assessing Officer please refer Sr No.1 under the heading "Income Tax Disputes" above. The appeal is pending.

- **Customs Disputes**

1. The Appraiser of Customs, SEEPZ-SEZ, Bombay has issued a Less Charges Demand Memo dated April 29, 2000 in respect of an alleged non- fulfillment of export obligations, calling upon our Company to show cause under Section 28 of the Customs Act, 1962 for customs duty amounting to Rs. 50,500,000 recoverable for the period of 1993-94 and 1994-95 , which was not levied or short levied, and further directing our Company to produce the necessary evidence in this regard. Vide our letter dated May 10, 2000 addressed to the Assistant Commissioner of Customs (SEEPZ) we have requested the authorities to provide us details of calculation and the basis on which duty has been calculated, in order to enable us to prepare and submit our reply. The matter is still pending.
2. The Assistant Commissioner of Customs, SEEPZ-SEZ, Andheri had issued a Show Cause Notice cum Duty Demand dated April 26, 1996 for alleged non- fulfillment of conditions of Notification No. 177/94 Customs against the erstwhile Sur Style in respect of alleged shortage of 990.2 grams of gold valued at Rs. 3,89,565 on stock taking as compared to the stock of gold shown in the books as on April 1, 1995 for which a duty of Rs. 282,434 was leviable. Sur Style had by letter dated March 16, 1996 provided the details of the gold recovered and recoverable. The matter is still pending final adjudication.

- **Foreign Trade Disputes**

1. The Assistant Development Commissioner, SEEPZ SEZ, Bombay has issued a Show Cause Notice No. SEEPZ/MON/SCN/4/02-03/345 dated January 3, 2003 under the Foreign Trade (Development & Regulation) Act, 1992 directing our Company to show cause to the Development Commissioner, SEEPZ SEZ for alleged non-fulfillment of export obligation and Net Foreign Exchange as a Percentage of Exports ("NFEP") norms prescribed in the EXIM Policy for the period 1991-92 to 1995-96. We have responded to their notice vide letter dated January 24, 2003, stating that the current management of our Company took over the Company from June 1995 and subsequent to the same there has been a marked improvement in the exports, sales and profitability of our Company, thus requesting the Assistant Development Commissioner not to initiate any penal proceedings for failure to achieve export performance and NFEP. The matter is still pending.
2. The Development Commissioner, SEEPZ-SEZ had issued a notice against the erstwhile Sur Style for alleged nonfulfillment of export obligation, value addition and NFEP norms prescribed in the EXIM Policy, for the period ended March 31, 1997 vide their letter no. TEC/VAC/96/21955 dated March 10, 1998. We have responded to their notice vide our reply dated March 26, 1998, stating that we had not received the occupation certificate till December 1996, without which we were unable to obtain the necessary licenses to get the required quantity of liquid petroleum which is essential for mass production of jewellery. The matter is still pending.

- **Others**

1. **Stamp Duty Disputes**

The Deputy Inspector General of Registration & Deputy Controller of Stamps ("Enforcement"), Mumbai ("Stamp Duty Authority") had issued notice vide letter No. DIGR/ENF/SD/37/1/440-2000 dated January 20, 2000 for payment of stamp duty under the Bombay Stamp Act, 1958 amounting to Rs. 5,490,000 on the No Objection Certificate issued by the Income Tax Department under section 269UL in respect of our Company's property situated at village Parajapur, Andheri. Our Company has by its reply dated July 23, 2001, submitted that it is not required to pay stamp duty on the transaction, and has further requested the Stamp Duty Authority to cancel their notice for payment of stamp duty. We have not paid the amount of Rs. 5,490,000/- as on date of filing of this Red Herring Prospectus. We are still awaiting reply of the Stamp Authority.

B. Cases filed by our Company

● Income Tax Disputes

1. Our Company has filed an appeal being appeal No 325 before the CIT (A) XXIX under section 250 of the IT Act, for the Assessment Year, 2004-2005. This appeal has been preferred by our Company against assessment order dated December 26, 2006 of the Income Tax Department imposing tax demand of Rs. 2,040,620/- and directing institution of separate penalty proceedings under section 271(1) (c) on account of:
 - a. disallowance of delayed payment of provident fund and ESIC as deduction under the IT Act;
 - b. disallowance of income claimed as exemption under section 10A of the IT Act;

The appeal is scheduled to come up for hearing on June 20, 2007. The matter is still pending

2. Our Company has filed an appeal being Appeal No. 147 before the CIT (A) XXIX under section 250 of the IT Act, for the Assessment Year, 2003-2004. This appeal has been preferred by our Company against assessment order dated March 28, 2006 of the Income Tax Department imposing tax demand of Rs. 1,105,527/- and directing institution of separate penalty proceedings under Section 271(1)(c). The matter is pending.

● Customs Disputes

1. Our Company has filed an Appeal and Stay Application under Section 129A of the Customs Act, 1962 before the Customs Excise and Gold (Control) Appellate Tribunal - Mumbai (CEGAT) now Customs, Excise And Service Tax Appellate Tribunal ("CESTAT"), against the order No. COMMR/MCT/12/2002 dated December 31, 2002 of the Commissioner of Customs, CSI Airport, Andheri:
 - (i) holding that 8971.11 grams of gold valued at Rs. 3,634,454 is liable to be confiscated under Section 111(d) and 111(o) of the Customs Act 1962;
 - (ii) confirming duty of Rs. 2,795,048 on 8,971.11 grams of gold found short and ordering adjustment of the said sum towards duty liability; and
 - (iii) imposing penalty of Rs. 200,000 on account of alleged shortage of 8971.11 grams of gold valued at Rs. 3,634,454 on stock taking as compared to the stock of gold shown in the books as on December 1, 1998.

Our Company has prayed for setting aside of the order and refund of deposit by our Company of Rs. 2,795,098. We have not paid the penalty as on date. The appeal is pending before CESTAT.

2. Our Company has filed an appeal being Appeal No. C/571/03-Mum and a stay application bearing no. C/S/1461/03-Mum before the CESTAT, Mumbai in August 2003, against the order no. COOMR/MCT/07/2003 dated May 13, 2005 of the Commissioner of Customs CSI Airport, Mumbai imposing a penalty of Rs. 111,196 levied for alleged shortage of 2200.56 grams of platinum valued at Rs. 2,081,189 of assessable value on stock taking as compared to the stock of platinum shown in the books as on April 1, 1995, for which a duty of Rs. 444,783 was payable and deposited by our Company on September 23, 2002. CESTAT has vide Order No. CI/2829/WZB/2003 dated November 11, 2003 waived the pre-deposit and/or recovery of the penalty pending the appeal. The appeal is still pending.
3. The erstwhile Sur Style had preferred an appeal being Appeal No.C/365/02-MUM to the Commissioner of Customs (Appeals) on October 30, 2001 against the order of the Additional Commissioner of Customs, SEEPZ-SEZ, Andheri No. ADC/ AH/ ADJN/ 44/ 2001 dated July 17, 2001:
 - (i) holding an alleged shortage of 254.41 grams of gold valued at Rs. 113,976/- in contravention of provisions of relevant notifications and the EXIM Policy, on stock taking as compared to the stock of gold shown in the books as on November 11, 1995.
 - (ii) confirming a demand of Rs. 82,632.37 as customs duty on the shortage of gold weighing 254.41 gms, under section 112(a) of the Customs Act;
 - (iii) imposing penalty of Rs. 11,000 under section 112 (a) of the Customs Act, 1962.

The penalty of Rs. 11,000 and the duty of Rs. 82,632 has been paid under protest as on March 28, 2003. The matter is still pending.

● Municipal Corporation Disputes

1. Our Company has filed an appeal, under section 217 of the Bombay Municipal Corporation Act, 1888 bearing Municipal Appeal No. 1777/03 of 2003 against the BMC in the Small Causes Court at Mumbai, in respect of order of the BMC dated September 8, 2003 fixing the rateable value of premises situated at Plot No 36, SEEPZ-SEZ Andheri at

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Rs. 32,445/- for the year 2003-04 ("disputed amount") in terms of Special Notice No. 852 and 852-A of 2002-2003 issued by the BMC under Section 162 (2) of the Bombay Municipal Corporation Act. . We have prayed for the reduction in the rateable value of the property as rateable value of or at such other rate as the court may deem fit and a refund of the excess tax as charged by the BMC. We have not paid the disputed amount as on date of filing of this Red Herring Prospectus. The matter is still pending.

2. Our Company has filed a writ petition being Writ Petition of 2007 in the High Court of Judicature at Mumbai (Appellate Side) against the Municipal Commissioner Brihanmumbai Municipal Corporation And Another (Respondents) against the order of the Small Causes Court Mumbai dated June 29, 2007 (the "said order") dismissing our Company's application being Miscellaneous Notice No. 65 of 2007 for restoration of our municipal appeal No 267 of 2002 filed against the Brihanmumbai Municipal Corporation. The Small Causes Court at Mumbai had vide its order dated April 29, 2007 dismissed the Appeal No 267 of 2002 filed by our Company which was aggrieved by the assessment taxes levied by the Respondents under Section 162(2) of the Bombay Municipal Corporation Act, 1888 *inter alia* fixing the rateable value of the premises bearing Ward KE 3870 (37) situated at Plot No. 37, SEEPZ-SEZ, MIDC at Rs. 828,280/- for the year 2002-03.

2. Outstanding Litigations by/against Directors

- **Outstanding Litigation against our Directors**

1. Our Promoter Group Company N.Kumar Diamond Exports Limited, and its Directors/ shareholders were served with Show Cause Notice No. T-4/150-B/ AD(SMS)/2000 dated June 12, 2000 for alleged contravention of provisions of Section 8(1) read with section 68(1) of FERA, in respect of seizure by the Enforcement Directorate of 55.59 cts of rough diamonds allegedly under-valued at US.\$ 4170/- or Rs.182,780 and which amount was allegedly remitted to the overseas supplier through non-banking channels. The said notice has been issued to N.Kumar Diamond Exports Ltd, and its directors/ shareholders- Mr. Niranjan A. Shah, Mr. A.M Shah, Mr.Amit C. Shah, Mr. Bhupen C. Shah, Mr. Sumit N. Shah, Ms. Pallavi Shah, Ms. Ashita Shah, Ms.Suchita Shah. Subsequently the Assistant Adjudicating Authority vide its order dated May 25, 2001 directed:-

- (i) confiscation of the 55.59 cts of rough diamonds seized by the authorities during search operations; and
- (ii) imposition of penalty of Rs. 180,000 on N.Kumar Diamond Exports Ltd, Rs. 100,000 on Mr. Amit C. Shah- Rs. 25,000/- each on all other Directors i.e. Mr. Niranjan A. Shah, Mr. Bhupen C. Shah, Mr. Sumit N. Shah, and Rs. 25,000 each on the shareholders namely Mrs Pallavi Shah, Mrs. Ashita Shah and Mrs Suchita Shah.

The Enforcement Directorate and the Tehsildar, Office of the Collector of Mumbai have both served demand notices for payment of the penalty as set out in the order. N.Kumar being aggrieved by the said order has submitted its appeal being Appeal No. 194-202/2001 on July 20, 2001 to the Appellate Tribunal for Foreign Exchange, New Delhi ("Appellate Tribunal") against the above order, praying for admission of appeal without payment of penalty. Vide notice dated July 24, 2001 the Assistant Registrar, Appellate Tribunal, Delhi directed deposit of the penalty amount and for filing of separate appeals for separate penalties. N.Kumar has filed its reply with the Appellate Tribunal against the notice of Registrar. The Enforcement Directorate has further initiated separate recovery proceedings in the Court of the Chief Metropolitan Magistrate, Esplanade, Mumbai being Complaint No. 117/S/2002. The Appellate Tribunal vide its order dated February 10, 2003 has posted the appeal for hearing in the court camp at Mumbai and has granted interim stay of the order under appeal and recovery proceedings until further orders. The penalties have not been paid, and the matter is pending.

- **Outstanding Litigations filled by our Directors**

There are no outstanding litigations filled by our Directors as on date of filing of this Red Herring Prospectus.

3. Outstanding litigation by/ against Our Promoters

Other than the proceedings initiated by the Enforcement Directorate as mentioned in "**Outstanding Litigations against our Directors**" in this section there are no other outstanding litigations by or against our Promoters as on date of filing this Red Herring Prospectus

4. Outstanding Litigations by/or against our Subsidiaries

There are no outstanding litigations by or against our subsidiaries, i.e. Renaissance Retail Venture Limited or Verigold Fine Jewellery Limited as on date of filing of this Red Herring Prospectus

RENAISSANCE JEWELLERY LIMITED

Outstanding Litigations by/or against our Promoter Group Company, and other group companies and ventures promoted by Promoters

A. Outstanding Litigations by/against our Promoter Group Company-N.Kumar Diamond Exports Limited

In addition to the case mentioned in "Outstanding Litigation against our Directors" the following are the pending litigations by/against N.Kumar Diamond Exports Limited.

(i) Outstanding Litigations by N.Kumar Diamond Exports Limited

There are no outstanding litigations by N.Kumar Diamond Exports Limited as on date of filing of this Red Herring Prospectus.

(ii) Outstanding Litigations against N.Kumar Diamond Exports Limited

• Income Tax Disputes

1. The Deputy Commissioner of Income Tax 5(2) ("Dpty CIT") has filed an appeal being Appeal No. 2398/M/2006 before the ITAT, Mumbai for the Assessment Year 2002-2003 against the order of the Commissioner of Income Tax (Appeals) dated February 10, 2006 allowing the appeal of N.Kumar Diamond Exports Limited against order of the Additional CIT. The Additional CIT had vide assessment order dated February 2, 2005 imposed a tax demand of Rs. 1,025,430 and ordered initiation of separate penalty proceedings on account of

- (i) Disallowance of Rs. 6,786,363 out of labour charges
- (ii) Disallowance of exchange difference realized in respect of exports as part of export turnover in computation of income tax
- (iii) Disallowance of motor car and telephone expenses

The Dpty CIT had as on March 10, 2006 vide order giving effect to CIT(Appeals) order, directed refund of Rs. 952,960 to the company.

The appeal and the penalty proceedings are pending.

Note: The penalty proceedings are currently pending and will be subject to the final order of ITAT.

Save as stated above there are no other litigations by or against any other group company or ventures promoted by our Promoters as on the date of filing of this Red Herring Prospectus

5. Past penalties levied in the last five years.

| S. No. | Amount of penalty imposed (Rs.) | Brief particulars regarding penalty and reasons therefore | Remarks (paid/payable) |
|--------|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| 1. | 50,000/- | Penalty for non-fulfillment of export obligation and value addition for the period 1994-95 to 1996-97 as levied against the erstwhile Sur Style Jewellery Private Limited (now amalgamated with our Company). | Paid |
| 2. | 11,000/- | Penalty levied on the erstwhile Sur Style Jewellery Private Limited. The penalty has been paid under protest. Appeal against the order of the Additional Commissioner of Customs, imposing the penalty is pending before the Commissioner of Customs (Appeals) | Paid |

6. Material developments

The following are the material developments after June 30, 2007.

In July 2007, we also commenced exports of loose diamonds from our facility situated at Opera House, Mumbai.

With effect from September 12, 2007 -Renaissance Jewelry New York, Inc, has become a 100% foreign subsidiary of our Company.

RENAISSANCE JEWELLERY LIMITED

APPROVALS FOR OUR BUSINESS

Except for pending approvals mentioned under this heading, our Company has received the necessary material consents, licenses, permissions and approvals from the Government/RBI and various Government agencies required for our present business. Further, except for pending approvals as detailed herein, our Company can undertake all our present activities and activities, in view of the present approvals and no further material approvals from any statutory body are required by our Company to undertake the present activities. Except as mentioned in this Section, we have not applied for any licenses/ approvals in relation to the Objects of the Issue.

APPROVALS FOR THE ISSUE

We have received the following approvals relating to the Issue:

1. In Principle Approval from the National Stock Exchange dated July 16, 2007.
2. In Principle Approval from the Bombay Stock Exchange dated July 30, 2007.
3. Our Board has, pursuant to a resolution passed at its meeting held on May 24, 2007 authorised this Issue subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act, and such other authorities as may be necessary. Our shareholders have, pursuant to a resolution passed at the extraordinary general meeting held on May 26, 2007 under Section 81(1A) of the Companies Act, authorised this Issue.

A. Incorporation

1. Certification of Incorporation bearing No. 11-54498 dated December 4, 1989 issued by the Registrar of Companies, Maharashtra in the name of Mayur Gem and Jewellery Export Private Limited.
2. Fresh Certificate of Incorporation Consequent on Change of Name bearing No. 11-54498 dated April 16, 1997 issued by the Registrar of Companies, Mumbai pursuant to the change in name of our Company from Mayur Gem and Jewellery Export Private Limited to Renaissance Gem and Jewellery Export Private Limited.
3. Fresh Certificate of Incorporation Consequent on Change of Name bearing No. 11-54498 dated April 5, 2002 issued by the Deputy Registrar of Companies, Mumbai pursuant to the change in name of our Company from Renaissance Gem and Jewellery Export Private Limited to Renaissance Jewellery Private Limited.
4. Certificate of Change of Name bearing No. 11-54498 dated December 20, 2005 issued by the Deputy Registrar of Companies, Mumbai pursuant to the change in name of our Company from Renaissance Jewellery Private Limited to Renaissance Jewellery Limited.

B Industrial/Labour

● 36 A, 37 SEEPZ-SEZ, MIDC, Andheri, Mumbai – 400 096

1. Letter of Permission no. SEEPZ/SEZ IA (I) NUS API GJ-249/2000/3825 dated April 15, 2005 issued by the SEEPZ Special Economic Zone, Ministry of Commerce for a period of 5 years from April 1, 2005 to March 31, 2010 for manufacture and export of studded gold jewellery as an SEZ Unit.
2. Factory license bearing number 073124 dated April 3, 2001 issued by the factory inspector, Mumbai, valid until December 31, 2007.
3. Establishment Code No 35-028-43 under the Employees State Insurance Corporation Act, 1948, issued by the Regional Director, Maharashtra, ESIC by the letter dated September 15, 2000 bearing number B/Cov. RM – 392 (35-028-43)
4. Establishment Code No 37-4229/34 under the Employees State Insurance Corporation Act, 1948, issued by the Regional Director, Ahmedabad by the letter dated January 31, 2006.
5. Establishment Code No. MH/40930-A under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 issued by the Regional Provident Fund Commissioner, Maharashtra & Goa vide letter bearing number MH/409030 – A /PF/ Enf VI/APP/06G/478 dated September 20, 2000.
6. Establishment Code No. GJ/52054 under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 issued by the Regional Provident Fund Commissioner, Bhavnagar vide letter dated March 17, 2006.
7. Establishment No. MH/49146 allotted with effect from August 1, 2007 to our Company's division situated at Opera House, Mumbai under the Employees Provident Fund And Miscellaneous Provisions Act, 1952 issued by the Regional Provident Fund Commissioner, Mumbai vide letter dated September 28, 2007.

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II. G-42, SEEPZ- SEZ, Andheri (East), Mumbai – 400 096

1. Letter of permission no. 7/ (17)/87-EPZ dated March 27, 1989 issued by the SEEPZ-SEZ Special Economic Zone, Ministry of Commerce for a period of 5 years from April 1, 2003, for manufacture of gold and diamond jewellery and studded platinum jewellery as an SEZ Unit.
2. Factory License bearing number 088301 dated August 10, 2005 issued by the factory inspector, Mumbai valid until December 31, 2007.

III. Plot No. 2302, Hill Drive, Talaja Road, Bhavnagar, Gujarat

1. Letter of permission no. KASEZ/100%EOU/II/93/2004-05 issued by the Development Commissioner, Kandla Special Economic Zone, Gandhidham, Kutch dated September 2, 2004 for a period of 5 years from commencement of production, for manufacture of studded gold and platinum jewellery as an SEZ Unit.
2. Factory License , bearing number 98-2,25,000-9-97 dated October 14 , 2006 issued by the Factory Inspector, Bhavnagar valid until October 2008.

C. Tax

1. Permanent Account Number AACCR2148B dated April 5, 2002. issued by Income Tax Department ,Government of India.
2. Tax Deduction Account Number (TAN) AHMR02540G dated July 02, 2004 issued by, Income Tax Department, Government of India for the unit at Plot No 2302, Hill Drive, Bhavnagar, Gujarat
3. Tax Deduction Account Number (TAN) MUMR14877C dated May 18, 2004 issued by Income Tax Department Government of India for the unit at Plot No 36A & 37, Andheri East, SEEPZ-SEZ, SEZ, Mumbai
4. VAT TIN 27770238290V issued by Department of Sales Tax, Maharashtra for the unit at Plot No. 36 A, 37 SEEPZ-SEZ, MIDC, Andheri, Mumbai
5. Certificate of Registration bearing no. 400096 S 87 dated April 1, 1996 under the Bombay Sales Tax Act 1959 for the unit at Plot No. 36 A, 37 SEEPZ-SEZ, MIDC, Andheri, Mumbai
6. CST TIN 277702382290C issued by Department of Sales Tax Maharashtra in respect of the unit at Plot No. 36 A, 37 SEEPZ-SEZ, MIDC, Andheri, Mumbai
7. Certificate of Registration bearing number 400096 C 82 dated April 1, 1996 under the Central Sales Tax (Registration and Turnover) Rules, 1957, issued by the Sales Tax Officer, Mumbai for the unit at Plot No 36A & 37, Andheri East, SEEPZ- SEZ, Mumbai
8. CST TIN 24640300962 dated October 6, 2004 under the Gujarat Sales Tax Act issued by the Sales Tax Officer, Bhavnagar for the unit at Plot No. 2302, Hill Drive, Talaja Road, Bhavnagar, Gujarat
9. VAT TIN 24140300962 dated November 5, 2005 issued by the Department of Sales Tax, Gujarat for our Bhavnagar unit at Plot No. 2302, Hill Drive, Talaja Road, Bhavnagar, Gujarat
10. Central Excise Registration Certificate bearing number AACCR2148BXM001 dated January 12, 2005 under Rule 9 of the Central Excise Rules, 2002 issued by the Deputy Commissioner of Central Excise, Bhavnagar for the unit at Plot No. 2302, Hill Drive, Talaja Road, Bhavnagar, Gujarat
11. Certificate of registration bearing number PT/R/1/1/29/20133 dated August 16, 2000 under sub-section (1) of section 5 of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 issued by the Professional Tax Officer, Mumbai.
12. Certificate of Registration bearing number PE1403000258 dated November 5, 2004 under the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976 for the unit at Plot No. 2302, Hill Drive, Talaja Road, Bhavnagar, Gujarat
13. License for private bonded warehouse 100 % EOU bearing No 5/BVR/2005 dated January 10, 2005 under section 58 of the Customs Act, 1962 issued by the Deputy Commissioner, Central Excise Division, Bhavnagar for the warehouse situated at Plot No. 2302, Hill Drive, Bhavnagar. This license is valid till January 9, 2010.
14. Permission for manufacturing and other operation in customs bond dated January 10, 2005 under section 65 of the Customs Act, 1962 issued by the Deputy Commissioner, Central Excise Division, Bhavnagar for the warehouse situated at Plot No. 2302, Hill Drive, Bhavnagar. This license is valid till January 9, 2010.

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Environment

1. Consent to operate bearing No. BO/RO- Mumbai/PCI-I/EIC-420/06/R/CC-344 dated August 31, 2006 under Section 26 of the Water (Prevention and Control of Pollution) Act, 1974, under section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and under rule 5 of the Hazardous (Management and Handling) Rules, 1989 issued by the Member Secretary , Maharashtra Pollution Control Board for the unit situated at Plot No.36A & 37, SEEPZ-SEZ, MIDC, Andheri East, Mumbai. This consent is valid till July 31, 2008

Intellectual Property

1. Certificate of Registration of Trade Mark, Section 23 (2), Rule 62(I) issued by the Registrar of Trade Marks for the Renaissance R logo of Renaissance Jewellery Pvt. Ltd. in Class 14 under no. 1112206 bearing Trade Mark no. 1112206, dated March 28, 2005.

Other license/approvals

1. Importer Exporter Code Number 2789000093 issued by Development Commissioner, SEEPZ Special Economic Zone, Ministry of Commerce and Industry, Andheri (East) Mumbai.
2. Certificate of Recognition as Three Star Export House bearing No. 000369 dated March 19, 2007 issued by Office of Joint Directorate General of Foreign Trade, Ministry of Commerce And Industry and valid upto March 31, 2009
3. Green Card issued by the Office of the Development Commissioner, SEEPZ Special Economic Zone, Ministry of Commerce and Industry, Andheri (East) Mumbai bearing number 238 dated May 31, 2005 and valid upto March 31, 2010 for manufacture of studded gold jewellery, studded platinum jewellery and studded silver jewellery.
4. Green Card issued by the Office of the Development Commissioner, SEEPZ Special Economic Zone, Andheri, Mumbai bearing number 062 dated July 22, 2003 for manufacture of studded gold / platinum jewellery.
5. Green Card issued by the Office of the Development Commissioner, Kandla Special Economic Zone, Gandhidham, Kutch, bearing number KASEZ/843/04-05 dated October 21, 2004 and October 20, 2009 for manufacture of studded gold / platinum jewellery.
6. Registration Certificate of Establishment bearing No. 760020737 dated September 5, 2007 issued under the Bombay Shops And Establishments Act, 1948 in respect of our division situated at 12, Hari Nivas, 5th Floor, Mathew Road, Opera House, Mumbai 400 004 Opera House, and valid upto December 31, 2007

Approvals Applied for but still pending

1. Application dated December 4, 2006 by Renaissance Jewellery Limited to Maharashtra Pollution Control Board for grant of Consent under Section 25 and 26 of the Water (Prevention and Control of Pollution) Act, 1974, consent to establish/ Operate under Section 21 of Air (Prevention And Control of Pollution) Act 1981, and authorization under Rule 5 of Hazardous Waste (Management and Handling Rules 1989 for our Unit situated at G-42, G& J.
2. Application for registration of trade mark of the Renaissance Square Logo in Class 14 bearing application number 138404 dated February 14, 2005.

Licenses Required for the Objects of the Issue

We have not applied for/obtained any licenses in relation to the Objects of our Issue, except for the following.

Licenses/Approvals in respect of Renaissance Jewelry New York, Inc.

1. Certificate of Incorporation of Renaissance Jewelry New York, Inc, under section 402 of the Business Corporation Law of New York filed on April 23, 2007 with the NYS Department of State, Division of Corporations and State Records.
2. Provisional Employer Identification Number. 20-8926673 allotted by the Internal Revenue Service, Department of Treasury, US.
3. Statement of Organisation of Incorporation under section 402 of the Business Corporation Law of New York dated April 23, 2007.

OTHER REGULATORY & STATUTORY DISCLOSURES

Authority for the Issue

Our Board has, pursuant to a resolution passed at its meeting held on May 24, 2007, authorised the Issue subject to the approval by the shareholders of our Company under section 81(1A) of the Companies Act.

Our shareholders have authorised the Issue by a special resolution adopted under section 81(1A) of the Companies Act, passed at the extraordinary general meeting of our Company held on May 26, 2007.

Prohibition by SEBI

Our Company, our Directors, our Promoters, the Promoter Group Company, the group companies, companies promoted by Promoters and companies or entities with which our Company's Directors are associated as directors/promoters/partners have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

The listing of any securities of our Company has never been refused at anytime by any of the stock exchanges in India. Our Company, our Promoters, their relatives, group companies have, not been detained as willful defaulters by RBI/government authorities and there are no violations of securities laws committed by them in the past or pending against them.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Clause 2.2.1 of the SEBI Guidelines as explained hereunder, eligibility criteria calculated in accordance with financial statements under Indian GAAP:

- (a) Our Company has net tangible assets of at least Rs.30 million in each of the preceding three full years (of 12 months each) of which not more than 50% are held in monetary assets and is compliant with Clause 2.2.1(a) of the SEBI Guidelines;
- (b) Our Company has a track record of distributable profits in accordance with Section 205 of Companies Act, for at least three out of immediately preceding five years and is compliant with Clause 2.2.1(b) of the SEBI Guidelines;
- (c) Our Company has a net worth of at least Rs.10 million in each of the preceding three full years of 12 months each and is compliant with Clause 2.2.1(c) of the SEBI Guidelines;
- (d) There has been no change in the name of our Company in the last one year and is therefore Clause 2.2.1(d) of the SEBI guidelines is not applicable.
- (e) The aggregate of the proposed Issue size and all previous issues made in the same financial year is not expected to exceed five times the pre-Issue net worth of our Company and is compliant with Clause 2.2.1(e) of the SEBI Guidelines.

Our Company's net profit, net worth, net tangible assets and monetary assets derived from the Auditor's Report included in this Red Herring Prospectus under the section titled "Financial Statements", as at, and for the last five years ended fiscal 2007 are set forth below:

(Rs. in million)

| | Fiscal 2007 | Fiscal 2006 | Fiscal 2005 | Fiscal 2004 | Fiscal 2003 |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| Net Tangible Assets* | 1689.93 | 1177.24 | 933.06 | 634.43 | 578.37 |
| Monetary Assets** | 14.40 | 17.97 | 16.72 | 5.70 | 3.73 |
| Distributable Profits*** | 204.26 | 147.63 | 68.19 | 56.48 | 37.21 |
| Net worth, as Restated | 801.00 | 602.44 | 457.85 | 389.66 | 333.17 |

* Net tangible assets is defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserves), current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities and long term liabilities),

** Monetary assets include cash on hand and bank. Detailed figures are given in the section titled "Financial Statements" beginning on page 94 of this Red Herring Prospectus.

*** The distributable profits of our Company as per Section 205 of the Companies Act have been made calculated from the audited financial statements of the respective years/period before making adjustments for restatement of financial statements.

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Further, in accordance with Clause 2.2.2A of the SEBI DIP Guidelines, we undertake that the number of allottees, i.e., persons receiving Allotment in the Issue shall be at least 1,000; otherwise, the entire application money will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

For a complete explanation of the above numbers please refer to the section entitled "Financial Statements" beginning on page 94 of this Red Herring Prospectus.

Disclaimer Clauses

SEBI Disclaimer Clause

"AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, EDELWEISS CAPITAL LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, EDELWEISS CAPITAL LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 18, 2007 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

- I WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC., AND OTHER MATERIALS IN CONNECTION WITH THE FINALIZATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.**
- II ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH OUR COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY OUR COMPANY,**

WE CONFIRM THAT:

- A. THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
- B. ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE, AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY THE SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- C. THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO INVESTMENT IN THE PROPOSED ISSUE.**
- D. BESIDE US, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT SUCH REGISTRATIONS ARE VALID TILL DATE.**
- E. WHEN UNDERWRITTEN WE SHALL SATISFY OURSELVES ABOUT THE NET WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**
- F. WE CERTIFY THAT WRITTEN CONSENT FROM SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/ SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

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THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS."

All applicable legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of section 60B of the Companies Act. All applicable legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of section 56, section 60 and section 60B of the Companies Act.

Disclaimer from our Company and the Book Running Lead Manager

Our Company, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisement or any other material issued by or at the instance of our Company or Book Running Lead Manager and any one, placing reliance on any other source of information including our website, www.renjewellery.com would do so at their own risk

Investors that Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not Issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company and the disclosures as to applicable investment limits in this Red Herring Prospectus are not represented to be complete or accurate and investors should conduct an independent evaluation of their ability to invest in this Issue.

All information will be made available by the Book Running Lead Manager and our Company to the public and investors at large and no selective or additional information would be available for any section of the investors in any manner whatsoever including at road shows, presentations, in research or sales reports or at bidding centers etc.

The BRLM accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the BRLM and our Company and the Underwriting Agreement to be entered into between the Underwriters and our Company.

We shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Disclaimer in respect of Jurisdiction

This Issue is being made subject to applicable legal requirements, in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in Equity Shares and Warrants, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), trusts registered under the applicable trust law or the Societies Registration Act, 1860, as amended from time to time and who are authorized under their constitution to hold and invest in Equity Shares and Warrants) and to NRIs, non-residents, FIIs and Foreign Venture Capital Investors registered with SEBI public financial institutions as specified in Section 4A of the Companies Act, Schedule Commercial Banks, Mutual Funds registered with SEBI, Multilateral and Bilateral development Financial Institutions, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds(subject to applicable law) with minimum corpus of Rs. 250 million and pension funds (Subject to applicable law) with minimum corpus of Rs. 250 million. This Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares and Warrants issued hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with SEBI for observations and SEBI has issued its observations vide letter no. CFD/DIL/NB/JAK/106350/2007 dated October 17, 2007 and the Red Herring Prospectus is filed with the RoC. Accordingly, the Equity Shares and Warrants represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such

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jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares and Warrants have not been and will not be registered under the US Securities Act of 1933 (“the Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. Persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares and Warrants are only being offered or sold only (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares and Warrants have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of the Bombay Stock Exchange Limited

Bombay Stock Exchange Limited (“the Exchange”) has vide its letter dated July 30, 2007 given permission to this Company to use the Exchange’s name in this Red Herring Prospectus as one of the stock exchanges on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- i) Warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; or
- ii) Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- iii) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed to mean that this Red Herring Prospectus has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of National Stock Exchange of India Limited

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. NSE has given vide its letter dated July 16, 2007, permission to us to use NSE’s name in the Draft Red Herring Prospectus as one of the stock exchanges on which our Company’s securities are proposed to be listed, subject to our Company fulfilling the various criteria for listing including the one related to paid up capital and market capitalization (i.e., the paid up capital shall not be less than Rs. 100 million and the market capitalization shall not be less than Rs. 250 million at the time of listing). The NSE has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that the Draft Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner Warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it Warrant that our securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company.

Every Person who desires to apply for or otherwise acquires any of our securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus has been filed with the SEBI at Corporation Finance Department of SEBI at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. A copy of the Red Herring Prospectus along with the documents required to be filed under section 60B of the Companies Act would be delivered for registration to the RoC, Mumbai, Maharashtra at 100, Everest Building, Marine Drive, Mumbai- 400002 at least 3 (three) days before the Issue opening date. The final Prospectus would be filed to the RoC upon closure of the Issue and on finalization of the Issue Price. We will comply with all the legal requirements applicable till the filing of Prospectus with RoC.

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Listing

Applications have been made to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited for permission to deal in and for an official quotation of our Equity Shares and Warrants of our Company. Our existing Equity Shares are not listed on any Stock Exchange (s) in India.

NSE shall be the Designated Stock Exchange with which the basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares and Warrants is not granted by any of the stock exchanges mentioned above, we shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight days after we become liable to repay it, i.e., from the date of refusal or within 15 days from the date of Bid/ Issue Closing Date, whichever is earlier, then we and all our directors jointly and severally shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on the Bid Amounts, as prescribed under Section 73 of the Companies Act.

We shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE and NSE are taken within seven working days of finalization and adoption of the Basis of Allotment for the Issue.

Consents

Consents in writing of: (a) our Directors, our Promoters, our Company Secretary and Compliance Officer, the Auditors, the Legal Advisors to the Issue, the Bankers to the Issue*; and (b) the Book Running Lead Manager, the Syndicate Members, the Escrow Collection Bankers, the Bankers to our Company and the Registrar to the Issue and Underwriters to act in their respective capacities, have been obtained and will file along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Draft Red Herring Prospectus for registration with the SEBI.

*The consent of the Bankers to the Issue will be obtained prior of filing of RHP with RoC.

M/s. J.K Shah & Co., Chartered Accountants, our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC. M/s. J.K Shah & Co., Chartered Accountants, have given their written consent to the tax benefits accruing to our Company and its members in the form and context in which it appears in this Red Herring Prospectus and has not withdrawn such consent up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

Expert Opinion

Except the report of ICRA in respect of the IPO grading of this Issue, furnishing the rationale for its grading and as stated in the section titled "Financial Statements" beginning on page 94 of this Red Herring Prospectus, we have not obtained any expert opinions.

Issue Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertising expenses and listing fees.

The estimated Issue expenses are as follows:

(Rs. in million)

| Sr No | Particulars | Amount* |
|-------|------------------------------------------------------------|---------|
| 1. | Lead management, underwriting and selling commission* | [✓] |
| 2. | Advertisement & Marketing expenses* | [✓] |
| 3. | Printing, stationery including transportation of the same* | [✓] |
| 4. | Others (Registrar's fees, Legal fees, listing fees, etc.)* | [✓] |
| | Total | [✓] |

* Will be incorporated after finalisation of Issue Price

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All expenses with respect to the Issue will be borne by our Company.

Fees Payable to the BRLM

The total fees payable to the Book Running Lead Manager and (including underwriting commission and selling commission) will be as stated in our Engagement Letter with the BRLM dated February 13, 2007 and our MoU with the BRLM dated April 25, 2007, a copy of which is available for inspection at the registered office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of application, data entry, validation of depository details, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register, hosting investor Allotment/non-allotment information on its website, will be as per the Memorandum of Understanding dated April 25, 2007 signed between us and the Registrar, a copy of which is available for inspection at the corporate office of our Company. Our Company shall bear such expenses.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Underwriting Commission, Brokerage and Selling Commission.

The Underwriting Commission and Selling Commission for this Issue will be as set out in the Syndicate Agreement amongst our Company, the BRLM and Syndicate Members. The Underwriting Commission shall be paid as set out in the Underwriting Agreement based on the Issue Price and amount underwritten in the manner mentioned in this Red Herring Prospectus. Brokerage for the Issue will be paid not more than 1.5% of the Issue Price of the Equity Shares and Warrants by our Company on the basis of the allotments made against the Bids bearing the stamp of a member of any recognized Stock Exchange in India in the 'Broker' column. Brokerage at the same rate will also be payable to the Escrow Collection Banks in respect of the allotments made against Bids procured by them provided the respective forms of Bid bear their respective stamp in the Broker column. In case of tampering or over-stamping of Brokers'/Agents' codes on the Bid-cum-Application Form, our Company's decision to pay brokerage in this respect will be final and no further correspondence will be entertained in this matter. We, at our sole discretion, may consider payment of additional incentive in the form of kitty or otherwise to the performing brokers on such terms and mode as may be decided by us.

Particulars regarding Public or Rights Issues during the Last Five Years

There have been no public or rights issue by our Company during the last five years.

Issues otherwise than for Cash

Our Company has issued bonus shares as detailed below:

| Date of Allotment | Number of Equity Shares | Face Value Per Share (In Rs.) | Ratio |
|-------------------|-------------------------|-------------------------------|-------|
| March 2, 2006 | 4,888,200 | 10 | 3:1 |
| May 26, 2007 | 6,517,600 | 10 | 1:1 |

Commission or Brokerage on Previous Issues

Since this is the initial public offering of the Equity Shares and Warrants, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of our Company since its inception.

Details of capital issue made during last three years in regard to the issuer company and other listed companies under the same management within the meaning of section 370(1)(B) of the Companies Act, 1956.

There have been no capital issues during last 3 years by us. There are no other listed companies under the same management within the meaning of Section 370(1) (B) of the Companies Act, 1956 at present or during the last three years.

Option to Subscribe

Shares issued pursuant to this Issue shall be allotted in dematerialized form only

Promise vis-à-vis Performance – Last 3 issues

This being the initial public offering by our Company, promise vis-à-vis performance is not applicable.

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Promise vs. Performance – Last Issue of Group/Associate Companies

All our Promoters, group companies/ventures of promoters and Promoter group companies are unlisted and have not made a public issue of shares.

Outstanding Debentures or Bonds or Redeemable Preference Shares and Other Instruments

Our Company does not have any outstanding debentures or bonds or redeemable preference shares or other such instruments as on date of filing of this Red Herring Prospectus.

Stock Market Data of our Equity Shares

The Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances by our Company

The Memorandum of Understanding between the Registrar to the Issue and us, will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of letters of Allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of shares applied for, amount paid on application, Depository Participant, and the bank branch or collection center where the application was submitted.

| Sr No | Nature of the Complaint | Time Taken |
|-------|-------------------------------------------------|----------------------------------------------------------------------------------------|
| 1. | Non-receipt of the refund | Within 7 days of receipt of complaint, subject to Production of satisfactory evidence. |
| 2. | Change of Address | Within 7 days of receipt of information. |
| 3. | Any other complaint in relation to Public Issue | Within 7 days of receipt of complaint with all relevant details. |

We have appointed Ms Manju B. Batham, Company Secretary as Compliance Officer and she may be contacted in case of any pre-Issue or post-Issue-related problems. She can be contacted at the following address:

Ms. Manju B. Batham,
Company Secretary & Compliance Officer

Renaissance Jewellery Limited

Plot No 36A & 37,
SEEPZ –SEZ, MIDC Marol,
Andheri (East), Mumbai – 400 096
Tel: +91 22 4055 1369
Fax: +91 22 6693 8457
Email: ipo@renjewellery.com

Changes in Auditors during the last three years and reasons thereof

There has been no change in our Statutory Auditors during the last 3 years.

Capitalisation of Reserves or Profits during last five years

There has not been any capitalisation of reserves or profits during the last five years, except as stated in section titled “Capital Structure” beginning on page 16 of this Red Herring Prospectus.

Revaluation of Assets during the last five years

There has been no revaluation of assets of our Company since incorporation.

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ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The Issue of 5,324,240 Equity Shares and Warrants is being made through the 100% Book Building Process. The Issue of Equity shares will constitute 29% of the fully diluted post-Issue Equity Share capital of our Company prior to exercise of Warrants and the Issue shall constitute 37.99% of the Equity Share capital of our Company after exercise of Warrants, assuming full convertibility of the Warrants.

| | QIBs | Non Institutional Bidders | Retail Individual Bidders |
|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| Number of Equity Shares* | Upto 2,662,120 Equity Shares and 1,331,060 Warrants | At least 798,636 Equity Shares and 399,318 Warrants | At least 1,863,484 Equity Shares and 931,742 Warrants |
| Percentage of Issue Size available for allocation | Upto 50% of the Issue (of which 5% shall be reserved for Mutual Funds) or Issue size less allocation to Non-Institutional Bidders and Retail Individual Bidders. *Mutual Funds participating in the 5% reservation in the QIB Portion (i.e. 133,106 Equity Shares and 66,553 Warrants) will also be eligible for allocation in the remaining QIB Portion. The Unsubscribed portion, if any, in the Mutual Funds portion will be available to QIBs. | At least 15% of the Issue or Issue size less allocation to QIBs and Retail Individual Bidders. * | At least 35% of the Issue or Issue size less allocation to QIBs and Non Institutional bidders. * |
| Basis of Allocation if respective category is oversubscribed | Proportionate as follows: (a) Equity Shares shall be allocated on a proportionate basis to Mutual Funds in the Mutual Funds Portion; (b) Equity Shares shall be allocated on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above limits | Proportionate | Proportionate |
| Minimum Bid | Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000/- and in multiples of 45 Equity Shares. | Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000/- and in multiples of 45 Equity Shares. | 45 Equity Shares and in multiples of 45 Equity Shares. |
| Maximum Bid | Not exceeding the size of the Issue, subject to regulations as applicable to the Bidder | Not exceeding the size of the Issue, subject to regulations as applicable to the Bidder | Such number of Equity Shares per retail investor so as to ensure that the Bid amount does not exceed Rs. 1,00,000/- |
| Mode of Allotment form. | Compulsorily in dematerialized form. | Compulsorily in dematerialized form. | Compulsorily in dematerialized |
| Bid lot | 45 Equity Shares and in multiples of 45 Equity Shares thereafter | 45 Equity Shares and in multiples of 45 Equity Shares thereafter | 45 Equity Shares and in multiples of 45 Equity Shares thereafter |
| Allotment lot | 45 Equity Shares and in multiple of 1 Equity Share thereafter. 1 Warrant for every 2 Equity shares allotted. | 45 Equity Shares and in multiple of 1 Equity Share thereafter. 1 Warrant for every 2 Equity shares allotted. | 45 Equity Shares and in multiple of 1 Equity Share thereafter. 1 Warrant for every 2 Equity shares allotted. |

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| | QIBs | Non Institutional Bidders | Retail Individual Bidders |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Trading Lot/ Market lot | One (1) Equity Share and One Warrant | One (1) Equity Share and One Warrant | One (1) Equity Share and One Warrant |
| Who can apply** | Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, Mutual Funds, foreign institutional investor registered with SEBI, multilateral and bilateral development financial institutions, Venture Capital Funds registered with SEBI, foreign Venture capital investors registered with SEBI, State Industrial Development Corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable law. | Companies, corporate bodies, scientific institutions, societies, trusts, resident Indian individuals, HUF (in the name of Karta), and NRIs (applying for an amount exceeding Rs.100,000/-) | Only individuals (including NRIs and HUFs in the name of Karta) applying for Equity Shares such that the Bid Amount does not exceed Rs. 1,00,000 in value. |
| Terms of payment | Margin Amount applicable to QIB Bidders at the time of submission of Bid-cum-Application Form to the Member of the Syndicate | Margin Amount applicable to Non Institutional Bidders at the time of submission of Bid-cum-Application Form to the Member of the Syndicate | Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid-cum-Application Form to the Member of the Syndicate |
| Margin Amount # | 10% of the Bid amount in respect of bids placed by QIB bidder on bidding | 100% of Bid Amount | 100% of Bid Amount |

* Subject to valid bids being received at or above the Issue Price. Under subscription, if any, in any of the categories would be met with spill over from other categories at the sole discretion of our Company in consultation with the BRLM.

** In case the Bid-cum-Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid-cum-Application Form.

After the Bid/Issue Closing Date, depending on the level of subscription, additional Margin Amount, if any, may be called for from the QIB Bidders.

Note: Equity share being offered through this Red Herring Prospectus can be applied for in dematerialized form only.

Withdrawal of the Issue

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime before Allotment, without assigning any reason therefor.

Bid/Issue Programme

Bidding Period/Issue Period

| | |
|----------------------------|--------------------------|
| BID/ISSUE OPENS ON | NOVEMBER 19, 2007 |
| BID/ISSUE CLOSES ON | NOVEMBER 21, 2007 |

Bids and any revision in Bids shall be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) during the Bidding / Issue Period as mentioned above at the bidding centers mentioned on the Bid-cum-Application Form **except that on the Bid/ Issue Closing Date, the Bids any revision in Bids shall be accepted between 10 a.m. and 1 p.m. (Indian Standard Time)** and uploaded until (i) 5.00 p.m in case of Bids by QIB Bidders, and Non-Institutional Bidders and (ii) until such time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders. **Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m (Indian Standard Time) on the Bid/ Issue Closing Date. Bidders are cautioned**

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that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on working days, i.e. Monday to Friday (excluding any public holiday). In case of discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical bid form, for a particular bidder, the details as per physical application form of that bidder may be taken as the final data for the purpose of allotment.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Bidders after taking into account the total number of Bids received upto the closure of timings for acceptance of Bid-cum-Application Forms as stated herein and reported by the BRLMs to the Stock Exchange within half an hour of such closure.

Our Company reserves the right to revise the Price Band during the Bidding/Issue Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.

In case of revision in the Price Band, the Bidding/ Issue Period will be extended for three additional working days after revision of Price Band subject to the Bidding/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web site of the BRLM and at the terminals of the Syndicate.

TERMS OF THE ISSUE

The Equity Shares and Warrants being offered are subject to the provisions of the Companies Act, SEBI Guidelines, our Memorandum and Articles of Association, the terms of this Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other relevant authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered through this Issue and the Equity Shares being allotted pursuant to the exercise of Warrants shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including the rights in respect of dividends. The allottees will be entitled to dividend or any other corporate benefits, if any, declared by us after the date of Allotment.

The Warrant -holders shall not be entitled to any dividend or any other corporate benefits, which may be declared or announced by our Company from time to time, till such time that the Warrants are converted into the underlying Equity Shares of our Company in accordance with the terms contained herein and full payment of the conversion price.

The Warrants shall not confer upon the holders thereof any right to receive any notice of the meeting of the Shareholders of our Company or Annual Report of our Company and or to attend /vote at any of the General Meetings of the Shareholders of our Company.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of the Companies Act and recommended by the Board of Directors and declared by the shareholders at their discretion, and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company.

Face Value and Issue Price per Share

The Equity Shares with a face value of Rs. 10/- each along with the Warrants will be offered in terms of the Red Herring Prospectus to be filed with RoC, Maharashtra at a price of Rs. [●] per Equity Share. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws. The Issue Price is [●] times the face value of the Equity Shares.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act and the Memorandum and Articles of our Company and Listing Agreement entered into with the Stock Exchanges, and other laws, as applicable.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer and transmission, consolidation/splitting, etc., see the section titled 'Main Provisions of Articles of Association' beginning on page 198 of this Red Herring Prospectus.

Market Lot and Trading Lot

In terms of the existing SEBI Guidelines, the trading in the Equity Shares and Warrants shall only be in dematerialised form for all investors and hence, the tradable lot is one Equity Shares and one Warrant. In terms of Section 68B of the Companies Act, the

RENAISSANCE JEWELLERY LIMITED

Equity Shares and Warrants shall be allotted only indematerialised form. Allotment through this Issue will be done only in electronic form in multiples of 1 Equity Share and 1 Warrant subject to a minimum Allotment of 45 Equity Shares in the Issue and 1 warrant for every 2 equity shares allotted in the issue.

Exercise of Warrants

Every Allottee of Equity Shares under the Issue shall receive a Warrant in the ratio of one Warrant for two Equity Shares allotted. Each Warrant shall be convertible into one equity share of a face value of Rupees Ten (10) each, of our Company during the Warrant Exercise Period

In the event that there is any share split of the Equity Shares of our Company, prior to the exercise of Warrants, then, the Warrant holder, who exercises his right to exercise the Warrant, shall be entitled to such number of Equity Shares in order for the aggregate face value of the number of Equity Shares issued to the Warrant holder be equal to Rupees Ten (10).

One Warrant shall entitle the holder to receive one Equity Share upon exercise. The Warrants can be freely and separately traded till the same are tendered for exercise. The market lot for Warrants is one.

Exercise of Warrants during the Warrant Exercise Period will be carried out without the need for our Company to take any further approvals, however the Warrant-holders should independently check if they require any approvals.

The Board subject to the terms of this DRHP, our Memorandum and Articles of Association, the approvals from the Government of India and RBI and provisions of the Companies Act, any other legislative enactments and rules as may be applicable will proceed within the process of exercise of the Warrants in accordance with the applicable laws.

Warrant Exercise Price

Warrant Exercise Price shall be the price which is at a fixed premium of 25% over the Issue Price.

Warrant Exercise Period

Warrant Exercise Period shall be the period commencing from the completion of the 16th month and be open up to the completion of the 18th month from the date of Allotment of the Equity Shares and Warrants.

Warrant holders can exercise their right to apply for the Exercise of Warrants into Equity Shares at the Warrant Exercise Price at any time during the Warrant Exercise Period. The Warrants not tendered for exercise during the Warrant Exercise Period at the Warrant Exercise Price shall lapse.

The Warrant Exercise Price valid during the Warrant Exercise Period would be advertised by us in an English national daily, Hindi national daily with wide circulation and a Regional Language Daily circulated at the place where our Registered Office is situated. Such an advertisement would appear on the day of the commencement of the Warrant Exercise Period.

Our Company shall fix a record date 15 days prior to the commencement of the Warrant Exercise Period to determine the Warrant-holders eligible for exercising the Warrants held by them.

Allotment of shares arising from Warrant Exercise

The application for the exercise of Warrants can be made at any time immediately after the announcement of Warrant Exercise Price.

| Activity | Time Period as defined herein | Indicative Relevant Date |
|---------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------|
| Allotment of Equity Shares and Warrants in the Issue | - | December 01, 2007 |
| Commencement Of Warrant Exercise Period | From the completion of the 16 th month | April 01, 2009 |
| Advertisement for Warrant Exercise Price | On the day of the commencement of the Warrant Exercise Period | April 01, 2009 |
| Warrant Exercise Period - Warrant Exercise Price would be applicable upto | Two Months | May 31, 2009 |
| Allotment Date | Ten (10) working days from the date of expiry of the Warrant Exercise Period | By June 12, 2009 |

Procedure for Exercise

The Registrar to our Company, Intime Spectrum Registry Limited, will before the Warrant Exercise Period open a special depository account with NSDL called, ["Renaissance Jewellery Limited - A/c Warrant Exercise Escrow Account"] with a Depository Participant (the "Special Depository Account"). Beneficial owners (holders of Warrants) having their beneficiary account with the CDSL must use the inter-depository delivery instruction slip for the purpose of crediting their Warrants in favour of the Special Depository Account with the NSDL.

Beneficial owners (holders of Warrants) who wish to tender their Warrants for exercise will be required to send their application for exercise on the prescribed application form accompanied by a cheque / demand draft favoring ["Renaissance Jewellery Limited – Warrant A/c"] payable at Mumbai for the requisite amount along with a photocopy of the delivery instruction in "Off-market" mode, or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of the Special Depository Account to the Registrar to our Company..

Shares allotted on Exercise of Warrants

Shares allotted on exercise of valid Warrants will be dispatched/credited to the applicant's electronic account within 10 working days from the day of expiry of the Warrant Exercise Period.

The Application Form will be sent by our Company to all the Warrant holders along with the letter of Allotment.

The Application Form would also be available to all Warrant holders on request with the Registrar during the Warrant Exercise Period and can be downloaded from our Company's website www.renjewellery.com. During the Warrant Exercise Period, the Warrant holder should send his application to Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai 400 078, India, the Registrar to the Issue by filling up the said application form. It should be accompanied by a cheque / demand draft favoring ["Renaissance Jewellery Limited – Warrant A/c"] payable at Mumbai for the requisite amount.

In case the Warrants along with the cheque/demand draft towards full payment of the Exercise Price do not reach the Registrar by the end of Warrant Exercise Period i.e. by the end of the 18th month from the date of Allotment in this Issue, the same shall lapse.

Rights of Warrant holders

- a. The Warrants shall be transferable and transmittable in the same manner and to the same extent and be subject to the same restrictions and limitations and other related matters as in the case of Equity Shares of our Company.
- b. Save and except the right of subscription to our Company's Equity Shares as per the terms of the Issue, the holders of the Warrants in their capacity as Warrant holders shall have no other rights or privileges.
- c. The Warrant holder's inter-se shall rank pari-passu without any preference or priority of one over the other or others.

All the above rights of the Warrant holders shall lapse automatically if it is not exercised within the Warrant Exercise Period and the unexercised Warrant shall be automatically treated as cancelled. On exercise and subsequent allotment of Equity Shares, the Warrant holders shall enjoy the rights and privileges of shareholders of our Company and not of Warrant holders.

The Warrants shall not confer upon the holders thereof any right to receive any notice of the meeting of the Shareholders of our Company or Annual Report of our Company and or to attend/vote at any of the general meetings of the shareholders of our Company.

The Warrant-holders shall not be entitled to any dividend or any other corporate benefits, which may be declared or announced by our Company from time to time, till such time that the Warrants are exercised into the underlying Equity Shares of our Company in accordance with the terms contained herein and full payment of the Exercise Price.

Variance in the terms of the Warrants

The rights, privileges and conditions attached to the Warrants may be modified or varied or abrogated with the consent of the holders of the Warrants by a Special Resolution passed at a meeting of the Warrant holders, provided that nothing in such resolution shall be operative against our Company when such resolution modifies or varies the terms and conditions governing the Warrants if the same is not acceptable to our Company. At a meeting of the Warrant holders, every Warrant holder, and in the case of joint holders, first holder of the Warrant shall be entitled to vote, either in person or by proxy, in respect of such Warrants. The Warrant holder will be entitled to one vote on a show of hands and his / her voting rights on a poll shall be in proportion to the outstanding number of the Warrants held by him / her. The quorum for such meetings shall be at least five Warrant holders present in person. The proceedings of the meeting of the Warrant holders shall be governed by the provisions contained in our Articles regarding meetings of shareholders and such other rules in force for the time being to the extent applicable and in relation to matters not otherwise provided for in terms of the Issue.

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Register of Warrant holders

The Register of Warrant holders shall be maintained by the Registrar in the same manner as the Register and Index of beneficial owners is maintained under Section 11 of the Depositories Act.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidder(s), may nominate any one person in whom, in the event of death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or with the Registrar and Transfer Agent of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by our Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares and the Warrants in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with us. Nominations registered with the respective Depository Participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue to the Public, including devolvement of underwriters, if any, within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company, shall be liable to repay the amount with interest as per Section 73 of the Companies Act.

If the number of allottees in the proposed Issue is less than 1,000 allottees, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after our Company becomes liable to pay the amount, our Company shall pay interest at the rate of 15% per annum for the delayed period.

Arrangements for Disposal of Odd Lots

Our Company's Equity Shares will be traded in dematerialized form only and therefore the marketable lot is one share. Therefore there is no possibility of odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

For additional description in respect of restrictions on transfers and transmission of shares/debentures and on their consolidation/splitting in our Articles of Association Please refer section titled "Main Provisions of our Articles of Association" beginning on page 198 of this Red Herring Prospectus.

The Equity Shares and Warrants have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares and Warrants are only being offered and sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Issue shall be available for allocation to Qualified Institutional Buyers on a proportionate basis (of which 5% shall be allocated for Mutual Funds). Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. In case of QIB Bidders, our Company, in consultation with the BRLM reserves the right to reject a Bid at the time of the Bid-cum-Application Form provided that the reason for rejecting the same are provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that Equity Shares and Warrants would be allotted to all successful Bidders only in dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares or Warrants in physical form. The Equity Shares and Warrants on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Bid-cum-Application Form

Bidders shall only use the specified Bid-cum-Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids. Upon the Allotment of Equity Shares and Warrants, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate, the Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid-cum-Application Form for various categories is as follows:

| Category | Colour of Bid-cum-Application Form |
|------------------------------------------------------------------------------------------------------|------------------------------------|
| Indian Public including QIBs, Non-Institutional Bidders or NRIs applying on a non-repatriation basis | White |
| Non-residents, NRIs or FIIs applying on a repatriation basis | Blue |

Who Can Bid?

- Indian nationals resident in India who are majors, in single or joint names (not more than three);
- HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application Form as follows: "Name of Sole or First Bidder: XYZ"
- Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies registered under the applicable laws in India and authorized to invest in equity shares and warrants;
- Mutual funds registered with SEBI;
- Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI Guidelines and Regulations, as applicable);
- Venture capital funds registered with SEBI;
- Foreign venture capital investors registered with SEBI;
- FIIs registered with SEBI, on a repatriation basis
- State industrial development corporations;
- Insurance companies registered with the Insurance Regulatory and Development Authority, India;

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- As permitted by the applicable laws, provident funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to invest in equity shares;
- As permitted by applicable laws, pension funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to invest in equity shares;
- Multilateral and bilateral development financial institutions;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their constitution to hold and invest in equity shares and warrants;
- Eligible NRIs on a repatriation/non- repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not permitted to participate in this Issue; and
- Scientific and/or industrial research organizations authorized under their constitution to invest in equity shares.
- According to existing Government policy. OCBs cannot participate in this issue.

In terms of the regulation 15A (1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, the FIIs may issue, deal in or hold, off-shore derivative instruments such as Participatory Notes, Equity Linked Notes or any other similar instruments against underlying securities being allocated to such FIIs. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under the relevant regulations or statutory guidelines.

Note:

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Participation by Associates of BRLM and Syndicate Members:

Associates of the BRLM and the Syndicate Member(s) may Bid and subscribe to Equity Shares and Warrants in the Issue either in the QIB Portion or in Non-Institutional Portion as may be applicable to such investors. Such bidding and subscription may be on their own account or on behalf of their clients. Allotments to all investors including associates of BRLM and Syndicate Member shall be on a proportionate basis.

Further the BRLM and Syndicate Member shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation.

Maximum and Minimum Bid size

- (a) **For Retail Individual Bidders:** The Bid must be for minimum of 45 Equity Shares and in multiples of 45 Equity Shares thereafter and it must be ensured that the Bid Amount payable by the Bidder does not exceed Rs. 1,00,000/-. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 1,00,000/-. In case the Bid Amount is over Rs. 1,00,000/- due to revision of Bid or revision of the Price Band or on exercise of option to Bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Bidders Portion. The option to Bid at Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.
- (b) **For Non-Institutional Bidders and QIB Bidders:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 1,00,000/- and in multiples of 45 Equity Shares. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date.

In case of revision in Bids, the Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 1,00,000/- for being considered for allocation in the Non Institutional Portion. In case the Bid Amount reduces to Rs. 1,00,000/- or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered under the Retail Portion. Non Institutional Bidders and QIB Bidders are not entitled to the option of bidding at Cut-off Price.

Information for the Bidders

1. Our Company will file the Red Herring Prospectus with the Registrar of Companies, at least 3 (three) days before the Bid/ Issue Opening Date.
2. The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid-cum-Application Form to potential investors.

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3. Any investor (who is eligible to invest in our Equity Shares) desirous of obtaining a copy of the Red Herring Prospectus and/or the Bid-cum-Application Form can obtain the same from our Registered Office or from any of the members of the Syndicate.
4. The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of a member of the Syndicate. Bid-cum-Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.
 - (a) Investors who are interested in subscribing to our Company's Equity Shares should approach the BRLM or Syndicate Members or their authorised agent(s) to register their Bid.
 - (b) The Bidding period shall be for a minimum of three working days and shall not exceed the period of seven working days. The members of Syndicate shall accept bids from Bidders during the Bidding period in accordance with the terms of the Syndicate agreement.
5. The Price Band has been fixed at Rs. 125 to Rs. 150 per Equity Share. The Bidders can Bid at any price within the Price Band, in multiples of Re. 1 (One). In accordance with the SEBI Guidelines, our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
6. In case the Price Band is revised, the Bidding/ Issue Period may be extended, if required, by an additional three days, subject to the total Bidding/ Issue Period not exceeding 10 working days. The revised Price Band and Bidding/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, and by issuing published in two national newspapers (one each in English and Hindi) and a regional language newspaper of wide circulation in the place where our Registered Office is situated and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.
7. We, in consultation with the BRLM, can finalise the Issue Price within the Price Band, without the prior approval of, or intimation to, the Bidders.

Method and Process of Bidding

- (a) Our Company and the BRLM, shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with RoC and also publish the same in two widely circulated newspapers (one each in English and Hindi). This advertisement shall contain the minimum disclosures as specified under Schedule XX-A of the SEBI Guidelines. The members of the Syndicate shall accept Bids from the Bidders during the Bidding/Issue Period in accordance with the terms of the Syndicate Agreement. Investors who are interested in subscribing to our Equity Shares should approach any of the members of the Syndicate or their authorized agent(s) to register their Bid.
- (b) The Bidding Period shall be a minimum of 3 (three) working days and shall not exceed 7 (seven) working days. In case the Price Band is revised, the revised Price Band and the Bidding Period will be published in two national newspapers (one each in English and Hindi) and the Bidding Period may be extended, if required, by an additional three days, subject to the total Bidding Period not exceeding 10 working days.
- (c) Each Bid-cum-Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the section titled "Issue Procedure-Bids at Different Price Levels" beginning on page 173 of this Red Herring Prospectus) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid price, will become automatically invalid.
- (d) The Bidder cannot Bid on another Bid-cum-Application Form after Bids on one Bid-cum-Application Form have been submitted to any member of the Syndicate. Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the section titled "Issue Procedure - Build up of the Book and Revision of Bids" beginning on page 173 of this Red Herring Prospectus.
- (e) The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form.

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- (f) During the Bidding Period, Bidders may approach a member of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and this Red Herring Prospectus.
- (g) Along with the Bid-cum-Application Form, all Bidders will make payment in the manner described under the paragraph titled "Issue Procedure-Terms of Payment" beginning on page 173 of this Red Herring Prospectus.

Bids at Different Price Levels

- (a) The Price Band has been fixed at Rs. 125 to Rs. 150 per Equity Share of Rs. 10 each, Rs. 125 being the Floor Price and Rs. 150 being the Cap Price. The Bidders can Bid at any price within the Price Band, in multiples of Re 1.
- (b) In accordance with SEBI Guidelines, our Company reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
- (c) In case of a revision in the Price Band, the Issue Period will be extended for three additional days after revision of the Price Band, subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.
- (d) Our Company in consultation with the BRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
- (e) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding Rs. 1,00,000/- may Bid at Cut off Price. However, bidding at "Cut off Price is prohibited for QIB Bidders and Non Institutional Bidders bidding in excess of Rs. 100,000 and such Bids from QIBs and Non-Institutional Bidders shall be rejected.**
- (f) Retail Individual Bidders, who Bid at Cut-Off Price, agree that they shall purchase the Equity Shares and Warrants at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at Cut- off Price (i.e. the total number of Equity Shares and Warrants allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders, who Bid at Cut- off Price shall receive the refund of the excess amounts from the Escrow Account or Refund Account, as the case may be.
- (g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had Bid at Cut-off Price could either
 - i) revise their Bid or
 - ii) make additional payment based on the cap of the revised Price Band, (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid by a Retail Individual Bidder will be considered for allocation under the Non Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut off Price.
- (h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-off price could either revise their Bid or excess amount paid at the time of bidding would be refunded from the Escrow Account or the Refund Account, as the case may be.
- (i) The minimum application size shall be in the range of Rs. 5,000 to Rs. 7,000, even in case of revision in the Price Band, if any.

Application in the Issue

Equity Shares and Warrants being issued through the Red Herring Prospectus can be applied for in the dematerialized form only.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than 133,106 Equity Shares and 66,553 Warrants, Allocation shall be made to Mutual Funds on proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation the Mutual Funds Portion.

The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds.

No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights. These limits would have to be adhered to by the Mutual Funds for investment in the Equity Shares.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Bids by Eligible NRIs

Eligible NRIs are required to comply with the following:

1. Individual Eligible NRIs can obtain the Bid-cum-Application Form from the Registered Office, our corporate office, members of the Syndicate or the Registrar to the Issue.
2. Eligible NRI Bidders may note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for Allotment. Eligible NRIs who intend to make payment through the Non-Resident Ordinary (NRO) accounts shall use the Bid-cum-Application Form meant for resident Indians (White in colour).

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The Issue of Equity Shares and Warrants to a single FII should not exceed 10% of our post-Issue issued capital (i.e. 10% of 18,359,440 Equity Shares prior to exercise of Warrants and 21,021,560 Equity Shares after the Issue, post exercise of Warrants, assuming full exercise.). In respect of an FII investing in the Equity Shares and Warrants on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual.

For details see the paragraph titled "Restrictions on foreign ownership of Indian securities" beginning on page 197 of this Red Herring Prospectus. FIIs can presently hold only upto 24% of the total capital under the portfolio investment scheme, subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub account may issue, deal or hold, off shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Application by Venture Capital Funds (VCF) and Foreign Venture Capital Funds (FVCF)

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investors) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 33.33% of the corpus of the venture capital fund/foreign venture capital investor. The aggregate holdings of venture capital funds and foreign venture capital investors registered with SEBI could, however, go up to 100% of our Company's paid-up equity capital.

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Escrow Mechanism

Our Company shall open Escrow Accounts with the Escrow Collection Banks in whose favour the Bidders shall write the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Issue Account and the Refund Account as per the terms of the Escrow Agreement.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and the same has been established as an arrangement between our Company, BRLM, the Syndicate, Escrow Collection Bank(s) and the Registrars to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Collection Account

Each Bidder, shall pay the applicable Margin Amount, with the submission of the Bid-cum-Application Form by way of a cheque or demand draft in favour of the Escrow Account (for details please see the section titled "Issue Procedure - Payment Instructions" beginning on page 173 of this Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid-cum-Application Form accompanied by cash shall not be accepted.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders until such time as the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Issue Account and the balance amount shall be transferred to the Refund Account.

Each category of Bidders i.e. QIBs, Non-Institutional Bidders, and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid-cum-Application Form. The Margin Amount payable by each category of Bidders is mentioned under the heading "Issue Structure" beginning on page 166 of this Red Herring Prospectus and shall be uniform across all the bidders in the same category. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid-cum-Application Form.

QIB Bidders will be required to deposit the QIB Margin Amount at the time of submitting of their Bids. After the Bid Closing Date, the level of subscription in all categories shall be determined. Based on the level of subscription, additional margin money, if any may be called for from the QIB Bidders. If such additional margin money is not paid into the appropriate Escrow Account within the time and in the manner stipulated above, the Bid of the Bidder is liable to be rejected. Further, we may call for additional Margin Amount over and above the minimum prescribed 10% Margin amount from certain QIBs at our discretion prior to acceptance of the Bid anytime up to the Bid/Issue Closing Date and shall have the right to reject such bids on technical ground in case of non-receipt of such additional margin within the time prescribed for receipt of the same.

Where the Bidder has been allocated lesser number of Equity Shares and Warrants than he or she had Bid for, the excess amount paid on bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within 15 days from the Bid /Issue Closing Date, failing which our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

- a. The members of the Syndicate will register the Bids using the on-line facilities of NSE and BSE. There will be at least one BSE/NSE on-line connectivity to each city where a Stock Exchange is located in India and where the Bids are being accepted.
- b. NSE and BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents during the Bidding/ Issue Period. Members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/ Issue Closing Date, the Syndicate Member shall upload the Bids till such time as may be permitted by the BSE and NSE.

- c. The aggregate demand and price for the Bids registered on the electronic facilities of the BSE and the NSE will be displayed on-line at all bidding centers and at the websites of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centers during the Bidding Period
- d. At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
 - Name of the Bidder(s)
 - Investor Category – Individual, Corporate, NRI, FII, Mutual Fund, etc
 - Numbers of Equity Shares Bid for
 - Bid price and amount
 - Bid-cum-Application Form number
 - Margin Amount paid upon submission of Bid-cum-Application Form
 - Depository Participant Identification No. and Client Identification No. of the beneficiary account of the Bidder.
- e. A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the members of the Syndicate does not guarantee that the Equity Shares and Warrants shall be allocated either by the members of the Syndicate or our Company.
- f. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- g. It is to be distinctly understood that the permission given by BSE and NSE to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or BRLM are cleared or approved by BSE and NSE; nor does it in any manner Warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our promoters, our management or any scheme or project of our Company.
- h. It is also to be distinctly understood that the approval given by BSE and NSE for the use of their online IPO system should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner Warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it Warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.
- i. In case of QIB Bidders, members of the syndicate have the right to accept the bid or reject it. A rejection can be made only at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case on non-institutional Bidders and Retail Individual Bidders who Bid, Bids should not be rejected except on technical grounds including those as listed on page 188 of this Red Herring Prospectus.
- j. Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for Allocation. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLM, based on the physical records of Bid-cum-Application Form, shall be final and binding on all concerned.

Build Up of the Book and Revision of Bids

1. Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.
2. The book gets build up at various price levels. This information will be available with the BRLM on a regular basis.
3. During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which is a part of the Bid-cum-Application Form.
4. Revisions can be made in both the desired numbers of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

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5. The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate through whom he or he had placed the original Bid. **Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.**
6. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIBs, the members of the Syndicate shall collect the payments in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
7. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**
8. Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for Allocation. In case of discrepancy of data between NSE or BSE and members of the Syndicate, the decision of the BRLM based on the physical records of Bid-cum-Application Forms shall be final and binding on all concerned.
9. The Price Band can be revised during the Bidding Period, in which case the Bidding Period shall be extended further for a period of three days, subject to the total Bidding Period not exceeding ten working days. The cap on the Price Band shall not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in this Red Herring Prospectus
10. Any revision in the Price Band will be widely disseminated by informing the stock exchanges, by issuing a public notice in two national newspapers (one each in English and Hindi) and one regional newspaper and also indicating the change on the relevant websites and the terminals of the members of the Syndicate

Price Discovery and Allocation

- (a) After the Bid/Issue Closing Date, the BRLM will analyze the demand generated at various price levels.
- (b) Our Company, in consultation with the BRLM shall finalise the "Issue Price", the number of Equity Shares and Warrants to be allotted in each Investor category.
- (c) The allocation to QIBs for up to 50% of the Issue, of which 5% shall be reserved for Mutual Funds, would be on a proportionate basis, subject to valid bids being received at or above the Issue Price in the manner as described in the sub-section titled "Basis of Allotment". The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% respectively, of the Issue, would be on a proportionate basis, in the manner specified in the SEBI Guidelines, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- (d) Under subscription, if any, in any one of the categories would be allowed to be met with spill over from any of the other categories at the discretion of our Company and the BRLM. However, if the aggregate demand by Mutual Funds is less than 133,106 Equity Shares and 66,553 Warrants, the balance Equity Shares and Warrants from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.
- (e) Allocation to NRIs, FIIs, Foreign Venture Capital Funds and Foreign Venture Capital Investors registered with SEBI applying on repatriation basis will be subject to the terms and conditions stipulated by the FIPB and RBI while granting permission, if applicable for Allotment of Equity Shares to them.
- (f) The BRLM, in consultation with us, shall notify the Syndicate Member(s) of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- (g) We reserve the right to cancel the Issue any time after the Bid/Issue Opening Date but before the Allotment without assigning any reasons whatsoever.
- (h) The Allotment details shall be put on the website of the Registrar to the Issue.
- (i) In terms of SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue closing date.

- (j) QIB Bidders will be required to deposit the QIB Margin Amount at the time of submitting of their Bids. After the closure of bidding, the level of subscription in the various categories shall be determined. Based on the level of subscription, additional Margin Amounts, if any, shall be called for from the QIB Bidders. The QIB Bidders shall pay such additional Margin Amounts within a period of two days from the date of the letter communicating the request for such additional margin money.
- (k) Allocation to FIIs and eligible NRIs on repatriation basis will be subject to the applicable law.

Signing of Underwriting Agreement and RoC Filing

- 1) Our Company, the BRLM and the Syndicate Member(s) shall enter into an Underwriting Agreement on finalization of the Issue Price.
- 2) After signing the Underwriting Agreement, we will update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.
- 3) We will file a copy of the Prospectus with the ROC in terms of Section 56, Section 60, and Section 60B of the Companies Act.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the ROC, Maharashtra, situated at Mumbai, a statutory advertisement will be issued by our Company in a widely circulated English national newspaper and a Hindi national newspaper of wide circulation. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Letter for Additional Margin Money

In case of QIB Bidders, who have submitted their Bids with the QIB Margin Amount, additional Margin Amount may be called for by our Company, in consultation with the BRLM. The amount of such additional Margin Amount called for shall depend on the level of subscription in various categories, as determined on the basis of the electronic registration of Bids. The Allotment of Equity Shares to QIB Bidders shall be finalized by our Company, in consultation with the BRLM and the Designated Stock Exchange.

Issuance of CAN

- (a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLM or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares and Warrants in the Issue. Investors should note that our Company shall ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue;
- (b) The BRLM or members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares and Warrants in the Issue. The dispatch of CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares and Warrants allocated to such Bidder; Those Bidders who have paid the Margin Amount into the Escrow Account at the time of bidding shall pay the balance amount payable into the Escrow Account by the Pay-in Date specified in the CAN; and
- (c) Such Bidders who have been allocated Equity Shares and Warrants and who have already paid the Margin Amount for the said Equity Shares and Warrants into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Accounts. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.
- (d) The issuance of CAN is subject to "Allotment Reconciliation and Revised CAN".

INVESTORS ARE ADVISED TO INSTRUCT THEIR DEPOSITORY PARTICIPANT TO ACCEPT THE EQUITY SHARES THAT MAY BE ALLOTTED TO THEM PURSUANT TO THIS ISSUE.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bid applications received. Based on the electronic book, QIBs will be sent a CAN, indicating the number of Equity Shares and Warrants that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the physical book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock

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Exchange and specified in the physical book. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares and Warrants in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares and Warrants. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares and Warrants allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares and Warrants

- (a) Our Company will ensure that the Allotment of Equity Shares and Warrants is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Issue Account and the Refund Account on the Designated Date, our Company would ensure the credit to the successful Bidders' depository accounts of the allotted Equity Shares and Warrants to the allottees shall be within 15 (fifteen) days from the Bid/Issue Closing Date. In case our Company fails to make allotment within 15 days of the Bid/Issue Closing Date, interest would be paid to the investors at the rate of 15% per annum.
- (b) As per the SEBI Guidelines, Equity Shares and Warrants **will be issued, transferred and allotted only in the dematerialised form to the allottees**. Allottees will have the option to rematerialize the Equity Shares and Warrants so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Letters of Allotment or Refund Orders

We shall give credit of Equity Shares and Warrants allotted, if any, to the beneficiary account with Depository Participants within two working days from the date of the Allotment. Applicants residing at 15 centers where clearing houses are managed by the RBI will get refunds through ECS (subject to availability of information for crediting the refund through ECS) except where applicant is otherwise disclosed as eligible to get refunds through Direct Credit, NEFT or RTGS. In case of other applicants, our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter (refund advice) through ordinary post intimating them about the mode of credit of refund within 15 working days of the closure of the Issue. Our Company shall ensure dispatch of refund orders/refund advice (for Direct Credit, NEFT, RTGS or ECS), if any, by "Under Certificate of Posting" or registered post or speed post, as applicable, only at the sole or First Bidder's sole risk within 15 days of the Bid/Issue Closing Date and adequate funds for making refunds to applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, we undertake that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders shall be done within 15 days from the Bid/Issue Closing Date; and
- We shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if Allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time period prescribed above.

Our Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Save and except refunds effected through the electronic mode, i.e. Direct Credit, NEFT, RTGS or ECS, refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by our Company as an Escrow Collection Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

General Instructions

Do's:

- (a) Check if you are eligible to apply.
- (b) Read all the instructions carefully and complete the Bid-cum-Application Form (white, blue or pink in colour) as the case may be.
- (c) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares and Warrants will be allotted in the dematerialized form only.

- (d) Ensure that the Bid is only within the Price Band;
- (e) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate.
- (f) Ensure that you have been given a TRS for all your Bid options.
- (g) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS.
- (h) Ensure that the Bid-cum-Application Form Number is mentioned on the reverse of the Cheque/Demand Draft.
- (i) Where Bid(s) is/are for Rs. 50,000 or more, each of the Bidders, should mention their Permanent Account Number (PAN) allotted under the IT Act. The copies of the PAN card or PAN allotment letter should be submitted with the Bid-cum-Application Form. If you have mentioned "Applied For" or "Not Applicable", in the Bid-cum-Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof.
- (j) Ensure that the name(s) given in the Bid-cum-Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid-cum-Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid-cum-Application Form
- (k) Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

- (a) Do not Bid for lower than the minimum Bid size.
- (b) Do not Bid/revise Bid price to less than Floor Price or higher than the Cap Price.
- (c) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the members of the Syndicate.
- (d) Do not pay the Bid amount in cash, by money order or by postal order or by stockinvest.
- (e) Do not send Bid-cum-Application Forms by post; instead submit the same to a member of the Syndicate only.
- (f) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders)
- (g) Do not fill up the Bid-cum-Application Form such that the Equity Shares and Warrants Bid for exceeds the Issue size and/or investment limit or maximum number of Equity Shares and Warrants that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations
- (h) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

- a. Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable (white or blue color).
- b. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- c. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected.
- d. The Bids from the Retail Individual Bidders must be for a minimum of 45 Equity Shares and in multiples of 45 thereafter subject to a maximum of Rs. 1,00,000/-.
- e. For non-institutional and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid amount exceeds Rs. 1,00,000/- and in multiples of 45 Equity Shares thereafter. Bids cannot be made for more than the size of the Issue. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws or regulations.
- f. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

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Bidder's Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES AND WARRANTS IN THE DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT'S IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID-CUM-APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID-CUM-APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid-cum-Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details and occupation for printing on refund orders through any of the mode namely ECS or Direct Credit or RTGS or NEFT(hereinafter referred to as Demographic Details). Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ refund advice/ ECS credit or credit through Direct credit, NEFT or RTGS for refunds/CANs/Allocation advice and printing of Company particulars on the refund order and the Demographic Details given by Bidders in the Bid-cum-Application Form would not be used for any other purposes by the Registrar.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Bid-cum-Application Form, Bidder would have deemed to authorise the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic details as available on its records.

Refund Advice/ Refund Orders/Allocation Advice/CANs would be mailed at the address of the first Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ refund advice/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidders in the Bid-cum-Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Escrow Collection Bank(s) nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Our Company, in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Bid-cum-Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid-cum-Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and /or commission. In case of Bidders who remit money through Indian Rupee Drafts purchased abroad such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire , will be credited to their NRE accounts , the details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. Our Company will not be responsible for the loss incurred by the Bidder on account of conversion to Foreign currency .

Bidder's Bank Details

Bidders should note that on the basis of names of the Bidders, Depository Participant's name, Depository Participant Identification Number and Beneficiary Account Number provided by them in the Bid-cum-Application Form, the Registrar will obtain from the Depository the Bidder bank Account details. These bank account details would be printed on the refund order, if any, to be sent to Bidders or used for sending the refund through Direct Credit, NEFT, RTGS or ECS; hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refund to Bidders at the Bidders sole risk and neither the BRLM nor our Company shall have any responsibility and undertake any liability for the same.

Bids under Power of Attorney

In case of bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum & Article of Association and/or Bye Laws must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any bid in whole or in part without assigning any reason thereof.

In case of Bids made pursuant to a Power of Attorney by FIIs, FVCIs, VCFs and Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part without assigning any reason thereof.

Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application Form, subject to such terms and conditions that we/the BRLM may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, the Demographic Details given on the Bid-cum-Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Issue shall use Demographic Details as given in the Bid-cum-Application Form instead of those obtained from the depositories.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with Insurance Regulatory and Development Authority, a certified copy of the certificate of registration issued by Insurance Regulatory and Development Authority must be submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part.

Bids by Provident Funds

In case of Bids made by provident funds with the minimum corpus of Rs. 250 million and pension fund with the minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part.

Bids by Non-Residents, including Eligible NRIs, FIIs and FVCIs on a repatriation basis

Bids and revision to the Bids must be made:

1. On the Bid-cum-Application Form or the Revision Form, as applicable (blue in color), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant details).
3. Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation. Other Non-Resident Bidders must Bid for a minimum of such number of Equity Shares and in multiples of 45 that the Bid Amount exceeds Rs. 100,000. For further details, see the section titled "Issue Procedure - Maximum and Minimum Bid Size" beginning on page 173 of this Red Herring Prospectus.
4. In the names of individuals, or in the names of FIIs, FVCIs, etc but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only, net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their Non-Resident External (NRE) accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Non-Residents, including Eligible NRIs, FIIs and FVCIs and all Non-Residents will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the government of India, OCBs cannot participate in this Issue. Further, NRIs, who are not Eligible NRIs, are not permitted to participate in this Issue.

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Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under any laws or regulations.

Payment Instructions

We alongwith BRLM and Syndicate Member(s) shall open an Escrow Account of our Company with the Escrow Collection Banks for the collection of the Bid Amounts payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Account to the Issue

1. The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid-cum-Application Form draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.
2. QIB Bidders will be required to deposit a QIB Margin Amount at the time of submitting of their Bids. After the closure of bidding, the level of subscription in all categories shall be determined. Based on the level of subscription, additional Margin Amount, if any, shall be called for from the QIB Bidders. The QIB Bidders shall pay such additional margin money within a period of two days from the date of the letter communicating the request for such additional margin money.
3. In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM.
4. The payment instruments for payment into the Escrow Account should be drawn in favour of:

| | |
|--------------------------------------------------------------|---------------------------------------------------|
| In case of Resident Bidders | Escrow Account – RJL Public Issue - R |
| Non-residents, NRIs or FIIs applying on a repatriation basis | Escrow Account - RJL Public Issue – NR |
| In case of resident QIB bidders | Escrow Account - RJL Public Issue QIB – R |
| In case of non-resident QIBbidders | Escrow Account - RJL Public Issue QIB – NR |

- In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance.
 - Payment will not be accepted out of a Non-Resident Ordinary (NRO) Account of a Non-Resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.
 - In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along With documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
5. Where a Bidder has been allocated a lesser number of Equity Shares and Warrants than what the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account of our Company.
 6. The monies deposited in the Escrow Account of our Company will be held for the benefit of the Bidders till the Designated Date.
 7. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account of our Company as per the terms of the Escrow Agreement into the Issue Account.
 8. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

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Payments should be made by cheque, or demand drafts drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid-cum-Application Form is submitted. Outstation cheque/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash / Stockinvest / Money Orders / Postal Orders will not be accepted.

Payment by Stockinvest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-2004 dated November 05,2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stockinvest will not be accepted.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts equivalent to the Margin Amount shall be submitted to the Syndicate Member at the time of submission of the Bid.

No separate receipts shall be issued for the money payable on submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

Other Instructions

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form ("First Bidder"). All communications will be addressed to the First Bidder and will be dispatched to his or her address.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares and Warrants required. Two or more Bids in single or joint names will be deemed to be multiple bids if the sole and/or first bidder is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master.
- ii. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.
- iii. The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.
- iv. The addresses of all the applications in the multiple masters will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.
- v. The applications will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.
- vi. Subsequent to the aforesaid procedures, a print out of the multiple masters will be taken and the applications physically verified to tally signatures as also father's/ husband's names. On completion of this, the applications will be identified as multiple applications.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

We reserve the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

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Permanent Account Number (PAN) or 'GIR' Number

Where Bid(s) is/are for Rs. 50,000 or more, the Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act. **The copy of the PAN card or PAN allotment letter is required to be submitted with the application form. Applications without this information and documents will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground. In case the Sole/First Bidder and Joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid-cum-Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the Sole/First Bidder and each of the Joint Bidder(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration.

It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61 as the case may be.

Right to Reject Bids

In case of QIB Bidders, our Company in consultation with the BRLM may reject Bids provided that the reason for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders our Company has the right to reject Bids based on technical grounds only. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on technical grounds, including the following:-

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares and Warrants bid for;
2. Bank account details (for refund) are not given;
3. Age of first Bidder not given;
4. In case of partnership firms, Equity Shares and Warrants may be registered in the names of the individual partners and no such partnership firm, shall be entitled to apply;
5. Bids by Non Residents, if not in compliance with the appropriate foreign and Indian laws;
6. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
7. PAN not stated if Bid is for Rs. 50,000 or more or copy of PAN, Form 60 or Form 61, as applicable, or GIR number furnished instead of PAN. See the section titled "Issue Procedure—PAN or GIR No" beginning on page 173 of this Red Herring Prospectus;
8. Bids for lower number of Equity Shares and Warrants than specified for that category of investors;
9. Bids at a price less than lower end of the Price Band;
10. Bids at a price more than the higher end of the Price Band;
11. Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;
12. Bids for number of Equity Shares, which are not in multiples of 45;
13. Category not ticked;
14. Multiple Bids as defined in this Red Herring Prospectus;
15. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

16. Bids accompanied by stockinvest/money order/postal order/cash;
17. Signature of sole and/or joint Bidders missing;
18. Bid-cum-Application Form does not have the stamp of the BRLM or the Syndicate Members;
19. Bid-cum-Application Form does not have the Bidder's depository account details;
20. Bid-cum-Application Form is not delivered by the Bidder within the time prescribed as per the Bid-cum-Application Form, Bid/Issue Opening Date advertisement and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid-cum-Application Form;
21. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the depository participant's identity (DP ID) and the beneficiary account number;
22. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. See the details regarding the same in the section titled "Issue Procedure – Bids at Different Price Levels" beginning on page 173 of this Red Herring Prospectus;
23. Bids by OCBs;
24. Bids by U.S. persons other than in reliance on Regulation S under the Securities Act;
25. Bids by QIBs not submitted through the BRLM or members of the Syndicate; and
26. Bids by any person resident outside India, if not in compliance with applicable foreign and Indian laws.

Equity Shares and Warrants in Dematerialized Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares and Warrants in this Issue shall be allotted only in a dematerialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two tripartite agreements have been signed among our Company, the Depositories and the Registrar:

- 1) An Agreement dated September 28, 2007 among NSDL, our Company and Intime Spectrum Registry Limited;
- 2) An Agreement dated July 25, 2007 among CDSL, our Company and Intime Spectrum Registry Limited

All bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without the following details of his or her depository account are liable to be rejected:

- 1) A Bidder applying for Equity Shares and Warrants must have at least one beneficiary account with either of the Depository Participants of NSDL or CDSL prior to making the Bid.
- 2) The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's Identification number) appearing in the Bid-cum-Application Form or Revision Form.
- 3) Equity Shares and Warrants allotted to a Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- 4) Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- 5) Non-transferable allotment advice or refund orders will be directly sent to the Bidder by the Registrar to the Issue.
- 6) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.
- 7) The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form vis-à-vis those with his/her Depository Participant.
- 8) It may be noted that Equity Shares and Warrants in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL. BSE and NSE, where Equity Shares are proposed to be listed are connected to NSDL and CDSL.
- 9) The trading of our Equity Shares and Warrants would only be in dematerialized form for all investors in the demat segment of BSE and NSE.

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Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, Bidder's depository account details, number of Equity Shares and Warrants applied for, date of Bid Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Pre Issue and Post Issue related problems

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances shall be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we seek to redress these complaints as expeditiously as possible.

We have appointed Ms. Manju B. Batham as our Company Secretary and Compliance Officer. The Compliance Officer can be contacted at our registered office Plot No 36A & 37, SEEPZ SEZ, MIDC Marol, Andheri (East), Mumbai 400096 Tel: 91 22 40551369, Fax 91 22 66938457 Email: ipo@renjewellery.com

The Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account, refund orders, etc.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or**
- (b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”**

Disposal of Applications and Application Moneys and Interest in Case of Delay

Our Company shall give credit of Equity Share and Warrants allotted to the beneficiary account with Depository Participants within 15 working days of the Bid / Issue Closing Date. Applicants residing at 15 centers where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through ECS only (subject to availability of all information for crediting the refund through ECS) except where applicants are otherwise disclosed as eligible to get refunds through Direct Credit, NEFT or RTGS.

In case of other applicants, our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by “Under Certificate of Posting”, and shall dispatch refund orders above Rs.1,500, if any, by registered post or speed post, except for Bidders who have opted to receive refunds through the Direct Credit, NEFT, RTGS or ECS facility.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 working days of closure of Issue. Our Company shall ensure dispatch of refund orders, if any, by “Under Certificate of Posting” or registered post or speed post or Direct Credit, NEFT, RTGS or ECS, as applicable, only at the sole or First Bidder's sole risk within 15 days of the Bid Closing Date/Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer.

We shall ensure dispatch of allotment advice and/or refund orders/refund advice (in case refunds made through ECS/ Direct Credit, RTGS, NEFT) as the case may be giving credit to the Beneficiary Account of the bidders with their respective Depository Participant and submission of the allotment and listing documents to the Stock Exchanges within two working days of finalization of the basis of Allotment of Equity Shares.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 7 (seven) working days after the finalisation of the basis of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI

Guidelines we further undertake that:

- Allotment of Equity Shares and Warrants shall be made only in dematerialised form within 15 (fifteen) days of the Bid /Issue Closing Date;
- dispatch of refund orders, except for Bidders who have opted to receive refunds through the Direct Credit, NEFT, RTGS or ECS facility, within 15 (fifteen) working days of the Bid /Issue Closing Date would be ensured; and
- we shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 (fifteen)- day time period as mentioned above), if Allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter no. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines. In a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, and the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid/Issue Closing Date, we shall pay interest at 15% per annum.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the Direct Credit, NEFT, RTGS or ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Mode of Making Refunds

The payment of refund, if any, would be done through the following methods in the following order of preference

1. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.
2. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following fifteen centers: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned fifteen centers, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
3. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid-cum-Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.
4. RTGS – Applicants having a bank account at any of the abovementioned fifteen centers and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-Application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

Note: Wherever payments cannot be made through NEFT or ECS or direct credit and the refund amount exceeds one million, such applicants shall have the option to receive the refund payment through RTGS.

Please note that only applicants having a bank account at any of the 15 centers where clearing houses for ECS are managed by the RBI are eligible to receive refunds through the modes detailed in (1), (2), (3) and (4) above. For all the other applicants, including applicants who have not updated their bank particulars alongwith the nine digits MICR Code, the refund orders would be despatched "Under Certificate of Posting" for refund orders of value up to Rs. 1,500 and through Speed Post/Registered Post for refund orders of Rs. 1,500 and above.

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Undertaking by our Company

We undertake as follows:

- that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares and Warrants are proposed to be listed within seven working days of finalisation of the basis of Allotment;
- that the funds required for dispatch of refund orders or allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us; and
- that the refund orders or allotment advice to the Eligible NRIs or FIIs shall be despatched within specified time
- that the certificates of the securities/refund orders to non resident Indians shall be despatched within specified time
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/Issue closing date as the case may be giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund
- that except as disclosed in the section titled “Capital Structure” beginning on page 16 of this Red Herring Prospectus, no further issue of Equity Shares and Warrants shall be made till the Equity Shares and Warrants issued through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under subscription, etc.

Utilisation of Issue proceeds

Our Board of Directors certifies that:

- all monies received out of the Issue, including on exercise of Warrants, shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, including on exercise of Warrants, if any shall be disclosed under the appropriate head in our balance sheet indicating the form in which such unutilised monies have been invested;

Our Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares and Warrants from all the Stock Exchanges where listing is sought has been received.

Withdrawal of the Issue

Our Company in consultation with the BRLM reserves the right not to proceed with the Issue at anytime including after the Bid/Issue Opening Date, without assigning any reason thereof. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional Bidders and QIB Bidders shall be available for allocation to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this category is for less than or equal to 1,863,484 Equity Shares and 931,742 Warrants at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the valid Bids in this category are for more than 1,863,484 Equity Shares and 931,742 Warrants at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 45 Equity Shares and in multiple of 1 equity share thereafter. 1 Warrant for every 2 equity shares allotted. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this category is for less than or equal to 798,636 Equity Shares and 399,318 Warrants at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their valid Bids.
- In case the valid Bids in this category are for more than 798,636 Equity Shares and 399,318 Warrants at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 45 Equity Shares and in multiple of 1 equity share thereafter. 1 Warrant for every 2 equity shares allotted. For the method of proportionate basis of allocation, refer below.

C. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the QIB Bidders will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional Portion and Retail Portion shall be available for proportionate allocation to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- However, eligible Bids by Mutual Funds only shall first be considered for allocation proportionately in the Mutual Funds Portion. After completing proportionate allocation to Mutual Funds for an amount of up to 133,106 Equity Shares and 66,353 Warrants (the Mutual Funds Portion), the remaining demand by Mutual Funds, if any, shall then be considered for allocation proportionately, together with Bids by other QIBs, in the remainder of the QIB Portion (i.e. after excluding the Mutual Funds Portion). For the method of allocation in the QIB Portion, see the paragraph titled "Illustration of Allotment to QIBs" appearing below. If the valid Bids by Mutual Funds are for less than 133,106 Equity Shares, the balance Equity Shares and Warrants available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and allocated proportionately to the QIB Bidders. For the purposes of this paragraph it has been assumed that the QIB Portion for the purposes of the Issue amounts to 50% of the Issue size, i.e. 2,662,120 Equity Shares.
- Allotment shall be undertaken in the following manner:
 - a. In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:
 - I In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
 - II In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
 - III Equity Shares and Warrants remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below;

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b. In the second instance allocation to all QIBs shall be determined as follows:

- I In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids at or above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
- II Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares and Warrants Bid for by them, are eligible to receive Equity Shares and Warrants on a proportionate basis along with other QIB Bidders.
- III Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

Except for any Equity Shares and Warrants allocated to QIB Bidders due to Under-subscription in the Retail Portion and/or Non Institutional Portion, the aggregate allocation to QIB Bidders shall be made on a proportionate basis of at least 45 Equity Shares and in multiple of 1 equity share thereafter. 1 Warrant for every 2 equity shares allotted. For the method of proportionate basis of allocation refer below.

Method of Proportionate basis of allocation in the Issue

In the event of the Issue being oversubscribed, our Company shall finalize the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other Senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that basis of Allotment is finalized in a fair and proper manner. The Allotment shall be in marketable lots, on a proportionate basis as explained below.

- a. Bidders will be categorized according to the number of Equity Shares and Warrants applied for by them.
- b. The total number of Equity Shares and Warrants to be allotted to each category, as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares and Warrants applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c. Number of Equity Shares and Warrants to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

In all Bids where the proportionate Allotment is less than 45 Equity Shares per Bidder, the Allotment shall be made as follows:

- Each successful Bidder shall be allotted a minimum of 45 Equity Shares and in multiple of 1 equity share thereafter. 1 Warrant for every 2 equity shares allotted; and
- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares and Warrants allotted in that category is equal to the number of Equity Shares and Warrants calculated in accordance with (b) above.

If the proportionate Allotment to a Bidder is a number that is more than 45 but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be allotted Equity Shares and Warrants arrived at after such rounding off.

If the Equity Shares and Warrants allocated on a proportionate basis to any category are more than the Equity Shares and Warrants allotted to the Bidders in that category, the remaining Equity Shares and Warrants available for Allotment shall be first adjusted against any other category, where the allotted Equity Shares and Warrants are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares and Warrants. The basis of allocation on a proportionate basis shall be finalised in consultation with the Designated Stock Exchange.

Letters Of Allotment Or Refund Orders

We shall give credit to the beneficiary account with Depository Participants within two working days from the date of the Allotment. Applicants residing at 15 centers where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through Direct Credit or RTGS or NEFT, or ECS as applicable (subject to availability of all information for crediting through electronic mode) as per order of preference. In case of other applicants, the Refund Banker(s) shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500/- by 'Under Certificate of Posting', and shall dispatch refund orders above Rs. 1,500/-, if any, by registered post or speed post, except for Bidders who have opted to receive refunds through the electronic facility. Applicants to whom refunds are made through Electronic transfer of funds will be send a letter through ordinary post intimating

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them about the mode of credit of refund within 15 working days of closure of Issue. In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, we undertake that:

- (a) Allotment shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- (b) Dispatch of refund orders shall be done within 15 days from the Bid/Issue Closing Date; and
- (c) We shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time period prescribed above.

Interest In Case Of Delay In Dispatch Of Allotment Letters/Refund Orders

We agree that allotment of securities offered to the public shall be made not later than 15 days from the Bid/Issue Closing Date. We further agree that we shall pay interest at 15% per annum if the allotment letters/refund orders have not been dispatched to the applicants or if in a case, where refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner, within 15 days from the Bid/Issue Closing Date.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

I Issue details

| Sr No | Particulars | Issue Details |
|-------|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| 1 | Issue size | 200 million Equity Shares |
| 2 | Allocation to QIB (upto 50%)Of which: a. Allocation to Mutual Funds (5%) b. Balance for all QIBs including Mutual Funds | 100 million equity shares 5 million equity shares95 million |
| 3 | Number of QIB applicants | 10 |
| 4 | Number of Equity Shares applied for | 500 million Equity Shares |

II Details of QIB Bids

| S. No | Type of QIB bidders# | No. of shares Bid for (in million) |
|-------|----------------------|------------------------------------|
| 1. | A1 | 50 |
| 2. | A2 | 20 |
| 3. | A3 | 130 |
| 4. | A4 | 50 |
| 5. | A5 | 50 |
| 6. | MF1 | 40 |
| 7. | MF2 | 40 |
| 8. | MF3 | 80 |
| 9. | MF4 | 20 |
| 10. | MF5 | 20 |
| | TOTAL | 500 |

A1-A5: (QIB Bidders other than Mutual Funds), MF1-MF5 (QIB Bidders which are Mutual Funds)

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Details of Allotment to QIB Bidders/Applicants

(Number of Equity Shares in million)

| Type of QIB Bidder | Shares Bid for | Allocation of 5 million equity shares | Allocation of balance 95 million equity shares to MFs proportionately (please see note 2 below) | Aggregate allocation to MFs Equity Shares QIBS proportionately to (please see Note 4 below) |
|--------------------|----------------|---------------------------------------|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| (I) | (II) | (III) | (IV) | (V) |
| A1 | 50 | 0 | 9.60 | 0 |
| A2 | 20 | 0 | 3.84 | 0 |
| A3 | 130 | 0 | 24.95 | 0 |
| A4 | 50 | 0 | 9.60 | 0 |
| A5 | 50 | 0 | 9.60 | 0 |
| MF1 | 40 | 1 | 7.48 | 8.48 |
| MF2 | 40 | 1 | 7.48 | 8.48 |
| MF3 | 80 | 2 | 14.97 | 16.97 |
| MF4 | 20 | 0.5 | 3.74 | 4.24 |
| MF5 | 20 | 0.5 | 3.74 | 4.24 |
| | 500 | 5 | 95 | 42.42 |

Please note:

- The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled "Issue Structure" beginning on page 166 of this Red Herring Prospectus.
- Out of 100 million Equity Shares allocated to QIBs, 5 million (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 million shares in the QIB Portion.
- The balance 95 million Equity Shares [i.e. 100 - 5 (available for Mutual Funds only)] will be allocated on proportionate basis among 10 QIB Bidders who applied for 500 million Equity Shares (including 5 Mutual Fund applicants who applied for 200 million Equity Shares).
- The figures in the fourth column titled "Allocation of balance 95 million Equity Shares to QIBs proportionately" in the above illustration are arrived as under:
 - For QIBs other than Mutual Funds (A1 to A5)= Number of Equity Shares Bid for X 95 /495
 - For Mutual Funds (MF1 to MF5)= [(No. of shares Bid for (i.e., in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 95/495
 - The numerator and denominator for arriving at allocation of 95 million Equity Shares to the 10 QIBs are reduced by million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India, and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made.

Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of Government of India (FIPB) and the RBI. **As per current foreign investment policies, FDI in the Gems and Jewellery sector is allowed up to 100% under the automatic route.**

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without prior RBI approval, so long as the price of equity shares to be issued is not less than the price at which equity shares are issued to residents. In our Company, as of date the aggregate FII holding cannot exceed 24% of the total post-Issue share capital.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, Indian law does not prohibit an FII or its sub-account to issue, deal or hold, offshore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favor of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements, which stipulate fortnightly disclosures by the FII to SEBI informing them about the name, location, type of investor (hedge fund, corporate, individual, pension fund or trust), quantity and value of investment made on behalf of the investor. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

There is no reservation for Non Residents, NRIs, FIIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FIIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

Note:

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Registration of Equity Shares and Warrants under US Laws

The Equity Shares and Warrants have not been and will not be registered under the U.S. Securities Act 1933, as amended or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the U.S. Securities Act, 1933), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares and Warrants will be offered and sold only

(i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and

(ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Bidders and neither our Company nor the BRLM are liable for any changes in the regulations after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

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MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to table A in Schedule-I of the Companies Act and the SEBI guidelines, the main provision of the Articles of Association relating to voting rights, Dividend lien, forfeiture, restrictions on transfer and transmission of equity share or debentures and/or on their consolidation/ splitting are detailed below. Please note that these each provision herein below is numbered as per the corresponding article number in the Article of Association and terms defined have the meaning given to them in the Articles of Association.

| | |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | The Regulations contained in Table A, or Schedule I, to Companies Act, 1956 shall not apply the Company except as far as the same are reproduced or contained in or expressly made |
| 2 | These regulations are for the management of the Company and are for the observance of the members thereof and their representatives and shall be, subject to any exercise of the Company's power to modify, alter or add to its regulations, as is contained in the Articles. |

A. INTERPRETATION

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| 3 | (A) In the interpretation of these Articles, the following words and expressions shall have the following meanings assigned thereunder, unless repugnant to the subject matter or context thereof: "The Company" or "this Company" means RENAISSANCE JEWELLERY LIMITED. |
| The Act | "The Act" means "the Companies Act, 1956" or any statutory modification or reenactment thereof in force. |
| Auditors | "Auditors" means and includes those persons appointed as such of the Company. |
| Board or Board of Directors | "Board" or "Board of Directors" means a meeting of the Directors duly called and constituted or, as the case may be, the Directors assembled at a Board or requisite number of Directors entitled to pass a resolution by circulation in accordance with the Articles or the Directors of the Company collectively. |
| Capital | "Capital" means the share capital raised or authorised to be raised for the purpose of the Company. |
| Debenture | "Debenture" includes debenture-stock. |
| Directors | "Directors" mean the Directors for the time being of the Company. |
| Dividend | "Dividend" includes bonus. |
| Gender | "Words importing the masculine gender also include the feminine gender" |
| In writing and written | "In Writing" and "Written" include printing lithography and other modes of representing or reproducing words in a visible form. |
| Member | "Member" means the duly registered holder from time to time of the share of the Company and includes the subscribers to the Memorandum of the Company. |
| Meeting or General Meeting | "Meeting" or "General Meeting" means a meeting of members duly called and constituted in accordance with these Articles and any adjourned meeting thereof. |
| Annual General Meeting | "Annual General Meeting" means a General Meeting of the Members held in accordance with the provisions of the Section 166 of the Act and any adjourned meeting thereof. |
| Extraordinary General Meeting | "Extraordinary General Meeting" means an Extraordinary General meeting of the Members duly called and constituted and any adjourned meeting thereof. |
| Month | "Month" means a calendar month |
| Office | "Office" means the Registered office for the time being of the Company. |
| Paid-up | "Paid-up" includes credited as paid-up |
| Persons | "Persons" include corporations as well as individuals |
| Register of | "Register of Members" means the Register of Members to be kept pursuant to the Act. |

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| Members | <p>(B) (a) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date on which the Articles become binding on the Company. The marginal notes have been inserted for convenience of the reference and shall not affect the construction and interpretation of these Articles.</p> <p>(b) Wherever in the said Act it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its Articles, than in the case these Regulations hereby authorises and empowers the Company to have such right, privilege or authority and to carry such transaction as have been permitted by the Act without there being any specific regulation in that behalf herein provided. An illustration of such rights, authorities and transactions are set out with relevant sections as under : Section 80 : to issue Redeemable Preference Shares Section 92 : to accept unpaid share capital although not called. Section 93 : to pay dividend in proportion to amount Paid Section 94 : to alter the share capital of the Company. Section 100 : to reduce the share capital of the Company.</p> |
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B. CAPITAL

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| Division of Capital | 4 | <p>The Authorised Share Capital of the Company is Rs.15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each with the power to increase, consolidate, decrease or divide in accordance with the regulations of the Company and the legislative provisions for the time being in force in that behalf and with power to divide the shares in the capital for the time being into Equity Share Capital and to attach thereto respectively and preferential, qualified or special rights, privileges or conditions.</p> |
| Preference Shares | 5 | <p>Without prejudice to the generality of the powers of the Company contained in Article (4) above the Company shall have power to issue Preference Shares carrying a right of redemption out of profits or out of the proceeds of a fresh issue of shares or liable to be redeemed at the option of the Company and the Directors may subject to the provisions of Section 80 of the Act exercise such power in any manner they may think fit.</p> |
| Allotment of Shares | 6 | <p>(i) Where at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further share then</p> <p>(a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date;</p> <p>(b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less then fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;</p> <p>(c) The offer aforesaid shall deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub – clause (b) shall contain a statement of this right;</p> <p>(d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom shall notice is given that he declines to accept the share offered, the Board of Directors may dispose of them in such a manner as they think most beneficial in the company</p> <p>ii) Notwithstanding anything contained in sub clause (i) the further shares aforesaid may be offered to any persons (whether or not these persons include the persons referred to the clause (a) of sub- clause (i) by hereof in any manner whatsoever</p> <p>(a) if special resolution to that effect is passed by the company in general meeting or</p> <p>(b) Where no such resolution is passed if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting cote, if any, of the Chairman) by members who, being entitled so</p> |

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| | | <p>to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Director in this behalf, that the proposal is most beneficial to the company.</p> <p>iii) Nothing in sub-clause (c) of (i) hereof shall be deemed:</p> <p>(a) To extend the time within which the offer should be accepted</p> <p>or</p> <p>(b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.</p> <p>iv) Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued by the company:</p> <p>(a) To convert such debentures or loans into shares in the company, or</p> <p>(b) To subscribe for shares in the company</p> <p>PROVIDED THAT the term of issue of such debentures or the terms of such loans include a term providing for such option and such term:</p> <p>Either has been approved by the central Government before the issue of debentures or the raising of loans or is in conformity with Rules. if any, made by that Government in this behalf, and in case of debentures or loans or other than debentures issued to, or loans obtained from the government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the company in General Meeting before the issue of loans.</p> |
| Shares at the Disposal of the Directors | 7 | <p>Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion on such term and conditions and either at a premium or at par of subject to the compliance with the provision of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.</p> |
| Power to subdivide and shares consolidate | 8. | <p>The Company by ordinary resolution may: (a) Consolidate and divide all or any of its shares capital into shares of larger amount than its existing shares. (b) Sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association; subject nevertheless to the provisions in Section 94(1) (d) of the Act. (c) Cancel any shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.</p> |
| Reduction of capital | 9. | <p>The Company may by special resolution reduce its share capital in any manner and with and subject to any incident and consent required by the Act.</p> |
| Power to Modify right | 10. | <p>(i) If at any time share capital is divided into different classes of shares, all or any of the rights, privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 106 and 107 of the Act and whether or not the Company is being wound up be varied, modified, commuted, effected or abrogated with the consent in writing of the holders of three fourths of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class.</p> <p>(ii) To every such separate meeting the provisions of these Articles relating to general meeting shall mutatis mutandis apply, so that the necessary quorum shall be five persons at least holding or representing by proxy one-third of the issued shares of the class in question. (iii) This Article is</p> |

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| | | not to derogate from any power which the company would have, if this Article were omitted. The rights conferred upon the holders of the shares (including preference, if any) of any class issued with preferred or other rights or privileges shall unless otherwise expressly provided by the terms of issue of shares that class to be deemed not to be modified, commuted effected, abrogated dealt with or varied by the creation or issue of further shares pari passu there with. |
| Right of holder of issued shares when deemed to be varied | 11. | The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith. |

BROKERS AND UNDER-WRITERS

| | | |
|---------------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commission and brokerage | 12. | Subject to the provisions of Section 76 of the Act, the Company may at any time pay commission to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any share in or debentures of the Company or his procuring or agreeing to procure subscriptions, whether absolute or conditional for any shares in or debentures of the Company, as per notification issued by the Company Law Board. |
|---------------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

C. SHARES

| | | |
|----------------------------------------------------------------------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Trust not recognised | 13. | Subject to Section 187 C of the Companies Act, 1956 except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any shares or any interest in any fractional part of share (except only as by these or by law otherwise provided) any other rights in respect of any share except as absolutely right to the entire thereof in the registered holder. |
| Inequality in number of new shares | 14. | If, owing to any inequality in the number of new shares to be issued and the number of shares held by the member entitled to have the offer of such new shares, any difficulty shall arise in the apportionment of such new shares or any of them amongst the members, such difficulty shall, in the absence of any direction in the resolution creating the shares or by the Company in General Meeting, be determined by the Board. |
| Limitation of Time for Issue of Certificate | 15. | Every member shall be entitled without payment to one or more certificates in marketable lots, for all the shares of each class of denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub – division, consolidation or renewal of any of its shares as the case may be. Every certificates of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid – up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a share of shares held jointly by several person, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holder. |
| Issue of New Certificate in place of One Defaced, Lost or Destroyed | 16. | <p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs. 2/- for each Certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act 1956 or any other Act, or rules applicable thereof in this behalf.</p> <p>The provision of the Article shall mutatis mutandis apply to debentures of the company</p> |

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DEMATERIALISATION OF SECURITIES

| | | |
|------------------------------------------------------------------------------------|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Beneficial Owner | 17. | "Beneficial Owner" means a person whose name is recorded as such with a depository. |
| SEBI Board | | "SEBI Board" means the Securities and Exchange Board of India. |
| Bye-Laws | | "Bye-Laws" mean byelaws made by a depository under section 26 of the Depositories Act, 1996. |
| Depositories Act | | "Depositories Act" means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force. |
| Depository | | "Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992. |
| Record | | "Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by the SEBI Board. |
| Regulations | | "Regulations" mean the regulations made by the SEBI Board. |
| Security | | "Security" means such security as may be specified by the SEBI Board. |
| Demateriali - sation of Securities | (B) | Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act. |
| Options to receive security certificates or hold securities with depository | (C) | Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or hold securities with a depository. Where a person opts to hold a security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of such information the depository shall enter in its record the name of the allotted as the beneficial owner of that security. |
| Securities in depositories to be in fungible form | (D) | All securities held by a depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners. |
| Rights of depositories and beneficial owners: | (E) | (1) Notwithstanding anything to the contrary contained in the Articles, a depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner; (2) Save as otherwise provided in (1) above, the depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it; (3) Every person holding equity share capital of the Company and whose name is entered as beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the securities held by a depository. |
| Depository to furnish information | (F) | Every depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf. |
| Option to opt out in respect of any security | (G) | If a beneficial owner seeks to opt out of a depository in respect of any security, the beneficial owner shall inform the depository accordingly. The depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be. |
| Sections 83 and 108 of the Act not to apply | (H) | Notwithstanding anything to the contrary contained in the Articles: (1) Section 83 of the Act shall not apply to the shares held with a depository. (2) Section 108 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a depository. |

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| Register and Index of beneficial owners | | (l) The Register and Index of beneficial owners maintained by a depository under section 11 of the Depositories Act, shall be deemed to be an Index of Members and Registers and Index of Debenture holders as the case may be for the purposes of the Act. |
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LIEN

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| Company's lien on Shares | 18. | The Company shall have a first and paramount lien on every not being fully paid up share share for all moneys whether presently payable or not, called or payable at a fixed time, in respect of that share and the Company's lien, if any on a share shall extent to all dividends payable thereon. |
| As to enforcing lien on Shares | 19. | The Company may sell in such manner as the Board thinks fit any shares on which the Company has a lien provided that no sale shall be made.(a) Unless a sum in respect of which the lien exists is presently payable or(b) Until the expiration of fourteen days after a notice in writing demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share of the person entitled thereto by reason of his death or insolvency. |
| Validity of sales in exercise of lien | 20. | (i) To give effect to any such sale the Board may authorise some person tottransfer the shares sold to the purchaser thereof. (ii) The purchase shall be registered as the holder of shares comprised in any such transfer. (iii) The purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. |
| Application of sale proceeds | 21. | (i) The proceeds of the sale shall be received by the Company if any applied in payment of such part of the amount in respect of which the lien exists as is presently payable. (ii) The residue, if any, shall subject to a like lien for sums not presently payable as existed upon the shares before the sale be paid to the persons entitled to the shares at the date of the sale. |

CALLS ON SHARES

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| Calls | 22. | (i) Subject to the provisions of section 91 of the Act, the shareholders, at a properly convened general meeting of the company may from time to time make such calls as they may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and the members shall pay the amount of every call so made on him to the persons and at the time and place so appointed (ii) Each member shall, subject to receiving at least fourteen days notice,specifying the time or times and place of payment pay to the company at the time or times so specified, the amount called on his shares. (iii) A call may be revoked or postponed at the discretion of the Board. |
| Call when shall be deemed to have been made | 23. | A call shall be deemed to have been made at the time when the solution of the Board authorizing the call was passed and may be required to be paid by installments. |
| Liability of joint holders | 24. | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. |
| Payment in Anticipation of Call may carry Interest | 25. | The Directors may, if they think fit subject to the provision of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or divided. The directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by them until the same would but for such payment, become presently payable. The provision of these articles shall mutatis mutandis apply to the calls on debentures of the company |

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| | 26. | (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date whether on account of the nominal value of the shares or by way of premium shall for the purpose of these regulations be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeitures or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. |
| Default in payment of calls | 27. | No member shall be entitled to receive any dividend or exercise any privileges as a member until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any) and the Board may deduct from the dividend/interest payable to any members all sums of money so due from him to the company. |
| Evidence inaction by Company against Members | 28. | On the trial or hearing of any action or suit brought by the Company against any share-holder or his representatives to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is or was when the claim arose, on the Register as a holder or one of the holders, of the number of shares in respect of which such claim is made and that amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call, not that a quorum was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted, nor any other whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. |

BUY BACK OF SHARES

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| Buy Back of Share | 29. | The Company shall have the power, subject to and in accordance with all applicable provisions of law and as per the rules and procedures prescribed therein and in compliance with the prevailing regulatory provisions and any future amendments or re-enactments, to buy back/purchase/acquire any of its own shares, whether fully paid or otherwise, and whether or not they are redeemable and may make the payment including out of capital in respect of such buy back/purchase/acquisition and the same shall not be construed as reduction of equity share capital under Articles 10 hereinabove. |
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D. TRANSFER AND TRANSMISSION OF SHARE

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| | 30. | Shares in the Company shall be transferred by an instrument in the form prescribed by the Act |
| | 31. | Every instrument of transfer shall be left at the office of the Company for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Directors may require to prove the title of the transferor and his right to transfer the share and upon payment of proper fee the transferee shall (subject to the Director's right to decline to register any transfer) be registered as a member in respect of such shares. |
| Instrument of transfer | 32. | INSTRUMENT OF TRANSFER The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. |
| Application for resignation | 33. | An application for registration of a transfer of shares may be made either by the transferor or by the transferee; where the application is made by transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives to the transferee notice of the transfer and within two weeks from the receipt of the notice the transferee has not objected to the transfer. For the purpose of this Article notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time at which it would have been delivered in the ordinary course of post. |
| Execution of transfer | 34. | Every such instrument of transfer shall be duly stamped and shall be signed by or on behalf of both the transferor and transferee and the transferor shall remain the holder of such share until the name of the transferee is entered in the Register in respect thereof. The name, address and occupation, if any, of the transferee shall be specified in the instrument of transfer. |

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| | 34. | The Company shall subject to section 187C of the Act incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the name notwithstanding that the Company may have had notice to such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound to or required to regard or attend or give effect to any notice which may be given to it of any equitable rights title or interest or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or transferred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit. |
| Directors may refuse to Register Transfer | 35. | Subject to the provisions of Section 111A these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares. |
| | 36. | In the case of death of any one or more of the persons named in the Register as the Joint holders of any share, the survivor or survivors shall be the only persons recognized by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the assets of the deceased joint holder from liability on the shares held by him jointly with any other person. |
| Legal representative of a deceased member | 37. | The executors or administrators of deceased members or the holder of a succession certificate in respect of a deceased member (such deceased member not being one of several joint holders) shall be the only person recognized by the Company as having interest in or title to the shares registered in the names of such members and the Company shall not be bound to recognise such executors unless such executors shall have first obtained probate form a court in India having jurisdiction provided that in any case where the Directors in their absolute discretion think fit, they may dispense with the production of probate or letters of Administration or other legal representation upon such terms as to indemnity or otherwise as they may deem fit and under the next Article register the name of any person who claims to be absolutely entitled to the shares standing in the name of the deceased member as a member. |
| Transmission of shares | 38 | Any person becoming entitled to shares in consequence of the death or insolvency of any member or by any lawful means, upon producing such evidence of his title as the Directors think sufficient, may, with the consent of Directors (which they shall not be under any obligation to give) be registered member in respect of such shares or may, subject to the regulations as to transfer herein before contained transfer such shares. This Article is hereinafter referred to as "The Transmission Article". |
| | 39 | The guardian of a minor entitled to shares and the committee of lunatic entitled to shares may upon producing the Directors such evidence of their position as may be reasonably required by them be placed upon the Register in respect of the shares to which the minor or lunatic may be entitled as the case may be. |
| | 40 | Every transmission of share shall be verified in such manner as the Directors may require and the company may refuse to register any transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration, which the Directors at their discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company or the Directors to accept any indemnity. The Directors shall have the same right to refuse to register a person as member entitled by transmission to any share or his nominee as if he was the transferee named in an ordinary transfer presented for registration. |

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| No Fee for Transfer or Transmission | 41 | No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration Certificate of Death or Marriage, Power of Attorney or similar other documents. |
| Closure of Register | 42 | The transfer Book and the Register of members may be closed upon giving such notice as its required by section 154 of the Act during such time as the Directors think fit not exceeding in the aggregate forty five days in each year but not exceeding thirty days at any one time |
| Terms of Issue of Debenture | 42A | Any debentures, debenture – stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denominating and with any privileges and conditions as to redemption surrender, drawing allotment of shares, attending (but not voting) at the General Meeting appointment of Directors and otherwise Debenture with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a special Resolution. |

E. GENERAL MEETING

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| Extra Ordinary Meeting | 43 | All general meeting other than Annual General Meetings shall be called Extraordinary General Meetings. |
| When Extraordinary meeting to be called | 44 | The Board may whenever it thinks fit, call an extraordinary general meeting.) If at any time there are not within India Directors capable of acting who are sufficient in number to form a quorum any Director or the members holding 1/10th of the paid up share capital of the Company may call an extraordinary general meeting in the same manner as nearly as possible, as that in which such a meeting may be called by the Board. |
| Business not to be commenced without proper quorum Adjournment or dissolution if quorum not present | 45 | <ul style="list-style-type: none"> (i) No business shall be transacted at any general meeting unless a quorum of a member is present at the time when the meeting proceeds to business. (ii) Subject to the provisions of the Act and save as herein otherwise provided, any five members present in person shall be a quorum. |
| When if quorum not present, meeting to be dissolved and when to be adjourned | | <ul style="list-style-type: none"> (iii) If within half-an hour from the time appointed for the meeting a quorum be not present, the meeting, if convened upon such requisition as aforesaid shall be dissolved, but in any other case shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such time and place as the Board may by notice appoint and if at such adjourned meeting a quorum be not present within half-an-hour from the time appointed for holding the meeting those members, who are present and not being less than two shall be a quorum and may transact the business for which the meeting was called. |
| Chairman of general meeting | 46 | The Chairman of the Board of Directors, if any, shall be entitled to take the chair at every General Meeting or if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act, the members present shall choose another Director as Chairman and if the Director present or if all the Directors present decline to take the chair, then the members present shall choose one of their members to be Chairman. |
| Power to adjourn general meeting Notice of adjourned meeting when necessary | 47 | <ul style="list-style-type: none"> (i) The chairman may with the consent of any meeting at which quorum is present and shall if so directed by the meeting, adjourn the meeting from time to time and from the place to place (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjourned took place (iii) When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting (iv) Save as aforesaid it shall not be necessary to give any notice of an adjournment of the business to be transacted at an adjourned meeting. |

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| When poll is demanded what business to be transacted | 48 | Any business other than that upon which a poll has been demanded may be proceed with pending the taking of the poll. |
| Postal Ballot | 49 | The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Companies Act, 1956 ("the Act") and such other applicable provisions of the Act and any future amendments or reenactments. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of a postal ballot instead of transacting the business in a general meeting of the Company. |

F. VOTES OF MEMBERS

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| Vote of members | 50 | Subject to any rights or restrictions for the time being attached to any class or classes of shares:- (a) On a show of hands, every member present in person shall have one vote and (b) On a poll the voting right of members shall be one vote for each share held by them. |
| | 51 | In case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members. |
| Vote in respect of insane | 52 | A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll vote, by proxy. |
| Restriction on voting | 53 | No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid. |
| Admission or rejection of instrument votes | 54 | (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purpose. (ii) Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive. |
| Instrument appointing proxy to be deposited at the office | 55 | The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. |
| When vote by proxy valid though authority revoked | 56 | A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given, provided no intimation in writing of the death or insanity or revocation or transfer of shares shall have been received by the Company at the registered office before the vote is given. |

G. DIRECTORS

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| Number of Directors | 57 | (a) The number of Directors of the Company shall not be less than 3 and more than 12 including the special Director, if any and the Debenture Director, if any and the Corporation Director, if any. The Company may increase the number of Directors subject to provisions of law. (b) Unless otherwise determined by the company in General Meeting a Director shall not be required to have a share qualification, but nevertheless shall be entitled to attend and speak at any General Meeting of the company and any separate meeting of the holders of any class of shares in the company. |
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| Debenture Director | | (c) Any Trust deed for securing debentures or debenture-stock may, if so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture-stock of some person or persons to be a Director or Directors of the Company and may empower such Trustees or holders of Debentures or debenture-stocks, from time to time, to remove and reappoint any Director so appointed and at the time of such removal and also in the case of death or resignation of the person so appointed, any time, appoint any other person as a 'Debenture Director' in his place. The Director appointed under this Article is herein referred to as 'Debenture Director' and the term 'Debenture Director' means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained. |
| Corporation Director | | <p>(d) So long as any moneys be owing to the Company to or in respect of any underwriting arrangements with any Financial Corporation or Credit Corporation or any Financing Company or Body (which Corporation or Body is hereinafter in this Article referred to as the Corporation), the Directors may authorise such Corporation to nominate, from time to time, any person or persons as a Director or Directors of the Company (which Director is hereinafter referred to as 'Corporation Director' and may agree, that the Corporation Director shall not be liable to retire by rotation. The Corporation may at any time and from time to time remove any such Corporation Director nominated by it and may at the time of such removal and also in the case of death or resignation of the persons so nominated, at any time, nominate any other person as Corporation Director in his place. Such nomination or removal shall be made in writing signed by the Chairman of the Corporation or any person or Director thereof and shall be delivered to the company at its registered office. It is clarified that every Corporation entitled to nominate a Director under this Article may nominate one or more such person or persons as a Director(s) and so that if more than one Corporation is so entitled there may be at any time as many Corporation Directors as the Corporations eligible to make the nomination, nominee.</p> <p>Special Director (e) In connection with any collaboration arrangement with any Company or Corporation or firm or person for supply of technical know how and machinery or technical advice, the Directors may authorise such Company, Corporation, firm or person (hereinafter in this clause referred to as Collaborator) to nominate from time to time any person or persons as a Director or Directors or the Company (hereinafter referred to as 'Special Directors') and may agree that such special Director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such Director, so however that such Special Director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter. The Collaborator may at any time and from time to time remove any such Special Director nominated by it and may at the time of such removal and also in the case of death or resignation of the person so nominated, at any time, nominate any other person as a Special Director in his place and such nomination or removal shall be made in writing signed by such Company or Corporation or any partner or such person and shall be delivered to the Company at its registered office. It is clarified that every collaborator entitled to nominate a Director under this Article may nominate one or more such persons as a Director (s) and so that if more than one Collaborator is so entitled, there may be at any time as many Special Directors as the Collaborators eligible to make the nomination, nominee.</p> |
| Holding of office or place of profit under the Company or Its Subsidiary 60. | | Any Director or other person referred to in Section 314 of the Act may be appointed to hold any office or place of profit under the Company or under any subsidiary of the Company in accordance with the provisions of Section 314 of the Act. |
| Boards power to declare a Director as non retiring | 59 | (a) Subject to the provisions of Section 255 of the Act and provisions of Articles 58 and 64, the Board shall have power to declare such of the Directors for the time being as not liable to retire by rotation with power to revoke such declaration and upon revocation of such declaration such Director shall become liable to retire by rotation and shall be reckoned for determining the Directors to retire by rotation as provided by Section 256 of the Act and Article 58. |

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| | | (b) The Board shall exercise its powers of declaration and revocation aforesaid in a manner that the number of Directors not liable to retire by the rotation (including the Special Directors who may be appointed under Article 56 and the Managing Director if any shall not exceed one-third of the total number of Directors for the time being. |
| | 60 | The remaining Directors liable to retire by rotation may be appointed by the Company in General Meeting. |

H. ROTATION OF DIRECTORS

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| Retirement of Directors by Rotation | 61 | <p>(1) At every Annual General Meeting one-third of such of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.</p> <p>(2) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.</p> <p>(3) At the Annual General Meeting at which a Director retired as aforesaid, the Company may fill up the vacancy by reappointing the retiring Director or some other person thereto.</p> <p>(4) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved to fill the vacancy the meeting shall stand adjourned still the same day in the next week at the same time and place and if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting unless;</p> <p>(i) At the meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;</p> <p>(ii) The retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;</p> <p>(iii) He is not qualified or is disqualified for appointment;</p> <p>(iv) A resolution whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of the Act;</p> <p>(v) The provision to sub-section (2) of Section 263 of the Act is applicable to the case.</p> <p>(5) The expression "Retiring Director" in these clauses shall mean a Director retiring by rotation.</p> |
| Right of person other than retiring directors to stand for directorship | 62 | <p>(i) A person who is not a retiring Director shall, subject, to the provisions of the Act, be eligible for appointment to the office of Director at any General Meeting, if he or some member intending to propose him has, not less than fourteen days before the meeting, left at the office of the Company a notice in writing under this hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, as the case may be.</p> <p>(ii) The Company shall inform its members of the candidature of a person of the office of a Director or the intention of a member to propose such person as a candidate for that office by serving individual notices on the members not less than seven days before the meeting provided that it shall not be necessary for the company to serve individual notices upon the members as aforesaid if the company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in the regional language of that place. The expression "Retiring Director" in this Article means a Director retiring by rotation.</p> |

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I. MANAGEMENT

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| | 63 | The Board of Directors may in accordance with the provisions of the Act, appoint a whole-time Director or President or Executive Director or Manager to manage its affairs. A Director may be appointed as a Secretary or Manager. The terms and conditions and the appointment of paid Directors shall be subject to the provisions of the Companies Act, 1956 and to the consent of the General Meeting of the Company whenever required. |
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MANAGING DIRECTOR

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| Managing Director | 64 | <p>(a) Subject to the provisions of section 198, 268, 269, 316 and 317 and other applicable provisions of the Companies Act 1956, the Board may, from time to time, appoint one or more the Directors to be the managing Directors of the Company on such terms and at such remuneration by way of salary or commission or participation in profits or partly in one and partly in another as they may think fit, either for a fixed term not exceeding five years at a time as to the period for which he is to hold such office and may, from time to time (subject to the provisions of any contract between him and the Company) remove or dismiss him from office and appoint another in his place.</p> <p>(b) Subject to the provisions of Section 255 of the Act, a Managing Director shall not, while he continues to hold that office be subject to retirement by rotation but he shall be reckoned as Director for the purpose of determining the number of Directors retiring by rotation and in fixing the number of Directors to retire, but (subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as resignation and removal as the other Directors are and he shall ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director for any cause save that if he shall retire by rotation under the provisions of Section 255 of the Act at any Annual General Meeting and shall be reappointed a Director at the same meeting he shall not, by reason only of such retirement, cease to be a Managing Director.</p> <p>Further if at any time the total number of Managing Director is more than one third of total number of Directors, the Managing Director who shall not retire shall be determined by and in accordance with the respective seniorities.</p> |
| | 65 | Subject to the provisions of the Section 268, 269, 309, 310 and 311 of the Act and requisite permission/approval of Central Govt. and shareholder the remuneration and other terms and conditions of Managing Director shall be that which is determined by the Board of Directors, from time to time. The remuneration of a Managing Director may be by way of monthly payment and/or for each meeting and/or by way of participation in profits or by any or all these modes. |
| | 66 | The Managing Director shall exercise such of the powers as are exercised by the Board of Directors save and except those which by previous resolution passed to that effect by the Board of Directors are to be exercised by the Board itself or such of the powers as the Company has in a general meeting specified to be exercisable by the Board. |
| | 67 | <p>The Managing Director shall not exercise the power :</p> <ul style="list-style-type: none"> (i) To make calls on share holders in respect of moneys unpaid on the Shares in the Company. (ii) Issue debentures, and (iii) Except as may be delegated by the Board under Section 292 and 293 of the Act invest the funds of the Company or make loans or borrow moneys. |
| | 68 | <p>The remuneration of the directors shall, in so far as it consists of a monthly payment is deemed to accrue from day to day.</p> <p>In addition to the remuneration payable to them in pursuance of the Act, the directors shall be paid such sum of rupees as may be prescribed for the time being as the maximum fee payable by the Central Government being applicable to the company under section 310 or any other applicable provisions of the Act, for every meeting of the Board attended by them and may be paid all the traveling, hotel and other expenses properly incurred by them:</p> <ul style="list-style-type: none"> (a) In attending and returning from meeting of the Board of Directors or any Committee thereof or general meetings of the Company or. (b) In connection with the business of the Company. |

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| Share Qualification of Directors | 69 | The Directors shall not be required to hold any qualification shares. |
| Preliminary expenses for incorporation of Company | 70 | The Board shall pay all the preliminary expenses including the costs, charges and expenses that may have been incurred by the incorporator and or promoters for the incorporation and registration of the Company. |
| Negotiable receipts | 71 | All cheques, promissory notes, hundies, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be by such person in such manner as the Board shall from time to time by resolution determine. |

POWERS AND DUTIES OF DIRECTORS

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| General Power | 72 | <p>The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act or any other Act or by the Memorandum and Articles of Association of the Company, required to be exercised by the Company in General Meeting, subject nevertheless to these Articles or to the provisions of the Act or any other Act and to such regulations or provisions, as may be prescribed by the company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made</p> <p>PROVIDED that the Board shall not, except with the consent of the Company in General Meeting:-</p> <p>(a) (i) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company or where the Company owns more than one undertaking of the whole or substantially the whole, of any such undertaking.</p> <p>(ii) Remit or give time for the repayment of any debt due by a Director.</p> <p>(iii) invest otherwise than in trust securities, the amount of compensation received by the Company in respect of the Compulsory acquisition of any such undertaking as is referred to in clause(a) or of any premises or properties used for any such undertaking and without which it can not be carried on or can be carried on only with difficulty or only after a considerable time.</p> <p>(iv) Borrow moneys, where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the company and its free reserves that is to say, reserves not set apart for any specific purpose.</p> <p>(v) Contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will in any financial year, exceed Rs.50, 000 (Fifty Thousand) rupees or 5% (five percent) average net profits as determined in accordance with the provisions of Section 349 and 350 during the three financial years immediately proceeding, which ever is greater.</p> <p>(b) The Directors shall have the power to enter into joint venture/partnership Trust or such other arrangement with any other party, person or Government or foreign or Indian Companies collaborators, as they may deem fit in the course of carrying of Company's business.</p> |
| Certain powers of the Board | 73 | <p>Without prejudice to the general powers conferred by this Article and so as not in any way to limit or restrict those powers and without prejudice to the other powers conferred by these Articles, it is hereby declared that the Directors shall have the following powers that is to say, power-</p> <p>(1) To pay out of and charge to the capital account of the Company any commission or interest lawfully payable there out or chargeable there to under the provisions of Section 76 and 208 of the Act.</p> <p>(2) Subject to Section 292 and 297 of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, all or for such price or consideration and on such terms and conditions as they may think fit and in any such purchases or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably and satisfactory.</p> |

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| | <p>(3) At their discretion and subject to the provisions of the Act, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages or other securities of the Company and such shares may be issued either fully paid-up thereon as may agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.</p> <p>(4) To secure the fulfillment of any contract or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.</p> <p>(5) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.</p> <p>(6) To appoint any person to accept and hold in trust for the Company and property belonging to the Company, in which it is interested or for any other purposes and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.</p> <p>(7) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demand by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon.</p> <p>(8) To act on behalf of the Company in all matters relating to bankrupts and insolvents.</p> <p>(9) To accept deposits from Members and the public and to make and give receipts, release and other discharges for moneys payable to the Company and for the claims and demands of the Company.</p> <p>(10) Subject to the provisions of Section 292, 293, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately require for the purpose thereof upon such security (not being shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.</p> <p>(11) To execute, in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgage of the Company's property (present and future) as they think fit and any such mortgages may contain a power of sale and such other powers provisions, covenants and agreements as shall be agreed upon.</p> <p>(12) To determine, from time to time, who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.</p> <p>(13) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any officer or other person employed by the Company' a commission on the profits of any particular business or transaction and to charge such bonus or commission as part of the working expenses of the Company.</p> <p>(14) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such person by building or contributing to the building of houses, dwelling or chawls or by grant of money pension, gratuities, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident and other funds, associations, institutions or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and to subscribe or contribute or otherwise to assist or to guarantee money for charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.</p> |
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| | <p>(15) Before recommends any dividend, to set aside out of profits of the Company such sums as they may think proper for depreciation or to a Depreciation Fund or to an Insurance Fund or as a contingencies or to repay debentures or debenture-stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of property of the Company and for such other purpose (including the purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest the several sums of set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the Reserve Fund into such special funds as the board may think fit, with full power to transfer the whole or any portion of a Reserve Fund to another Reserve Fund or division of a Reserve Fund with full power to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.</p> <p>(16) To appoint and at their discretion remove or suspend such senior executive (including whole time directors), secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries or emolument or remunerations and to require security in such instance and to such amounts as they may think fit. And also from time to time to provide for the transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next sub-clauses shall be without prejudice to the general powers conferred by the sub-clause.</p> <p>(17) At any time and from time to time by Power of Attorney under the Seal of the Company. To appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these present and excluding the power to make calls and excluding also, except in their limits authorised by the Board, the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the members of any local board, established as aforesaid or in favour of any company or the shareholders, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such attorneys as the Board may think fit.</p> <p>(18) Subject to Section 294 and 297 of the Act, for or in relation to any of he matters, aforesaid or otherwise for the purposes of the Company, to enter into all such negotiations and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the company as they may consider expedient.</p> <p>(19) To make, vary and repeal byelaws for the regulation of the business of the Company, its officers and servants.</p> <p>(20) To pay the costs, charges and expenses/preliminary and incidental to the promotion, formation, establishment and regulation of the Company and to the issue of the further capital.</p> <p>(21) To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any of the buildings, plant, machinery, vessels, vehicles, goods, stores, produce and all other movable and immovable property of the Company, either separately or conjointly and to assign, surrender or discontinues any policies of insurance affected in pursuance of this power;</p> |
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| | | <p>(22) To open accounts with any bank or bankers or with any company, firm or individual and to pay money into and draw money from or otherwise operate any such account, from time, as they may think fit.</p> <p>(23) To attach to any shares to be issued as the consideration or part consideration for any contract with or property acquired by the Company or in payment for services rendered to the Company, such conditions as to the transfer thereof as they think fit.</p> <p>(24) To delegate all or any of the powers, authorities, discretions for the time being vested in the Directors to any employees of the Company or to any other persons, firm or body corporate or otherwise to any fluctuating body of persons.</p> |
| | 74 | <p>The Board shall have full power;</p> <p>(a) To make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the ceases of shares or debentures becoming distributable in fractions and also.</p> <p>(b) To authorize any person to enter, on behalf of all the member entitled thereto, into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of further shares or debentures to which they may be entitled upon such capitalization of (as the case may require) for the payment by the Company on their respective proportions of the profits resolved to be capitalized or the amounts remaining unpaid on their existing shares.</p> |

J. AUTHENTICATION OF DOCUMENTS

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| Power to authenticate document | 75 | Any Director or the Secretary or any officer appointed by the Board for the purpose shall have the power to authenticate any documents effecting the constitution of the Company and any books, records, documents and accounts relating to the business of the Company and to certify copies thereof or extracts there from as the true copies or extract any where and books, records, documents or accounts are elsewhere than at the office, the local manager or the other officer of the Company having the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid. |
| Certified Copies of Resolution of the Board | 76 | A document purporting to be a copy of resolution of the Board or an extract from the minutes of a meeting of the Board which is certified as such in accordance with the provisions of the these Articles shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of duly constituted meeting of the Directors. |
| Power of board to appoint Directors | 77 | <p>(a) Subject to the provisions of section 255 and 260 of the Act and Article 56 the Board shall have a right to appoint Additional Directors, PROVIDED THAT the maximum strength fixed for the Board by the Articles is not exceeded.</p> <p>(b) The Additional Directors shall hold office only upto the date of the Annual General Meeting of the Company held next after his appointment and shall be eligible for re-appointment by the Company as Director at the meeting subject to the provisions of the Act and the Articles.</p> |
| | 78 | A Director of this Company may be or become a Director of any other Company promoted by the Company or in which he may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such Company except in so far as Section 309 (6) or Section 314 of the Act may be applicable. |
| Directors' power to fill casual vacancies | 79 | Subject to the provisions of Section 262 and 264 of the Act the Board, shall have power, at any time and from time to time to appoint any other qualified person to be Director to fill a casual vacancy. Any person so appointed shall hold office only up to which the Director in whose place he is appointed would have held office if it had not been vacated by him. |
| Alternate | 80 | (a) Subject to Section 313 of the Act, in the event of any Director hereinafter called the original Director is to remain absent for a period of not less than 3 months from the State in which meetings of the Board are ordinarily held then the Board may appoint an Alternate Director to act in his absence. |

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| | | <p>(b) An alternate Director appointed under Clause (a) above shall not hold office as such for a period longer than that permissible, to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to the State in which meetings of the Board are ordinarily held.</p> <p>(c) If the term of office of the original Director is determined before he so returns to the State as aforesaid then in that event alternate Director appointed in place of the Original Director shall also cease to be Director.</p> |
| Conditions under which Director may contract with Company | 81 | <p>Subject to the provisions of Section 297 of the Act neither shall a Director be disqualified from contracting with the Company either as vendor, purchaser or otherwise for goods material or services or for underwriting the subscription of any shares in or debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private Company of which such Director is a member or Director be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding office or of the fiduciary relation thereby established.</p> |
| Disclosure of a Director's Interest | 82 | <p>Every Director who is in any way whether directly or indirectly, concerned or interested in a contract or arrangement, entered into or to be entered into by or to be entered into, by or on behalf of the Company not being a contract or arrangement entered into or to be entered into between the Company and any other Company, where any of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid up share capital in the other Company shall disclose the nature of his concern or interest at a meeting of the Board as required by Section 299 of the Act. A general notice, renewable in the last month of each financial year of the Company, that a Director is a Director or a member of any specified body corporate or is a member of any specified firm and is to be regarded as concerned or interested in any subsequent contract or arrangement with that body corporate or firm shall be sufficient disclosure of concern or interest in relation to any contract or arrangement so made and, after such general notice, it shall not be necessary to give special notice relating to any particular contract or arrangement with such body corporate or firm, provided such general notice is given at a meeting of the Board, that the Director concerned takes responsible steps to secure that it is brought up and read at the first meeting of the Board after it is given. Every Director shall be bound to give and from time to time renew a general notice as aforesaid in respect of all bodies corporate of which he is a Director or member and of all firms of which he is a member.</p> |
| Discussion and voting by a Director interested | 83 | <p>No Director shall, as a Director, take any part in the discussion of or vote on any contract or arrangement in which he is in any way whether directly or indirectly concerned or interested nor shall his presence count for the purpose of forming a quorum at the time of such discussion or vote. This prohibition shall not apply to:</p> <p>(a) Any contract of indemnity against any loss which the Director or any of them may suffer by reason of becoming or being sureties or surety for the Company; or</p> |
| | | <p>(b) Any contract or arrangement entered into or to be entered into by the Company with a public company or with a Private Company, which is subsidiary of a public company, in which the interest of the Director consists solely in his being a Director of such company and the holder of shares not exceeding a number of value as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company or in his being a member of the company holding not more than two percent of the paid up share capital of that Company.</p> |
| Directors to act diligently | 84 | <p>The Directors shall duly comply with the provisions of the Companies Act, 1956 or any statutory modification thereof for the time being in force and in particular with the provisions in regard to the registration of the particular mortgages and charges effecting the property of the Company or created by it and to keeping a register of Companies, annual list of members and a summary of particulars relating thereto and notice of any consolidation or increase of share capital, copies of special and extra ordinary resolutions and a copy of the register of Directors and notifications of any change therein.</p> |

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K. PROCEEDINGS OF THE BOARD OF DIRECTORS MEETING

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| Meeting of Directors | 85 | The Directors may meet together as a Board for the dispatch of business, from time to time, and shall so meet at least once in every three calendar months and at least four such meetings shall be held in every calendar year. The Directors may adjourn and otherwise regulate their meetings as they think fit. |
| Notice of Director's Meeting | 86 | (a) Unless otherwise agreed to by the Directors appointed by promoters, Government (Central or State), any company authority or any other person or their alternates, written notice of every meeting of the Board shall be received at least two days in advance thereof by every Director (b) Every notice convening a meeting of the Board of Directors shall set out the agenda business to be transacted there-at full and sufficient detail and no item of business shall be transacted at such meeting unless the same has been stated in full and sufficient detail in the said notice convening the meeting. PROVIDED that with the unanimous consent of all the directors present, any item of business not included in the agenda can be transacted at the meeting. |
| Quorum at Board meeting | 87 | Subject to section 287 of the Act, the quorum for a meeting of the Board of Directors shall be one-third of its total strength (any fraction contained in that onethird being round off as one) or two Directors whichever is higher, PROVIDED that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. |
| Adjournment of meeting for want of Quorum | 88 | If a meeting of the Board could not be held for want of a quorum, then the meeting shall automatically stand adjourned to the same day, place and time in the next week, unless otherwise decided by the Directors present. |
| Board meeting how convened | 89 | A Director may at any time and the Secretary, upon the request of a Director shall, convene a meeting of the Board by giving a notice in writing to every Director as provided in Article 77. |
| Chairman | 90 | The Board shall appoint as chairman of its meeting one of the Directors and shall determine the period for which he is to hold office. |
| Chairman to preside at all meetings | 91 | (a) The Chairman shall preside at all the meetings. If at any time the Chairman is not present at the time appointed for holding, the meeting, the Directors present shall choose one of their numbers to be the Chairman of such meeting. (b) The Chairman of the meeting shall have second/or casting vote in respect of the matters to be decided by the Board. |
| Questions at Board Meetings how to be decided | 92 | Question arising at meeting of the Board of Directors shall be decided by majority vote of the Directors present and entitled to vote there at. |
| Powers of Board Meeting | 93 | A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act of the Articles of the Company are for the time being vested in or exercised by the Board. |
| Directors appoint committee of Board | 94 | Subject to the restrictions contained in Section 292 of the Act, the Board may delegate any of their powers to Committees of the Board and the Board may, from time to time, revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes, but every Committee of the Board so formed shall on exercise of powers so delegated confirm to any regulations that may, from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointment but not or otherwise shall have the same force and effect as if done by the Board. |
| Other Committee | 95 | The Board may appoint other committees consisting of members or other persons or any directors, members and other persons and delegates any of their powers and from time to time revoke and discharge such committees, either wholly or in part and either as to persons or purpose and the committee so formed shall in the exercise of powers so delegated conform to any regulations, that may, from time to time, be empowered on it by the Board. |

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| Questions at meeting of Committee how Decided | 96 | Questions arising at any meeting of the Committee of the Board or other Committee shall be decided by a majority vote of the members of such Committee present and entitled to vote thereat. |
| Meeting of Committee how to be governed | 97 | The meetings and proceedings of any such Committee of the Board consisting of two or other Committee, members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors. |
| Resolution by circulation | 98 | No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, (including alternate Directors) or to all the members of the Committee of the Board, as the case may be then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or members of the committee at their usual address in India and has been approved by a majority of them as are then in India and entitled to vote on the resolution. |
| Acts of Board or Committee valid not- with standing defect in appointment | 99 | All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; PROVIDED, that nothing in this Articles shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have determined. |
| Minutes of proceedings of meeting of the Board | 100 | <p>(a) Subject to section 193 of the Act, the Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making, within thirty days, of the conclusion of every such meetings entries thereof in books kept for that purpose with their pages consecutively numbered of all resolutions and proceedings of all meetings of the Company and of the directors of committee of Directors</p> <p>(b) Each page of every such book shall be initiated or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the succeeding meeting.</p> <p>(c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise unless permitted under law.</p> <p>(d) The minutes of each meeting shall contain a fair and correct summery of the proceedings thereat.</p> <p>(e) The minutes shall also contain: -</p> <p>(i) The names of the directors present at the meeting; and</p> <p>(ii) In the case of each resolution passed at the meeting, the names of the Directors, if any, dissent from or not concurring with the resolution.</p> <p>(f) Nothing contained in sub-clauses (d) to (e) shall be deemed to require the inclusion in any minutes of any matter, which in the opinion of the Chairman of the meeting: -</p> <p>(i) Is or could reasonably be regarded as defamatory of any person; or</p> <p>(ii) Is irrelevant or immaterial to the proceedings; or</p> <p>(iii) Is determined to the interest of the Company. The Chairman shall exercise an absolute discretion regard to the inclusion or any matter in the minutes on the grounds specified in this sub clause.</p> <p>(g) Minutes of meetings kept in accordance with the aforesaid provisions shall be conclusive evidence of the proceedings recorded therein.</p> <p>(h) Every director present at any meeting of the directors or committee of directors shall sign his name in book/registers to be kept for that purpose.</p> |
| Management outside India | 101 | Subject to the provisions of the Act, the Board may from time to time provide for the management of the affairs of the company outside India in such manner as it shall think fit. |

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| Board may act notwithstanding vacancy | 102 | The Company may exercise the power conferred by Section 50 of the Act with regard to having an Official Seal for use abroad and such power shall be vested in the Board and the Company may cause to be kept in any State or Country outside India as may be permitted by the Act, a Foreign Register of Members or Debentures holders residents in any such State or Country and the Board may from time to time, make such regulations not being inconsistent with the provisions of Sections 157 and 158 of the Act and the Board may from time to time, make such provisions as it may think fit relating thereto and may comply with the requirements of any local law and shall in any case comply with the provisions of Section 157 and 158 of the Act. |
| | 103 | The continuing Directors may act notwithstanding any vacancy in Board, but if and so long as their number is reduced below and quorum fixed by the Act for a meeting of the Board, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or of summoning a General Meeting of the Company but for not other purpose |

L. SECRETARY

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| Secretary | 104 | Subject to Section 383 A of Companies Act, 1956, a Secretary maybe appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit and any secretary so appointed may be removed by the Board. |
| | 105 | Subject to the provision of Section 314 and 383 A of the Act, a Director may be appointed as a Secretary. |
| | 106 | Subject to the provisions of the Act or Articles requiring or authorising a thing to be done by a Director and the Secretary shall not be satisfied by its being done by the same person acting both as Director and as or in place of the Secretary. |

M. THE SEAL

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| Custody Of Seal | 107 | (i) The Board shall provide for the safe custody of the seal. (ii) Subject to the provisions of the Companies (Issue of Share Certificate) Rules, 1960 the Seal of the Company shall not be affixed to any instrument except by the authority of and resolution of the Board and except in the presence of at least one Director who shall sign every instrument to which the seal of the Company is so affixed in his presence. |
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DIVIDENDS AND RESERVES

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| Declaration of dividend | 108 | The Company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Board and the Company in general meeting may declare smaller dividend. (a) Subject to the provisions of Section 205 of the Act, no dividend shall be declared and paid for any financial year except out of the profit of the company or out of the moneys provided by the Central Government or State Government for payment of dividend in pursuance of any guarantee given by such Government and no dividends shall carry interest as against the company. (b) Nothing contained in these Articles shall be deemed to affect in any manner the operation of Section 208 of the Act. |
| Interim Dividend | 109 | The Board may, from time to time, pay to the members such interim dividends as appears to it to be justified by the profits of the Company. |
| Reserve | 110 | (i) The Board may before recommending any dividend set aside out of the profits of the Company such sums as it thinks proper as are serve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied including a provision for meeting contingencies or for equalising dividends and pending such application may at the like discretion, either be employed in the business of the Company or be invested in such investment (other than shares of the Company) as the Board may, from time to time, think fit. (ii) The Board may also carry forward any profile which it may think prudent not to divide, without setting them aside as a reserve |

RENAISSANCE JEWELLERY LIMITED

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| | | <p>(iii) The unpaid or unclaimed dividend shall be dealt with in accordance with Section 205(A) of the Act and Rules made thereunder.</p> <p>(iv) Where the company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "RENAISSANCE JEWELLERY LIMITED - UNPAID DIVIDEND ACCOUNT"</p> <p>Any money transferred to the unpaid dividend account of the company which remains unpaid or unclaimed for a period of seven years from the date if such transfer shall be transferred by the company to the fund known as Investors Education and Protection Fund established under section 205 C of the Act.</p> <p>No unclaimed or unpaid dividend shall be forfeited by the Board.</p> |
| | 111 | <p>(i) All dividends shall be declared and paid according to the amount paid or credited as paid on the shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of the shares of the Company, dividends may be declared and paid according to the amounts of the shared.</p> <p>(ii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p> |
| Debt may be deducted from dividend | 112 | Subject to section 205A of the Act, the Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. |
| | 113 | <p>(i) Any General Meeting declaring a dividend or bonus wholly or partly by the distribution of specific assets; the Board shall give effect to the resolution of meeting.</p> <p>(ii) Where any difficulty arises in regard to such distribution the Board may settle the same as it thinks expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing for the value so fixed in order to adjust the right of all parties and may vest any such specific assets in trustees as may seem expedient to the Board.</p> |
| Payment by post | 114 | <p>(i) Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post direct to the registered address of the hold or in case of joint holders, to the registered address of that one of the joint holders who is the first named on the register of members or to such address as the holder or joint holder may in writing direct.</p> <p>(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p> <p>(iii) Subject to section 205A of the Board may retain the dividend payable upon any shares in respect of which any person is under the Transmission Clause entitled to become a member which any person under that clause is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.</p> |
| Dividends to members registered Jointly | 115 | Any one or two or more joint holders of a share may give effectual receipts for any dividends, bonus or other moneys payable in respect of such share. |
| Notice of dividend | 116 | Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act. |
| No Interest on dividend | 117 | No dividend shall bear interest against the Company. |

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ACCOUNTS

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| Accounts | 118 | <p>(a) The company shall keep and maintain such books of accounts and other records as may be required in respect of its (Company's) business, affairs and operations showing all such particulars as may be specified by it.</p> <p>(b) The Board shall, from time to time, determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the Company or any of them shall be made available for the inspection of members not being Directors.</p> <p>(c) No member (not being a Director) shall have any right of inspecting any account of books or documents of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.</p> |
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CAPITALISATION OF PROFITS

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| Capitalisation Of reserve | 119 | <p>(i) The Company in General Meeting may, upon the recommendation of the Board resolve:-</p> <p>(a) That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or the credit of the profit and loss account or otherwise available for distribution, and</p> <p>(b) That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(ii) The sum aforesaid shall not be paid in cash but shall used, towards-</p> <p>(a) Paying up any amounts for the time being unpaid on any shares held by such members respectively.</p> <p>(b) Paying up in full, un-issued shares or debentures of company to be allotted and distributed credited as fully paid up to and amongst such member in the proportion aforesaid; or</p> <p>(c) Partly in the way as specified in sub-clause (i) and partly in that specified in sub- clause (ii)</p> <p>(d) A share premium account and a capital reduction reserve fund may, for the purpose of this regulation only be applied in the paying up of un-issued to members of the Company as fully paid bonus shares.</p> <p>(iv) The Board shall give effect to the resolution passed by the Company in pursuance of this resolution</p> |
| | 120 | <p>Whenever such a resolution as aforesaid has been passed by the Company, the Board shall give effect thereto and it shall:</p> <p>(a) Make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issue of fully paid shares or debentures, if any, and</p> <p>(b) Do all acts and things required to give effects thereto.</p> |

AUDIT

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| Accounts to be audited annually | 121 | Once at least in every year the books of accounts of the Company shall be examined by one or more Auditor or Auditors. |
| First auditors Sec. 224 (5) | 122 | Sec. 224 (5) The first Auditor or Auditors of the Company shall be appointed by the Board within one month of the date of incorporation of the Company and the Auditors or Auditor so appointed shall hold office until the conclusion of the first annual general meeting of the Company. |
| Appointment | 123 | The Company at each annual general meeting shall appoint an Auditor or Auditors to hold office until the next Annual General Meeting and their appointment, remuneration, rights and duties shall be regulated by Section 224 to 227 of the Act. |
| Audit of Accounts of Branch office of the Company | 124 | Where the Company has a branch office the provisions of Section 228 of the Act shall apply. |

RENAISSANCE JEWELLERY LIMITED

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| Right of auditor to attend general meeting | 125 | All notice of and other communications relating to any general meeting of the Company which member of the Company is entitled to have sent to him shall also be forwarded to the Auditors of the Company and the Auditor shall be entitled to attend any general meeting and to be heard at any general meeting which he attends on any of the business which concerns him as Auditor. |
| Auditors report to be read | 126 | The Auditors Report shall be read before the Company in annual general meeting and shall be open to inspection by any of the member of the Company. |
| When accounts to be adopted Sec. 210 | 127 | Every Balance Sheet and Profit and Loss Account of the Company when audited shall be laid before the Company in Annual General Meeting as provided in Section 210 of the Act. |

SERVICE OF NOTICES AND DOCUMENTS

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| How notice to be served on member Section 53 | 128 | A notice or other document may be given by the Company to any member either personally or by sending by post to him to his registered address or (if he has no registered address in India) to the address, if any within India supplied by him to the Company for the giving of notice to him. |
| Service by post | 129 | <p>(i) Where a notice or other document is sent by post:</p> <p>(a) Service there of shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice or document provided that where a member has intimated to the Company in advance that notice documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due.</p> <p>(b) Such service shall be deemed to have been effected at the expiration of forty-eight hours after the letter containing the notice posted</p> <p>(ii) If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notice to him a notice advertised in a newspaper circulating in the neighborhood of the registered office of the Company shall be deemed to be duly given to him on the day one which the advertisement appears.</p> <p>(iii) A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the register in respect of such share.</p> <p>(iv) A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title or representative of the deceased or assignees of the insolvent or by any like description of the address (if any) in India supplied for the purpose by persons claiming to be so entitled or (until such an address has been so supplied) by giving notice in any manner in which the same might have been given if the death or insolvency had not occurred.</p> <p>(v) Any notice required to be given by the Company to the member or any of them and not expressly provided for by these presents shall be sufficiently given by advertisements in a newspaper circulating in the place where the registered office of the Company is situate.</p> <p>(vi) The signature to any notice given by the Company may be written or printed or lithographed or Photostat.</p> |

RECONSTRUCTION

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| Reconstruction | 130 | On any sale of the undertaking of the Company the Board or the Liquidators on a winding-up may, if authorised by a special Resolution, accept fully paid or partly paid-up shares, debentures or securities of any other Company, whether incorporated in India or not either then existing or to be formed for the purchase in whole or in part of the property of the Company and the Board (if the profits of the Company permit) or the Liquidators (in a winding up) may distribute such shares or securities or any other property of the Company amongst the member without realisation or vest the same in trustees for them and any if Special Resolution may provide for the distribution or appropriation of the Cash, shares or other securities, benefit or property otherwise than in accordance with the strict legal rights of the members or contributors of the Company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and contributories shall be bound to accept and shall be bound by any valuation or distribution so authorised and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights (if any) under Section 494 of the Act as are incapable of being varied or excluded by these Articles. |
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RENAISSANCE JEWELLERY LIMITED

SECRECY

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| | 131 | Every Director, Manager, Secretary, Trustee of the Company is entitled to enter upon the property of the Company or to inspect or examine any agent, accountant or other person employed in our or about the business of the Company shall, if so required by the Board before entering upon his duties sign a declaration pledging himself to observe a strict secrecy respecting all transactions to the Company with its customers and the State of Accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions in these Articles contained. |
| No member to enter the premises of the company without permission | 132 | (i) No member or other persons (not being a Director) shall be to entitled to enter upon the property of the Company to inspect to examine the premises or properties of the Company without the permission of the Board or, to require discovery of or any information, respecting any detail of the trading of the Company or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in opinion of the Board it will be in expedient in the interest of the Company to communicate. (ii) Any agreement made under such authority shall be effective and binding on all such members. |

WINDING UP

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| Distribution of assets of specie | 133 | (i) If the Company shall be wound up, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members in specie or kind, the whole or any part of the assets of the Company whether they shall consist of property of the same kind or not. (ii) For the purpose aforesaid, the Liquidator may set aside value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the member of different classes of members. (iii) The liquidator may, with the like sanction vest any part of the assets of the Company in trustees upon such trust for the benefit of the contributories as he think fit but so that no member shall be compelled to accept any shares or other securities whereon there is any liability. |
| Indemnity | 134 | Every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending by proceedings, whether civil or criminal in which judgment is given in his favour or in connection with any application by Court. |

MATERIAL CONTRACTS AND DOCUMENTS

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which would be attached to the copy of the Red Herring Prospectus, delivered to the Registrar of Companies, Maharashtra for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company at Plot no 36A/37, SEEPZ, SEZ, Andheri, Mumbai-400096 from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts

1. A copy of the Memorandum of Understanding dated June 04, 2007 between our Company and the BRLM.
2. A copy of the Memorandum of Understanding dated April 25, 2007 executed by our Company with the Registrar to the Issue.
3. A copy of the Escrow Agreement dated October 30, 2007 among our Company, the BRLM, Escrow Collection Banks, and the Registrar to the Issue.
4. A copy of the Syndicate Agreement dated October 30, 2007 among our Company, the BRLM and Syndicate Member(s).
5. A copy of the Underwriting Agreement dated [●] among our Company and the BRLM and Syndicate Member(s).

Material Documents

1. Our Company's Memorandum and Articles of Association, as amended from time to time.
2. Certified true copy of Company's certificate of incorporation, amended for change of name, effective December 20, 2005.
3. Certified true copy of our shareholders' resolutions May 26, 2007 in relation to this Issue and other related matters.
4. Certified true copy of our Board's resolution dated May 24, 2007 in relation to this Issue and other related matters.
5. Report of the Auditors, J.K. Shah & Co., Chartered Accountants, prepared as per Indian GAAP and mentioned in this Red Herring Prospectus.
6. Copies of annual reports of our Company for the past five financial years.
7. Consents of the Auditors, being J. K. Shah & Co., Chartered Accountants, for inclusion of their report on accounts in the form and context in which they appear in this Red Herring Prospectus.
8. General powers of attorney executed by the Directors in favor of person(s) for signing and making necessary changes to this Red Herring Prospectus and other related documents.
9. Consents of Auditors, Bankers to our Company, BRLM, Syndicate Member(s), Registrar to the Issue, Escrow Collection Bank(s), Banker to the Issue, IPO Grading Agency, the Directors, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
10. Applications dated June 18, 2007 and June 18, 2007 for in-principle listing approval from the BSE and the NSE, respectively.
11. In-principle listing approval dated July 30, 2007 and July 16, 2007 from the BSE and the NSE respectively.
12. Agreement between NSDL, our Company and the Registrar to the Issue dated September 28, 2007.
13. Agreement between CDSL, our Company and the Registrar to the Issue dated July 25, 2007.
14. Due diligence certificate dated June 18, 2007 to SEBI from Edelweiss Capital Limited.
15. SEBI observation letter CFD/DIL/NB/JAK/106350/2007 dated October 17, 2007.
16. Non- Compete Agreement dated April 24, 2007 between our Company and Anika Jewellery Private Limited
17. Non- Compete Agreement dated April 24, 2007 between our Company and Fancy Jewellery Private Limited
18. Non- Compete Agreement dated April 24, 2007 between our Company and N.Kumar Diamond Exports Limited
19. Non- Compete Agreement dated April 24, 2007 between our Company and M/s Sumit Diamonds
20. Certificate of Incorporation of Renaissance Jewelry New York, Inc, under section 402 of the Business Corporation Law of New York filed on April 23, 2007 with the NYS Department of State, Division of Corporations And State Records.
21. IPO Grading report of ICRA Limited dated October 24, 2007.

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22. Provisional Employer Identification Number. 20-8926673 allotted to Renaissance Jewelry New York, Inc by the Internal Revenue Service, Department of Treasury, US.
23. Statement of Organisation of Incorporation of Renaissance Jewelry New York, Inc under section 402 of the Business Corporation Law of New York dated April 23, 2007.
24. Certificate of Shares of Common Stock issued by Renaissance Jewelry New York, Inc. to Renaissance Jewellery Limited dated September 12, 2007.
25. SEBI Letter CFD/DIL/DM/97244/2007 dated June 26, 2007
26. SEBI Letter CFD/DIL/NB/JAK/99872/2007 dated July 27, 2007

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Acts, 1956 or the Securities and Exchange Board of India Act, 1992 or rules made there under or guidelines issued as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS

Mr. Niranjan A. Shah

Mr. Hitesh M. Shah

Mr. Sumit N. Shah

Mr. Neville Tata

Mr. Veerkumar.C. Shah

Mr. Pramod H. Lele

Mr. Anil K. Chopra

Mr. Vishwas V. Mehendale

SIGNED BY THE VICE PRESIDENT - FINANCE

Mr. Sailesh S. Sangani

SIGNED BY THE COMPLIANCE OFFICER

Ms. Manju B. Batham

Date : November 02, 2007

Place : Mumbai

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