

# SHANTIVIJAY JEWELS LTD.



**ANNUAL REPORT 2011-2012**



## SHANTIVIJAY JEWELS LIMITED

### BOARD OF DIRECTORS

#### **PRADEEP KUMAR GODHA**

*(Chairman & Managing Director)*

#### **ANURAG GODHA**

*(Vice Chairman & Managing Director)*

#### **JEFFREY K. STERN**

**SHAMBHUKUMAR S. KASLIWAL (upto 01.06.2011)**

**AMBUJ A. KASLIWAL (w.e.f. 01.06.2011)**

**JAYANT B. SHAH**

**APURVA R. SHAH**

**TUSHAR A. MAVANI**

### REGISTERED OFFICE / WORKS

G 37, Gem & Jewellery Complex, Bldg. No. III,  
SEEPZ, Andheri (E), Mumbai-400 096.

### ADMINISTRATIVE OFFICE

L-1, Trident Hotel, Hilton Towers,  
Nariman Point,  
Mumbai-400 021.

### BANKERS

Canara Bank  
Overseas Branch,  
Nariman Point,  
Mumbai-400 021.

### AUDITORS

B.F. Chordia & Co.  
Chartered Accountants  
17/1004, Indradarshan,  
Oshivara Link Road,  
Andheri (West), Mumbai-400 053.

### REGISTRAR & TRANSFER AGENTS

Bigshare Services Pvt. Ltd.  
E-2/3, Ansa Industrial Estate, Sakivihar Road,  
Sakinaka, Andheri (E), Mumbai-400 072.

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### NOTICE

NOTICE is hereby given that the 39th Annual General Meeting of the Members of SHANTIVIJAY JEWELS LIMITED will be held at N. J. Nair Conference Room, Indian Textile Accessories & Manufacturers' Association, Bhogilal Hargovindas Building, 4th floor, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai 400001 on **Friday, 20<sup>th</sup> July, 2012 at 10.00 a.m.** to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance sheet as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors, thereon.
2. To declare a dividend.
3. To appoint a Director in place of Shri. Ambuj A. Kasliwal, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Jeffrey K. Stern, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

#### SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:  
"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof for the time being in force) as also provisions of the Securities and Exchange Board of India (SEBI) (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "ICDR Regulations") and any other applicable law or laws, rules, regulations, guidelines, schemes and clarifications (including any amendments thereto or re-enactment thereof for the time being in force) and enabling provisions of the Memorandum of Association and Articles of Association of the Company, the Listing Agreement entered into by the Company with the Stock Exchange where the equity shares of the Company are listed and subject to such approvals, permissions, consents and sanctions as may be necessary of Government of India ("GOI"), Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI"), Registrar of Companies ("ROC") and all other appropriate authorities, within or outside India, and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "Board") which the Board be and is hereby authorized to accept, if it thinks fit in the interest of the Company, the consent and approval of the Company be and is hereby accorded to the Board to issue, in the course of domestic/follow on/international offerings or qualified institutional placement to Domestic/Foreign Investors/ Institutional Investors/Foreign Institutional Investors, Qualified Institutional Buyers within the meaning of ICDR Regulations, Members, Employees, Non-Resident Indians, Companies or Bodies Corporate whether incorporated in India or abroad,

Trusts, Mutual Funds, Banks/ Financial Institutions, Insurance Companies, Pension Funds, Individuals or otherwise, whether members of the Company or not, through a public issue, a qualified institutional placement (QIP) within in the meaning of ICDR Regulations, preferential issue and/or any other kind of public issue or private placement, with or without over allotment/ green shoe option, in one or more tranche(s), equity shares or any securities other than warrants which are convertible into or exchangeable with equity shares including Global Depository Receipts/Shares ("GDRs") and/or American Depository Receipts/ Shares ("ADRs") and/or Foreign Currency Convertible Bonds ("FCCBs") and/or Convertible Bonds/Debentures and/or Euro-Convertible Bonds and/or Preference Shares whether Cumulative/Redeemable/Partly Convertible/Convertible and/or Securities Partly or Fully Convertible into Equity Shares and/or Securities linked to Equity Shares and/or any instruments or Securities or such other types of Securities representing either Equity Shares or Convertible Securities, (hereinafter collectively referred to as "Securities") whether rupee denominated or denominated in foreign currency, listed on any stock exchange inside India or any stock Exchange outside India, through an offer document and/or prospectus and/or offer letter and/or offering circular or through any other mode, on such terms and conditions including pricing, the form and the investor(s) to whom such Securities may be issued and all matters connected therewith as the Board may in its sole and absolute discretion deem fit or decide."

RESOLVED FURTHER THAT the total amount raised through the aforesaid issue or offer of Securities should not, together with the over-allotment option, if any, result in issue of further shares exceeding 29.98 lakhs equity shares of ₹10/- each.

RESOLVED FURTHER THAT in case of qualified institutional placement of Securities within the meaning of ICDR Regulations, the total amount raised in such manner should not, together with the over-allotment option exceed five times the net worth of the Company as per audited balance sheet of the previous financial year.

RESOLVED FURTHER THAT the Securities issued may be redeemed and/or converted and/or exchanged, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, in a manner as may be provided in terms of their issue.

RESOLVED FURTHER THAT the pricing of the Securities and the pricing of any equity shares issued upon conversion of the Securities shall be in accordance with all applicable laws, regulations and Guidelines, issued by the SEBI.

RESOLVED FURTHER THAT if the allotment of Securities shall be to QIBs in accordance with the Qualified Institutional Placement in accordance with the ICDR Regulations, such Securities shall be fully paid up and the allotment of such Securities shall be completed within 12 months from the date of this resolution.

RESOLVED FURTHER THAT the relevant date for the determination of the pricing of the equity shares/securities convertible into equity shares, that may be issued upon conversion or exchange of the Securities under the applicable SEBI Rules, Regulations and Guidelines is 20th June, 2012 i.e. the 30th day prior to the date of this Annual General Meeting.

## RESOLVED FURTHER THAT:

- (i) the equity shares to be issued and allotted shall be subject to the provisions of the memorandum and Articles of Association of the Company; and
- (ii) the underlying equity shares unless otherwise stated, shall rank *pari passu* with the existing equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board, in consultation with the Lead Managers, Merchant bankers, Advisors, Underwriters and/or other persons appointed for this purpose, be and is hereby authorized to determine the form, terms and timing of the offering(s) including the investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, number of equity shares or other securities, the price, premium or discount on issue/conversion of securities, rate of interest, period of conversion or variation of the price or period of conversion or listings on one or more Stock Exchanges in India and/or outside India and related or incidental matters, as the Board in its sole and absolute discretion deem fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and/or abroad and to do all acts, deeds, matters and things and to settle any question, difficulty or doubt that may arise in regard to any such issue, offer or allotment of Securities, utilization of the issue proceeds and in complying with any Regulations, as it may in its sole and absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT such of these Securities as are not subscribed may be disposed off by the Board in its absolute discretion in such manner as it may deem fit and as permissible by law.

RESOLVED FURTHER THAT the Securities, if any, issued in foreign markets shall be deemed to have been made abroad and/or in the market and/or at the place of issue of the Securities in the international market and may be governed by applicable foreign laws.

RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint Lead Managers, Book-runners, Underwriters, Listing Agents, Trustees, Bankers, Guarantors, Custodians Depositories, Registrars, Legal Counsels, Advisors, and all such other Agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents etc., as may be necessary, with such agencies and also to file any registration statement and any other document and any amendment thereto with any relevant authority for Securities listing and trading, to seek the listing of such Securities on one or more National or International Stock Exchange(s).

RESOLVED FURTHER THAT the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and other

applicable provisions of the Companies Act, 1956 and subject to all necessary approvals to the Board to secure, if necessary, all or any of the abovementioned securities to be issued, by the creation of mortgage and/or charge on all or any of the Company's immovable and/or moveable assets, both present and future, in such form and manner and on such terms as may be deemed fit and appropriate by the Board.

RESOLVED FURTHER THAT the issue to the holders of the Securities of the equity shares underlying the Securities shall be, *inter alia*, subject to the following terms and conditions:

- (i) in the event of the Company making a bonus issue by way of capitalisation of its profits or reserves prior to the allotment of the equity shares, the number of equity shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium shall stand reduced pro tanto;
- (ii) in the event of the Company making a rights offer by issue of equity shares prior to the allotment of equity shares, the entitlement to the equity shares will stand increased in the same proportion as that of the rights offer and such additional equity shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders; and
- (iii) in the event of sub-division of shares, merger, amalgamation, takeover or any other re-organisation, the number of shares, the price and the time period as aforesaid shall be suitably adjusted.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any Executive Director(s) or any other Officer(s) of the Company to give effect to the aforesaid Resolution."

BY ORDER OF THE BOARD

Sd/-

PRADEEP KUMAR GODHA  
CHAIRMAN & MANAGING DIRECTOR

**Registered Office:**

G-37, Gem & Jewellery Complex,  
Building No.III, SEEPZ,  
Andheri (East), Mumbai 400 096.  
Dated : 11<sup>th</sup> May, 2012

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON POLL) INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto and forms part of the Notice.

## SHANTIVIJAY JEWELS LIMITED

3. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. excluding Saturdays upto the date of the Annual General Meeting.
4. The Share Transfer Books and the Register of Members of the Company shall be closed from **Saturday, 14<sup>th</sup> July, 2012 to Friday, 20<sup>th</sup> July, 2012** (both days inclusive).
- 5. The members are requested to:**
- Intimate change in their registered address, if any, to the Company's Registrar and Share Transfer Agents, M/s. Bigshare Services Private Limited at E-2 & 3, Ansa Industrial Estate, Sakinaka, Andheri(E), Mumbai 400 072, in respect of their holdings in physical form.
  - Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.
  - Non-Resident Indian Members are requested to inform M/s. Bigshare Services Private Limited immediately of the change in their residential status on return to India for permanent settlement.
  - Register their email address and change therein from time to time with M/s. Bigshare Services Private Limited for shares held in physical form and with their Depository Participants for shares held in demat form.**
- Our Registrar & Transfer Agent M/s. Bigshare Services Private Limited have provided Gen-Next Investor Module i'Boss the most advanced tool to interact with shareholders. Please login into i'Boss ([www.bigshareonline.com](http://www.bigshareonline.com)) and help us to serve you better.
  - Send or address all their shares related matters/ correspondence directly to M/s. Bigshare Services Private Limited.
  - Corporate members are requested to send /bring a duly certified copy of the board resolution authorising their representatives to attend and vote at the Annual General Meeting.
  - Note that Shares of the Company are traded compulsorily in dematerialized form for all investors. Shareholders are requested to open an account with Depository Participants, if not done so far.
  - Note that Section 109A of the Companies Act, 1956 provides for Nomination by the shareholders of the Company in the prescribed Form No. 2B for shares held in physical form. Bank forms will be supplied by the Company on request. Members holding shares in demat form may contact their respective Depository Participants for recording of nomination.
  - Send queries on accounts to the Company 10 days in advance of the Annual General Meeting so that the answers may be made available at the Annual General Meeting.

6. Brief resumes of Directors seeking re-election /re-appointment are as under:

Name of the Director	Mr. Ambuj A. Kasliwal	Mr. Jeffrey K. Stern
Age (years)	62 years	65 years
Date of Appointment	01.06.2011	28.12.1994
Qualification	B. Sc., P.M.D. (Harvard Business School)	He is a reputed businessman in jewellery in USA.
Expertise in specific functional areas	He is an industrialist and has 40 years vast and rich experience in the various fields of textiles business.	He has vast experience in business administration and jewellery marketing. With his long association, the Company has been able to establish market for its product in USA.
Chairmanship/ Directorship held in other public companies	Director in : 1. S. Kumar Enterprises (Synfabs) Limited 2. S. Kumar and Company (Trades) Limited 3. Shree Ram Textile Mills Limited 4. Modak Rubber and Textile Industries Limited 5. G. Jewel craft Limited	Director in : Stern International Limited, USA.
Membership held in Committees of such Boards of other public companies	Nil	Nil

## EXPLANATORY STATEMENT

### Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956

#### Item No. 6

To augment long terms funds to finance expansions, capital expenditure and long term working capital requirement for expansion of the existing business being planned and further to capture emerging business opportunities for growth, the Company has been considering to raise funds by issue of appropriate Securities.

Towards this an enabling resolution is proposed at Item No. 6 of the Notice to enable the Board to consider issue of appropriate Securities from amongst those described in the said resolution at appropriate time(s). These funds may be raised in one or more tranches/stages from time to time and could be raised either from domestic and/or international markets taking into account the costs and other related conditionality.

The proposed Special Resolution gives adequate flexibility in respect of working out the modalities of such issue as also to issue such securities /instruments in such tranche(s) at such time(s) and such price(s) as the Board may in its absolute discretion deem fit subject to the applicable laws, regulations and guidelines.

Under the provisions of Section 81 of the Companies Act, 1956 and the Listing Agreements executed by the Company with the Bombay Stock Exchange Ltd., the said offer of shares and/or Securities convertible into Shares to be issued by the Company would require consent of the Equity Shareholders by way of Special Resolution. The Special Resolution, if passed, will have effect of allowing the Board to issue and allot Securities to the investors who may or may not be the existing shareholders of the Company. In the

circumstances, the approval of the shareholders is being sought for issuing the shares/securities in terms of the Resolution.

Further, the said securities may be secured by way of mortgage of the Company's assets or in any other manner in favour of the security holders. As the documents to be executed between the security holders and the Company may contain, as per normal practice, the power to take over management of the Company in certain events of default, it is necessary for the Company to obtain shareholders' approval through resolution under Section 293(1)(a) of the Act, before creation of the said mortgage.

Your Directors believe that such issue would be in the interest of the Company and therefore recommend the said Resolution for your approval as such.

None of the Directors of the Company is, in any way, concerned or interested in this resolution save and except that the Directors may be deemed to be concerned or interested in the resolution to the extent of securities that may be offered/allotted to them and/or their relatives and/or concerns, if any, controlled by them.

BY ORDER OF THE BOARD

Sd/-

PRADEEP KUMAR GODHA  
CHAIRMAN & MANAGING DIRECTOR

#### Registered Office:

G-37, Gem & Jewellery Complex,  
Building No.III, SEEPZ,  
Andheri(East),  
Mumbai 400 096.

Dated : 11<sup>th</sup> May, 2012



## DIRECTORS' REPORT

TO THE MEMBERS OF SHANTIVIJAY JEWELS LIMITED

Your Directors present their 39th Annual Report and the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2012

### FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Stand alone for the Company		Consolidated	
	2011-12	2010-11	2011-12	2010-11
Income from operations	5178.85	5227.94	7217.98	7173.96
Less : Expenses	4999.95	5134.98	6825.90	6943.18
Depreciation	49.56	34.79	56.78	41.51
<b>Profit from operations before other income and finance costs</b>	<b>129.34</b>	<b>58.16</b>	<b>335.30</b>	<b>189.27</b>
Add : Other Income	77.41	78.98	77.41	78.98
<b>Profit from ordinary activities before finance costs</b>	<b>206.75</b>	<b>137.14</b>	<b>412.71</b>	<b>268.25</b>
Less: Finance Cost	74.81	33.38	74.81	33.38
<b>Profit from ordinary activities before tax</b>	<b>131.94</b>	<b>103.76</b>	<b>337.91</b>	<b>234.87</b>
Less: Tax expenses	42.28	26.33	42.28	26.33
<b>Net profit from ordinary activities after tax</b>	<b>89.67</b>	<b>77.43</b>	<b>295.63</b>	<b>208.54</b>
<b>Net Profit for the period</b>	<b>89.67</b>	<b>77.43</b>	<b>295.63</b>	<b>208.54</b>
<b>Earning Per Share</b>	<b>2.99</b>	<b>2.58</b>	<b>9.85</b>	<b>6.95</b>

### DIVIDEND

The Directors recommend for consideration of the shareholders at the ensuing annual general meeting, payment of dividend of ₹1.50ps per share (15%) for the year ended 31st March, 2012. The amount of dividend and tax thereon would result in aggregate pay out of ₹52.33 lakhs.

### OPERATIONS

During the year under review, Sales & Operating Income was ₹5178.85 lakhs as compared to ₹5227.94 lakhs in the previous year. Consolidated Sales & operating Income have been sustained with marginal decline. Net Profit has been ₹89.67 lakhs as against ₹77.43 lakhs in the previous year with increase of about 15.81%.

The Company has sustained its performance in spite of weak and uncertain global economic conditions on account of better sales efforts and well acceptance of quality products offered by the Company and controlled costs.

### SUBSIDIARY COMPANIES

The Company had two subsidiary companies, namely, Shantivijay International Limited, Mauritius with its one step down subsidiary, Shantivijay Impex DMCC.

Pursuant to the provision of Section 212(8) of the Companies Act, 1956, the Ministry of Corporate Affairs, vide its circular dated February 8, 2011 has granted general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary companies with the balance sheet of the Company. A statement containing brief financial

details of the Company's subsidiaries for the financial year ended March 31, 2012 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company seeking such information at any point of time and are also available for inspection by any member of the Company at the registered office of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the head/registered offices of the respective subsidiary companies. The Company shall furnish a copy of the details of annual accounts of subsidiaries to any member on demand.

### DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Ambuj Kasliwal and Mr. Jeffrey K. Stern retire by rotation and, being eligible, offer themselves for reappointment.

### CORPORATE GOVERNANCE

Report on Corporate Governance compliance is included as a part of the Annual Report along with the Auditor's Certificate.

### MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report prescribed under the Listing Agreement is included as a part of the Annual Report.

### DISCLOSURE OF PARTICULARS

Particulars required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of

Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, research & development, technology absorption, foreign exchange earnings and outgo are given in the annexure to this Report.

There are no particulars to be disclosed under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended up to date.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217 (2AA) of the Companies Act, 1956, we hereby state:

- (i) That in the preparation of the annual accounts for the Year ended March 31, 2012 the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards;
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) That the Directors had prepared the annual accounts on a going concern basis.

#### **COMPLIANCE CERTIFICATE**

Compliance Certificate as required under Section 383A of the Companies Act, 1956 from Sunil M. Dedhia & Co., Company Secretaries, Mumbai is attached herewith.

#### **AUDITORS**

B. F. Chordia & Co., Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment. You are requested to appoint Auditors and fix their remuneration.

#### **ACKNOWLEDGEMENT**

The Directors would like to place on record their appreciation for the valuable co-operation extended to the Company by the employees of the Company, Government Departments, Bankers, Suppliers, Customers and Investors at large for their continuous support to the Company.

FOR AND ON BEHALF OF THE BOARD

Sd/-  
PRADEEP KUMAR GODHA  
CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai  
Dated: 11<sup>th</sup> May, 2012



**ANNEXURE TO DIRECTORS' REPORT**

Particulars required under the Companies (Disclosure of particular in the Report of Board of Directors) Rules, 1988.

**A. Conservation of Energy**

As the Company is not covered in the list of industries required to furnish details in the Form 'A' relating to conservation of energy, the same is not given.

**B. Technology Absorption**

Research and Development (R&D)

1. Specific areas in which (R&D) carried by the Company.
  - Manufacture of jewellery as per international standard.
  - Conceptual designs.
  - Improvement in process of gold/platinum refining.
2. Benefits derived as a result of the above R&D.
  - Precision of manufacturing.
  - Improved quality of production.
  - Minimization of loss.
  - Achieved consistency in production quality.
  - Production with remarkable decrease in processing loss & better surface finish.
3. Future plan of action
  - Import of equipments, instruments etc. for further improvement in production as well as quality control.
4. Expenditure on R & D
  - Nil

Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adoption and innovation
  - The Company keeps itself abreast of the technical developments and innovation in Company's line of products world wide and tries to bring about improvements in the product for better yield, quality and cost effectiveness, etc.

2. Benefits derived as a result of the above e.g.
  - As a result of above, the following benefits are achieved
  - Cost Reduction.
  - Achievement in precision & quality.
  - Use of indigenous equipment as import substitute.
3. Imported Technology.
  - The Company has not imported any technology.

**C. Foreign Exchange Earnings and Outgo**

	(₹ in Lakhs)	
	<b>2011-12</b>	2010-11
Foreign Exchange earned	<b>4803.34</b>	4958.62
Foreign Exchange used :		
CIF value of Imports :		
- Raw materials	<b>144.23</b>	130.44
- Stores & consumable including spares	<b>13.04</b>	16.12
- Finished Goods	<b>363.72</b>	122.60
- Fixed Assets	<b>10.00</b>	0.00
Expenditure in foreign currency :		
- Travelling expenses	<b>9.85</b>	16.71
- Exhibition expenses & advance	<b>21.92</b>	24.87
- Bank Charges	<b>1.88</b>	1.29
- Postage	<b>0.86</b>	0.07
- Sales Commission	<b>6.48</b>	12.52
- Advertisement	<b>0.30</b>	0.00

FOR AND ON BEHALF OF THE BOARD

Sd/-  
**PRADEEP KUMAR GODHA**  
 CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai  
 Dated : 11<sup>th</sup> May, 2012

## REPORT ON CORPORATE GOVERNANCE

Your Company has complied in all material respects with the Corporate Governance Code as per Clause 49 of the Listing Agreement with the Stock Exchange. A Report on the Corporate Governance compliance is furnished below:

### (1) Company's Philosophy on Corporate Governance

Good Corporate Governance helps enhancement of long term shareholder value and interest of other stakeholders. This is achieved through increased awareness for responsibility, transparency and professionalism and focus on effective control and management of the organization. The Board of Directors of the Company is committed to the consistent adherence to the corporate governance code and constant review of the Board processes, practices and the Management systems to maintain a greater degree of responsibility and accountability.

### Mandatory Requirements:

#### (2) Board of Directors

The details of composition of the Board of Directors, which is in line with the stipulated requirements, and other relevant details are given below.

### (3) Audit Committee

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock Exchanges. The terms of reference inter alia include overseeing financial reporting process, reviewing periodic financial results, financial statements, internal control and internal audit systems, accounting policies and practices, related party transactions, performance of internal and statutory auditors, adequacy of internal audit function, discussions with internal and statutory auditors.

During the year 2011-12, four Audit Committee meetings were held on 30.05.2011, 29.07.2011, 08.11.2011 and 30.01.2012.

The composition of the Audit Committee and other relevant details are given below:

Name of Director	Category	Profession	No. of meetings attended
Shri. Shambhukumar Kasliwal, Chairman (till 01.06.2011)	Independent	Industrialist	1
Shri. Ambuj Abhayakumarji Kasliwal, Chairman (w.e.f. 01.06.2011)	Independent	Industrialist	2
Shri. Apurva Shah	Independent	Chartered Accountant	3
Shri. J. B. Shah	Independent	Business	4

Name of Director(s)	Category	No. of other directorship*	No. of Committee membership in all companies**		No. of Board Meetings attended	Attendance at last AGM
			Chairman	Member		
Shri. Pradeep Kumar Godha	Chairman & Managing Director	Nil	Nil	1	4	Yes
Shri. Anurag Godha	Vice- Chairman & Managing Director	Nil	Nil	1	3	Yes
Shri. Shambhukumar Kasliwal (till 01.06.2011)	Independent	3	1	Nil	1	No
Shri. Ambuj Abhayakumarji Kasliwal (w.e.f. 01.06.2011)	Independent	5	1	Nil	2	No
Shri. Apurva R. Shah	Independent	5	1	4	3	Yes
Shri. Jayant B. Shah	Independent	1	Nil	1	4	No
Shri. Tushar Mavani	Independent	2	1	Nil	4	No
Mr. Jeffrey K. Stern	Non-Executive	Nil	Nil	Nil	Nil	No

\* excludes directorships held in private limited and overseas companies.

\*\* includes Audit Committee & Shareholders' Grievance Committee only.

**Board meetings:** During the year 2011-12, four meetings were held on 30.05.2011, 29.07.2011, 08.11.2011 and 30.01.2012. The last Annual General Meeting (AGM) was held on 25.08.2011.

**(4) Shareholders' Grievance Committee**

Terms of Reference of the Committee inter alia cover review / redressal of status of investor' complaints/grievances, review of performance of the Registrar & Share Transfer Agent and also to direct measures for improvements in investor services. During the year 2011-12, no Committee meeting was held since only two complaints were received and resolved in the year. The composition of the Shareholders' Grievance Committee and other relevant details are given below:

Name of Director	Category
Shri. Tushar Mavani, Chairman	Independent
Shri. Pradeep Kumar Godha	Executive
Shri. Anurag Godha	Executive

**Shareholders' Complaints:** Complaints received and resolved during the year were two. No complaints were pending at the beginning or end of the financial year.

Number of pending share transfers as on 31.03.2012 was NIL. No request for dematerialisation was pending for approval as on 31.03.2012.

**Name & Designation of Compliance Officer:**

Shri. Pradeep Kumar Godha, Chairman and Managing Director.

**(5) Remuneration of Directors**

The Remuneration payable to the Directors is considered and approved by the Remuneration Committee constituted in accordance with the Corporate Governance Code and the provisions of the Companies Act, 1956, having due regard to the relevant factors. Non-executive Directors are paid Sitting fees at the rate of ₹5000/- for each of the meetings of the Board or Committee thereof attended by them. The details of remuneration paid / payable to each Director for the year ended 31.03.2012 are as under:

(Figures in ₹)

Name of Director(s)	Inter se Relation	Sitting Fees	Salary	Perquisites/ Allowances	Total
Shri Pradeep Godha	Brother of Anurag Godha	Nil	24,50,000	1,38,900	25,88,900
Shri Anurag Godha	Brother of Pradeep Godha	Nil	24,50,000	2,27,031	26,77,031
Shri. Shambhukumar Kasliwal (Resigned w.e.f. 01.06.2011)	Nil	10,000	Nil	Nil	10,000
Shri. Ambuj Abhayakumarji Kasliwal	Nil	20,000	Nil	Nil	20,000
Shri Apurva R. Shah	Nil	35,000	Nil	Nil	35,000
Shri. Jayant B. Shah	Nil	45,000	Nil	Nil	45,000
Shri. TusharMavani	Nil	25,000	Nil	Nil	25,000
Mr. Jeffrey K. Stern	Nil	Nil	Nil	Nil	Nil

All executive Directors are reappointed under contracts each for a period of three years with effect from 01.09.2011 and with termination notice period of 90 days. All the executive Directors

shall be entitled to compensation for loss of office in accordance with and subject to the provisions of the Companies Act, 1956 in case their offices are terminated before expiration and shall not have any other claim for damages against the Company. None of the Directors have been issued or entitled to any stock options.

The Non-executive Directors, apart from receiving Directors' remuneration by way of sitting fees, approved by the Board of Directors within the limit fixed and approved by the shareholders, do not have any other material pecuniary relationship or transactions with the Company. None of the non-executive Directors hold any shares in the Company.

**(6) General Body Meetings**

Details of last three Annual General Meetings are as under :

Year	Day, Date & Time	Venue	Special Resolutions passed for
2009	Friday, 21.08.2009 at 3.00 p.m.	G-37, Gem & Jewellery Complex, Building No. III, SEEPZ, Andheri (East), Mumbai 400 096	- Approval for issue of further shares/securities u/s 81(1A)
2010	Tuesday, 10.08.2010 at 10.00 a.m.	-Do-	- Approval for issue of further shares/securities u/s 81(1A)
2011	Thursday, 25.08.2011 at 10.00 a.m.	-Do-	- Approval of reappointment of Shri Pradeep Godha as Managing Director for three years w.e.f. 01.09.2011 - Approval of reappointment of Shri Anurag Godha as Managing Director for three years w.e.f.01.09.2011 - Approval for issue of further shares/securities u/s 81(1A)

During the last year, the Company has not conducted any Postal Ballot.

**(7) Disclosures**

**(a)** The Code of Conduct for the Directors and the senior management of the Company has been laid down by the Board. The Code has been posted on the website of the Company. All the Board members and senior management of the Company have affirmed compliance with the Code of Conduct. A declaration to this effect, duly signed by the Managing Director is annexed hereto.

**(b)** The Company has continued to comply with the requirements of Stock Exchange, SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the said authorities relating to the above.

(c) Transactions with related party are disclosed in Notes No. 2.31 in Notes to Financial Statements in the Annual Report. There have been no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

**(8) Means of Communication**

The quarterly results were published in Free Press Journal (English Newspaper) and Navshakti (Marathi Newspaper).

These results, official news releases are available on the website of the Bombay Stock Exchange Ltd. (www.bseindia.com).

All data required to be filed electronically or otherwise pursuant to the Listing Agreement with the Stock Exchanges, such as annual report, quarterly financial statements, Shareholding pattern, report on corporate governance are being regularly filed with the Bombay Stock Exchange Limited.

**(9) General Shareholders Information**

**1. 39<sup>th</sup> Annual General Meeting – Day, Date, Time and Venue**

Day	Date	Time	Venue
Friday	20.07.2012	10.00 a.m.	N. J. Nair Conference Room, Indian Textile Accessories & Manufacturers' Association, Bhogilal Hargovindas Building, 4th floor, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai 400001

**2. Financial Calendar**

<b>Financial Year</b>	1st April to 31st March
<b>Adoption of Quarterly Results</b>	3 <sup>rd</sup> or 4 <sup>th</sup> week of the month following each calendar quarter
<b>Dates of Book Closure (Both days inclusive)</b>	Saturday, 14 <sup>th</sup> July, 2012 to Friday, 20 <sup>th</sup> July, 2012 (both days inclusive)

**3. Listing & Liquidity on Stock Exchanges:** Bombay Stock Exchange Limited  
Stock Code: 530989  
(included under S category)

**Listing fees:** The Company confirms that it has paid the annual listing fee to the Bombay Stock Exchange Ltd. where the shares of the Company are listed.

**Dematerialisation status:** Equity Shares of the Company are traded compulsorily in dematerialized form and available for trading in the depository systems of both NSDL and CDSL. Security Code No. with NSDL and CDSL is - ISIN INE 656D01015. As on 31<sup>st</sup> March, 2012, 29,12,581 Equity Shares representing 97.02% of the Paid-up Share Capital of the Company is held in dematerialized form.

**4. Share Transfer Agents & Address for correspondence :**  
**M/s Bigshare Services Private Limited**  
**E-2 & 3, Ansa Industrial Estate, Sakinaka,**  
**Andheri(E), Mumbai 400 072**

The shareholders are requested to address all their

communications / suggestions / grievances / queries to the Share Transfer Agents at the above address.

**5. Compliance Officer :** **Shri. Pradeep Kumar Godha,**  
Chairman & Managing Director  
G-37, Gem & Jewellery Complex,  
Building No. III, SEEPZ,  
Andheri (East), Mumbai 400 096  
Tel.: 42182222 Fax : 28291360  
E-mail : [shantivijay@shantivijay.com](mailto:shantivijay@shantivijay.com)

In accordance with the Clause 47(f) of the Listing agreement, the Company has created a specific investor grievance e-mail ID : [investors@shantivijay.com](mailto:investors@shantivijay.com)

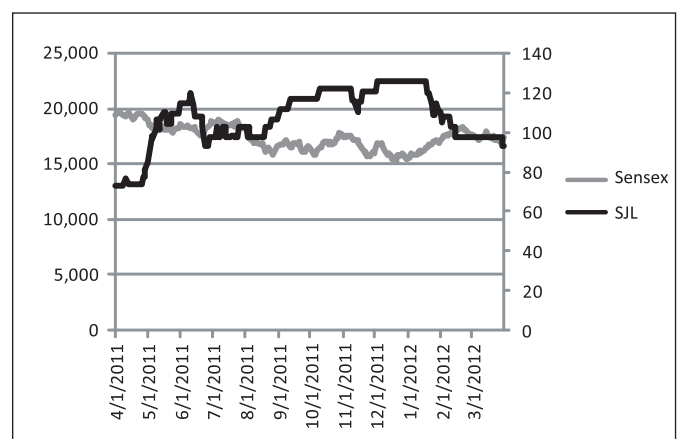
**6. Share Transfer System :**

To expedite the transfer process in the physical segment, authority has been delegated to the Share Transfer Committee, which comprises of Shri. Pradeep Kumar Godha and Shri. Anurag Godha. Committee meets every fortnightly for approval of the transfer request, if any.

Reports on Share Transfer/transmission are placed before the Shareholders' Grievances Committee and the Board from time to time.

**7. Market Price Data:**

Month	Bombay Stock Exchange		
	High (₹)	Low (₹)	Volume
April 2011	81.00	73.00	431
May 2011	115.50	85.05	640
June 2011	120.00	88.40	297
July 2011	102.85	98.00	493
August 2011	106.90	98.00	945
September 2011	117.00	111.90	7
October 2011	122.00	121.90	2
November 2011	121.00	110.20	62
December 2011	126.00	126.00	9
January 2012	120.00	109.10	330
February 2012	113.40	97.60	350
March 2012	93.15	93.15	1



**8. Shareholding Pattern as on 31.03.2012**

Category	No. of Shares	%
Promoters – Indian	2794846	93.10
Non-promoters :		
Bodies Corporate	3979	0.13
NRIs/OCBs	60435	2.02
Public	142740	4.75
Foreign National	0	0.00
<b>Total</b>	<b>3002000</b>	<b>100.00</b>

**Distribution of Shareholding as on 31.03.2012**

Nominal Value of Shares (₹)	Shareholders		Shares	
	Number	%	Value (₹)	%
1-5000	546	88.78	514640	1.71
5001-10000	28	4.55	207070	0.69
10001-20000	18	2.92	262780	0.88
20001-30000	2	0.33	48900	0.16
30001-40000	4	0.65	137190	0.46
40001-100000	4	0.65	304960	1.02
100001 -99999999	13	2.11	28544460	95.08
<b>TOTAL</b>	<b>615</b>	<b>100.00</b>	<b>30020000</b>	<b>100.00</b>

**9. Registered Office and Plant location :**

G-37, Gems & Jewellery Complex, Building No. III, SEEPZ, Andheri (East), Mumbai – 400 096.

**10. Outstanding Convertible Instruments**

There are no outstanding convertible instruments convertible into equity shares.

**11. CEO/CFO Certification**

As required under Clause 49 of the Listing Agreement, a Certificate duly signed by Shri. Pradeep Kumar Godha Chairman & Managing Director (CEO) and Shri. Anurag Godha, Vice Chairman & Managing Director (CFO) was placed at the meeting of the Board of Directors held on 11.05.2012.

**12. CEO's Certification**

All the Directors and the Senior Management Personnel have affirmed compliance of the Code of Conduct laid down by the Board of Directors in terms of Clause 49 of the Listing Agreement made with the Stock Exchanges.

**13. Unclaimed shares:**

The Company does not have any unclaimed shares.

For and on behalf of the Board  
Sd/-

Place: Mumbai  
Date: 11<sup>th</sup> May, 2012

**Pradeep Kumar Godha**  
Chairman & Managing Director

**Non-Mandatory Requirements**

**Remuneration Committee**

The Remuneration Committee comprised of Shri. Shambhukumar Kasliwal (till 01.06.2011), Shri Apurva R. Shah, Chairman of the Committee, Shri. Jayant Shah and Shri Tushar A. Mavani all of which are independent Directors. During the year 2011-12, one meeting of Remuneration Committee was held on 29<sup>th</sup> July, 2011 for reappointment of Shri. Pradeep Kumar Godha and Shri. Anurag Godha as Managing Directors. Terms of Reference of this Committee include mandate to review and recommend/approve remuneration payable to the Managerial Personnel.

**Auditors' Certificate on Corporate Governance**

To the Members of  
Shantivijay Jewels Limited  
Mumbai

We have examined the compliance of conditions of corporate governance by Shantivijay Jewels Limited for the year ended on 31<sup>st</sup> March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has taken

steps to comply with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained for/by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future liability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **B.F. CHORDIA & CO.**  
Chartered Accountants

Place: Mumbai.  
Date: 11<sup>th</sup> May, 2012.

Sd/-  
**(B.F. Chordia)**  
Proprietor



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Economic Overview & Industry Developments

In spite of general slowdown and lower GDP growth for India and Global uncertainties because of Euro Zone crisis the economic outlook remain unstable with possibility of relatively faster recovery for India compared to other countries.

India possesses world's most competitive gems and jewellery market owing to its low cost of production and availability of skilled labor. The Indian gems and jewellery sector is expected to grow at a compounded annual growth rate (CAGR) of approximately 13 percent during 2012–2013, on the back of increasing Government efforts and incentives together with private sector initiatives. Global industry leaders from diamond mining sector and consulting firms have predicted that prices of rough diamonds are set to rise between 3 per cent and 10 per cent due to demand from emerging markets like India, China, Hong Kong and UAE and a gradual decrease in global production of rough diamonds in 2011.

Global conditions and falling rupee value against US dollar and other foreign currencies has resulted in increased price of gold and diamonds. This has put a tremendous pressure both on overall market and on the competitive position.

### Financial and Operational Performance

The Company has made Sales of ₹ 5178.84 lakhs as compared to ₹ 5227.94 lakhs in the previous year with decrease of 0.93%. Consolidated Sales have been ₹ 7217.98 lakhs as against ₹ 7173.96 lakhs in the previous year with marginal increase of 0.61%. Operating Profit has been ₹ 129.34 lakhs as against Operating Profit of ₹ 58.16 lakhs in the previous year. Net Profit has been ₹ 89.67 lakhs as against Net Profit of ₹ 77.43 lakhs in the previous year.

The Company has sustained its performance in spite of weak and uncertain global economic conditions on account of better sales efforts and well acceptance of quality products offered by the Company and controlled costs.

### Segment-Wise Performance

The Company is engaged in the Gems & Jewellery business, which as per Accounting Standard AS-17 can be considered as the single reportable business segment. Geographically, the Segment Reporting is as under :

	₹ in Lakhs
<b>EXPORTS to:</b>	
U.S.A.	2259.92
EUROPE	1130.39
MIDDLE EAST	679.08
OTHERS	745.87
LOCAL SALES	309.63
<b>Total</b>	<b>5124.89</b>

### Opportunities

The Company on account of its unit located in Special Economic Zone and Dubai is aptly placed to exploit the opportunities to tap demand from local customers and increasing number of visitors to Duty free shopping zones and world tourist traffic.

### Raising of Funds

The Company would consider to raise funds by issue of further shares and / or other securities as may be possible in the best interest of the Company and subject to all applicable regulations and laws to meet its requirements of funds for expansion of its facilities in and outside SEEPZ area to meet international as

well as domestic market requirements as also increase minimum public shareholding to at least 25%.

### Threats

The Company is exposed to risk in exchange rate fluctuations as the Company is dependent on exports sales and import of raw material. However, the Company closely monitors and takes appropriate steps to reduce such risks with the help of expert and professional advices in this regard.

Competition which has always been a challenge is countered by better quality and designs, branding, catering to changing customer demands/styles and cost control measures.

Increasing prices of raw materials have affected and can affect the profit margins. However, the Company continuously thrives for improved production efficiency to counter this risk as far as possible.

### Risk & Concern

Since the Company is essentially engaged in the business of export of jewellery, the Company is exposed to national and international political and economical events and uncertainties. Further, higher interest rates due to domestic inflationary conditions can also increase finance cost for the Company with increased volume growth.

### Internal Control Systems and their Adequacy

The Company has appropriate and adequate Internal control System commensurate with its size and nature of business to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly complying with the applicable statutes. Financials and related aspects are reviewed by the Audit Committee with a view to achieve optimum resource utilization, veracity of accounts and compliance with various statutes.

### Human Resource Development and Research Activities

The Company has well experienced, creative, talented and motivated staff to cater to the business demands in terms of better designs, quality and precision in manufacture with minimum possible loss and consistency to meet international standards. The Company focuses on development of employees' skill at all levels and supports them with safe, pollution free and favourable working conditions.

Constant efforts are made to upgrade processes, for conceptual designs and improvement in process of gold/platinum refining to improve efficiencies and meet changing international Standards/demands. As a result, the Company has been successful in sustaining its exports to developed markets and look forward towards developing new markets for sustained volumes.

### Outlook

Going forward, the Company expects good potentials for growth domestically as well as internationally. The Company expects to further consolidate and sustain volumes and improve profitability by winning the end consumer loyalty.

### Cautionary Statement

Certain Statements in the "Management Discussion and Analysis" describing the Company's initiatives, expectations and estimates regarding future performance may be "forward looking statements". However, these statements are subject to certain future events and uncertainties, which could cause actual results to differ materially from those that may be indicated in such statements.

### Compliance Certificate

To,  
The Members of  
**SHANTIVIJAY JEWELS LIMITED**  
G-37, Gem & Jewellery Complex – III,  
Seepz, Andheri(East)  
Mumbai 400 096

I/We have examined the registers, records, books and papers of SHANTIVIJAY JEWELS LIMITED (“the Company”) as required to be maintained under the Companies Act, 1956, (“the Act”) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2012. In my/our opinion and to the best of my/our information and according to the examinations carried out by me/us and explanations furnished to me/us by the company, its officers and agents, I/we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure ‘A’ to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure ‘B’ to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under **except for delays in some cases**.
3. The Company, being a public limited Company, no comments are required on compliance of conditions of a private company.
4. The Board of Directors duly met 4(four) times respectively on 30.05.2011, 29.07.2011, 08.11.2011 and 30.01.2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. No circular resolution was passed during the financial year.
5. The Company closed its Register of Members from 18.08.2011 to 25.08.2011 and necessary compliance of Section 154 of the Act has been made. The Company has not issued any Debentures.
6. The annual general meeting for the financial year ended on 31<sup>st</sup> March, 2011 was duly held on 25<sup>th</sup> August, 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has not advanced loan to its directors and/or persons or firms or companies referred in the section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. The Company has obtained necessary approval from the members pursuant to Section 314 of the Act wherever applicable. The Company was not required to obtain any approvals from the Board of Directors or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company:
  - (i) has delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act. No allotment of securities was made during the financial year.
  - (ii) has not deposited any amount in a separate Bank Account as no dividend was declared during the year.
  - (iii) was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
- (iv) has no unpaid dividend, application money due for refund, matured deposits, matured debentures or interest accrued thereon due for transfer to Investor Education and Protection Fund, and hence, no comments are required on transfer of such amounts.
- (v) has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. The appointment of director to fill casual vacancy has been duly made. There was no appointment of directors, additional directors and alternate directors during the financial year.
15. The appointment of Managing Directors have been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act. The approval of the Central Government was not required to be obtained. There was no appointment of Wholtime Director or Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrars or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares/debentures and hence no comments on redemption are required.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has complied with the provisions of Section 58A read with Companies (Acceptance of Deposits) Rules, 1975 in respect of interest free deposits/unsecured loans taken, amounting to ₹5.62 lakhs outstanding as on 31<sup>st</sup> March, 2012 and the Company has filed the copies of Statements in lieu of advertisement as required with the Registrar of Companies, Maharashtra on 11.08.2010 and 26.08.2011. The Company has also duly filed, **but with some delay**, Return of Deposits with the Registrar of Companies. Section 58AA did not apply to the Company.
24. The Company has not made any borrowings from public, financial institutions during the financial year ended 31<sup>st</sup> March, 2012. The amount borrowed by the Company from Directors/members and/or banks are within the borrowing limits of the Company and that necessary resolution as per section 293(1)(d) of the Act has been passed in duly convened General Meeting in the past.
25. The Company has made investments in or given loans to other bodies corporate in compliance with the provisions of the Act, wherever applicable, and has made necessary entries in the Register kept for the purpose. The Company has not given guarantees or provided securities to other bodies corporate during the financial year.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company’s registered office from one state to another during the financial year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year under scrutiny.
29. The Company has not altered the provisions of the Memorandum



- with respect to share capital of the Company during the financial year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. No prosecution was initiated against or show cause notices received by the Company for alleged offences under the Act and no fines and penalties or any other punishment imposed on the Company during the financial year for any offences under the Act.
32. The Company has not received any money as security from its employees during the year under certification.

33. Section 418 does not apply to the Company as the Company has not constituted any separate/recognized Provident Fund for its employees and hence no comments are required.

For **SUNIL M. DEDHIA & CO.**  
Company Secretaries

Sd/-  
**Sunil M. Dedhia**  
Proprietor  
C. P. No. 2031

Place: Mumbai  
Date: 11<sup>th</sup> May, 2012

**Annexure "A" annexed to and forming part of Compliance Certificate dated 11<sup>th</sup> May, 2012**

REGISTERS AS MAINTAINED BY SHANTIVIJAY JEWELS LIMITED

1. Register of Members and Index of Members u/s 150 and 151
2. Registers and Returns u/s 163
3. Minutes Books u/s 193
4. Books of Accounts u/s 209
5. Register of Share Transfers
6. Register of Directors and Managing Directors u/s 303
7. Register of Directors Shareholdings u/s 307

8. Register of Contracts/Disclosures u/s 301
9. Register of Fixed Assets
10. Register of Deposits u/s 58A
11. Register of Investment/Loans u/s 372A

For **SUNIL M. DEDHIA & CO.**  
Company Secretaries

Sd/-  
**Sunil M. Dedhia**  
Proprietor  
C. P. No. 2031

Place: Mumbai  
Date: 11<sup>th</sup> May, 2012

**Annexure "B" annexed to and forming part of Compliance Certificate dated 11<sup>th</sup> May, 2012**

Forms and Returns as filed by SHANTIVIJAY JEWELS LIMITED with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31<sup>st</sup> March, 2012.

Sr. No	Form No/ Return	Filed Under Section	For	Date of Filing	Whether Filed Within Prescribed Time Yes/No	If Delay In Filing Whether Requisite Additional Fees Paid Yes/No
1	Form 32	303(2)	Appointment of Mr. Ambuj Kasliwal as a Director to fill casual vacancy caused by resignation of Mr. Shabhukumar Kasliwal w.e.f. 01.06.2011	20.06.2011	Yes	N.A.
2	Form 62	58A	Return of Deposit as on 31.03.2011	12.07.2011	No	N.A.
3	Form 23	192	Board resolutions passed for appointment of Shri. Pradeepkumar Godha and Shri. Anurag Godha as Managing Directors (MDs).	25.08.2011	Yes	N.A.
4	Form 62	58A	Filing of Statement in lieu of Advertisement	26.08.2011	Yes	N.A.
5	Form 66	383A	Compliance Certificate for the financial year ended 31.03.2011	29.08.2011	Yes	N.A.
6	Form 23	192	For special resolutions passed at AGM dated 25.08.2011 and Agreement with Shri. Pradeepkumar Godha for appointing him as MD.	09.09.2011	Yes	N.A.
7	Form 23	192	Agreement with Shri. Anurag Godha for appointing him as MD	09.09.2011	Yes	N.A.
8	Form 25C	269(2)	Return of appointment of Shri Anurag Godha as MD	20.09.2011	Yes	N.A.
9	Form 25C	269(2)	Return of appointment of Shri Pradeepkumar Godha as MD	20.09.2011	Yes	N.A.
10	Form 20B	159	For Annual Return as on 25.08.2011	18.10.2011	Yes	N.A.
11	Form 23AC and 23ACA (XBRL)	220	For Balance Sheet As at 31.03.2011	13.02.2012	No	Yes

For **SUNIL M. DEDHIA & CO.**  
Company Secretaries

Sd/-  
**Sunil M. Dedhia**  
Proprietor  
C. P. No. 2031

Place: Mumbai  
Date: 11<sup>th</sup> May, 2012

## **AUDITORS' REPORT**

### **To the Members of Shantivijay Jewels Limited**

1. We have audited the attached Balance Sheet of Shantivijay Jewels Limited as at March 31, 2012 and related Statement of Profit and Loss and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Act and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books.

- c. The Balance Sheet and Statement of Profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, Balance sheet and Profit & Loss A/c and cash flow statement dealt with by this report comply with applicable Accounting Standards referred to in section 211-(3) (C) of the Companies Act, 1956.
- e. Based on the representations made by all the Directors of the Company as on March 31, 2012 and taken on record by the Board of Directors of the Company and in accordance with the information and explanations as made available, the Directors of the Company do not, prima facie, have any disqualification as referred to in Clause (g) of subsection (1) to Section 274 of the Act on the said date.
- f. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account together with the Notes thereon and attached thereto give in the prescribed manner the information required by the 'Act' and also give respectively, a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) In the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2012
  - (ii) In the case of the Statement of Profit and Loss of the Profit for the year ended on that date and
  - (iii) In the case of the cash flow statement, of the cash flows for the year ended on that date.

For **B.F. CHORDIA & CO.**  
Chartered Accountants

Sd/-  
**B.F. Chordia**  
Proprietor  
(M.No.9026)

Place: Mumbai  
Dated: 11<sup>th</sup> May, 2012

## **ANNEXURE TO AUDITORS' REPORT**

Referred to in Paragraph No.3 of our report of even dated.

### **1. In respect of its fixed assets:**

- i) The Company has maintained proper records showing full particulars including quantitative details and situations of Fixed Assets on the basis of available information.
- ii) As explained to us, the management during the year has physically verified the fixed assets. No material discrepancies were noticed on such physical verification.
- iii) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.

### **2. In respect of its inventories:**

- i) As explained to us, inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable.

- ii) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - iii) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
    - i) According to information & explanations given to us during the year the company has not granted any loans, secured/unsecured to the Companies, Firms & other parties covered by section 301 of the Companies Act, 1956.

- ii) During the year Company had not taken any fresh loans from such parties, maximum amount involved and year end balance of loans taken from such one party was ₹5.62 lacs.
- iii) Loans are unsecured & free of interest. In our opinion and according to the information and explanations given to us terms & conditions are not prima facie prejudicial to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods & services. During the course of our audit, we have not observed any major weaknesses in internal control system.
5. In respect of transaction covered under Section 301 of the Companies Act, 1956:
- i) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been so entered in the register required to be maintained under that section.
- ii) According to the information and explanations given to us, during the year company has not entered into any transaction exceeding ₹ 5 lacs with such parties.
6. During the year Company have not accepted any fresh deposits from the public. Old deposits are in compliance with Provisions of Section 58A, 58AA or any other relevant provisions of the Act. No order has been passed by CLB, National law tribunal or RBI or any other court or Tribunal.
7. In our opinion, according to the information & explanations given to us the internal audit system of the Company is commensurate with its size and nature of its business.
8. Maintenance of cost records has not been prescribed by Central Govt. U/S 209(1) of the Companies Act, 1956.
9. In respect of statutory dues:
- i) According to the information and explanations given to us and books & records produced & examined by us, in our opinion, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, ServiceTax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2012 for a period of more than six months from the date of becoming payable except unquantified penalty for A.Y 2000-01.
- ii) According to the information and explanations given to us, The disputed statutory dues aggregating to ₹7.03 lacs, that have not been deposited on account of matters pending before appropriate authorities are as under:

Sr.	Name of the Statute	Nature of the dues	Forum where dispute is Pending	Amount (₹ in Lacs)
1	Indian Income Tax Act, 1961.	Income Tax A.Y.2005-2006	CIT (A)	2.52
2	Customs, excise & Service Tax Act.	Custom Duty	Custom & Service tax Appellate Tribunal	4.51

10. The Company do not have accumulated losses at the end of the year. The Company has not incurred cash loss during the year under audit.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to Bank.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, clause 4 (xiii) of the Companies (Auditors Report) Order 2003 is not applicable to the Company.
14. Proper records of dealing/ trading in shares, securities, investments etc have been maintained, timely entries have been made. All investments are in the name of the company.
15. According to information and explanations given to us, Company has not given any guarantee for loans taken by others from any bank or financial institute.
16. Term loan taken during the year is applied for the purpose for which the loan has been obtained.
17. According to the information and explanations given to us and on the basis of records examined by us & as represented to us by management, on over all basis, funds raised on short term basis have, Prima facie, not been used during the year for long term investments.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures.
20. The Company has not raised any money by way of public issue during the year.
21. Based on the audit procedure performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, which have been relied upon by us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **B. F. Chordia & Co.**  
Chartered Accountants

Place: Mumbai  
Date: 11<sup>th</sup> May, 2012

Sd/-  
**B.F. Chordia**  
Proprietor  
M.No. 9026

# SHANTIVIJAY JEWELS LIMITED

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012

Particulars	Note No.	As at 31st March 2012 (₹)	As at 31st March 2011 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholder's Funds</b>			
(a) Share Capital	2.1	30020000	30020000
(b) Reserves and Surplus	2.2	222463166	218729968
<b>2. Non-Current Liabilities</b>			
(a) Long-term borrowings	2.3	796262	0
(b) Other Long term liabilities	2.4	1320602	1320602
<b>3. Current Liabilities</b>			
(a) Short-term borrowings	2.5	179505097	152749375
(b) Trade payables	2.6	31906013	9572162
(c) Other current liabilities	2.7	6754292	3300304
(d) Short-term provisions	2.8	6550744	0
<b>Total</b>		<b>479316176</b>	<b>415692411</b>
<b>II ASSETS</b>			
<b>1. Non-current assets</b>			
<i>(a) Fixed assets</i>			
(i) Tangible assets	2.9	35060313	29975672
(ii) Intangible assets	2.9	1143670	0
(iii) Intangible assets under development		1500000	0
(b) Non-current investments	2.10	19502385	19502385
(c) Deferred tax assets (net)		2751000	2697000
(d) Long term loans and advances	2.11	45590477	40434528
(e) Other non-current assets	2.12	400000	0
<b>2. Current assets</b>			
(a) Current investments	2.13	0	10078680
(b) Inventories	2.14	176692637	150194289
(c) Trade receivables	2.15	162194422	143973138
(d) Cash and cash equivalents	2.16	13810914	4626420
(e) Short-term loans and advances	2.17	16556917	12526732
(f) Other current assets	2.18	4113441	1683567
<b>Total</b>		<b>479316176</b>	<b>415692411</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS</b>			
	1 & 2		

IN TERMS OF OUR ATTACHED  
REPORT OF EVEN DATE

**B.F. Chordia & Co.**  
Chartered Accountants

Sd/-

**B. F. Chordia**  
Proprietor

Place : Mumbai  
Dated : 11th May, 2012

For **SHANTIVIJAY JEWELS LTD.**

Sd/-  
**P. K. GODHA** (Chairman & M.D)

Sd/-  
**A. K. GODHA** (Vice Chairman & M.D)

Sd/-  
Directors  
**A.R.SHAH**  
**J.B.SHAH**  
**T.A.MAVANI**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

<b>Particulars</b>	<b>Note No.</b>	<b>2011-2012 (₹)</b>	<b>2010-11 (₹)</b>
I. Revenue from operations	<b>2.19</b>	<b>517884723</b>	522793717
II. Other Income	<b>2.20</b>	<b>7741265</b>	7897945
III. <b>Total Revenue (I +II)</b>		<b>525625988</b>	530691662
IV. EXPENSES:			
Cost of materials consumed	<b>2.21</b>	<b>377356420</b>	376209956
Purchase of Stock-in-Trade	<b>2.21</b>	<b>56254127</b>	73047308
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	<b>2.22</b>	<b>(670085)</b>	2194855
Employee benefit expense	<b>2.23</b>	<b>18754836</b>	15273052
Financial costs	<b>2.24</b>	<b>7480573</b>	3338319
Depreciation and amortization expense		<b>4955558</b>	3479141
Other expenses	<b>2.25</b>	<b>48300282</b>	46773036
<b>Total Expenses</b>		<b>512431711</b>	520315667
V. Profit before tax (III - IV)		<b>13194277</b>	10375995
VI. Tax expense:			
(1) Current tax		<b>4281692</b>	2602391
(2) Deferred tax		<b>(54000)</b>	31000
VII. Profit for the period from continuing operations		<b>8966585</b>	7742604
VIII. Earning per equity share:			
Equity share of par value of ₹ 10/- each			
Basic & Diluted		<b>2.99</b>	2.58
Number of shares used in computing earning per share			
Basic & Diluted	<b>2.26</b>	<b>3002000</b>	3002000
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS</b>	<b>1 &amp; 2</b>		

IN TERMS OF OUR ATTACHED  
REPORT OF EVEN DATE

**B.F. Chordia & Co.**  
Chartered Accountants

Sd/-

**B. F. Chordia**  
Proprietor

Place : Mumbai  
Dated : 11th May, 2012

For **SHANTIVIJAY JEWELS LTD.**

Sd/-  
**P. K. GODHA** (Chairman & M.D)

Sd/-  
**A. K. GODHA** (Vice Chairman & M.D)

Sd/-  
Directors  
**A.R.SHAH**  
**J.B.SHAH**  
**T.A.MAVANI**

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

### NOTE No.1

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### Corporate Information :

Shantivijay Jewels Ltd is located in Special Economic Zone Mumbai having its showroom in Trident Hotel, Mumbai. Company is engaged in Manufacturing and exports of wide range of studded gold jewellery and Diamond and P.stones.

##### a) System of Accounting:

- i) The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis unless otherwise stated hereinafter.
- ii) The Accounts are prepared under historical cost convention, as a going concern and generally in accordance with applicable Accounting standards.
- iii) **Use of Estimates**

The Preparation of financial statements require management to make certain estimates and assumptions that effect the amounts reported in financial statements and notes thereon. Difference in actual results & estimates are recognised in the period in which they materialize.

##### b) Fixed Assets and Depreciation :

###### i) Tangible Assets

- a) Fixed Assets are stated at their cost of acquisition less Deprecation. Additions to Fixed assets are net of Modvat Credit. Rubber moulds of small value have not been capitalised and considered as consumables and charged to revenue.
- b) Depreciation on all Fixed Assets is provided on written down value method at the rates and in the manner prescribed by Schedule XIV of the Companies Act 1956. Assets costing up to ₹ 5000/- are depreciated fully in the year of Purchase. Depreciation on additions / Deletions of Assets is provided on Pro-Rata basis.

###### ii) Intangible Assets :

Computer Software :

Intangible Assets are stated at cost of acquisition less accumulated amortization.

Computer Software is amortized over a period of Five Years in equal installments.

##### c) Investments

Long term Investments are valued at cost with an appropriate provision for permanent diminution in value.

Current investments are stated at lower of the cost or quoted / fair value.

##### d) Inventories

- a) Raw materials are valued at lower of the cost or net realisable value; cost is arrived at on FIFO basis. Cost includes costs incurred in bringing them to their present location.
- b) Stores & Consumables are valued at cost.
- c) Loose Tools are valued at cost.
- d) Finished goods are valued at lower of the cost or net realisable value. Cost of finished goods is determined by taking material, labour and appropriate factory overheads.
- e) Inventory of spares / tools, Rubber Moulds is not valued and is charged to revenue.

##### e) Sales / Revenue Recognition.

Sales are net of tax adjusted for gain / loss on export realisation, year end restatement and corresponding forward exchange contracts. Company recognises sales at the point of dispatch / delivery of the goods to the customer. Interest / rental income is recognised on time proportionate basis.

##### f) Foreign Currency Transaction

- a) Transactions denominated in Foreign Currencies are normally recorded at the exchange rate prescribed by customs at the time of transaction.
- b) Monetary items denominated in foreign currencies at the year-end are restated at the year end rates. In case of forward exchange contracts, the difference between the year end rate and rate on the date of contract is recognised as exchange difference and premium or discount on forward exchange contracts is recognised over the life of the contract.
- c) Non-monetary foreign currency items are carried at cost.
- d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.
- e) Exchange difference is adjusted against sales / purchases etc., wherever applicable.
- f) Exchange difference on acquisition of fixed assets is adjusted to carrying cost of such fixed assets.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (Contd.)****g) Employee Benefits**

Company have opted for Group Gratuity Scheme with LIC of India; Company's contribution based on a actuarial valuation by LIC is charged to Profit & Loss Account. Contribution to Provident / Family Pension Fund as percentage of salary is charged to Profit & Loss Account on accrual basis.

Accrued leave Salary is estimated and provided on accrual basis. The expense is recognised at present value of amount payable to Employees. Total liability for Leave Salary outstanding at year end rate is ₹ 3.70 Lacs.

**h) Purchases are accounted for net of Modvat credit.****i) Taxation**

Provision for current tax is made considering Rules/ benefits admissible under Income tax Act 1961. Deferred Tax Asset resulting from timing difference between book profit and taxable profit for the year is calculated by using tax rates & tax laws that have been enacted or substantially enacted at the Balance sheet date.

**j) Provisions, Contingent Liabilities and Contingent Assets**

Provisions in respect of present obligations arising out of past events are made in Accounts where reliable estimation can be made of the amount of obligation. Contingent Liabilities are not provided for and if material are disclosed separately by way of note. Contingent Assets are neither recognised nor disclosed in Financial Statement.

**NOTE No. 2**

The previous period figures have been regrouped /reclassified, wherever necessary to conform to the current presentation.

	31.03.2012 (₹)	31.03.2011 (₹)
<b>2.1 SHARE CAPITAL</b>		
<b>Authorised</b>		
Authorised- Equity shares of ₹ 10 par value 6000000 Equity Shares	<u>60000000</u>	<u>60000000</u>
<b>Issued, Subscribed &amp; Paid Up</b>		
3002000 Equity Shares of ₹ 10/- par value fully paid	<u>30020000</u>	<u>30020000</u>
<b>TOTAL</b>	<u>30020000</u>	<u>30020000</u>

Refer to note 2.34 for details of basic and diluted shares.

The Company has only one class of shares referred to as equity shares having a par value of 10/-. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors, in their meeting on 11-05-2012 proposed a dividend of ₹ 1.50 per equity share. The proposal is subject to the approval of shareholders at their Annual General Meeting. The total dividend appropriation for the year ended 31<sup>st</sup> March, 2012 amounted to ₹52,33,387/- including corporate dividend tax of ₹7,30,387/-.

**The details of shareholder holding more than 5 % shares as at March 31, 2012 is set out below :**

Name of the shareholder	31.03.2012	%	31.03.2011	%
	No of shares		No of shares	
Rajrani Bimalchand Godha	785954	26.18	785954	26.18
Pradeepkumar Bimalchand Godha	453006	15.09	453006	15.09
Anurag Bimalchand Godha	450096	14.99	450096	14.99
Namita Anurag Godha	191295	6.37	191295	6.37
Sudha Pradeepkumar Godha	188795	6.29	188795	6.29
Anish Anurag Godha	151600	5.05	151600	5.05

**The reconciliation of the number of shares outstanding as at March 31, 2012 and March 31, 2011 is set out below :**

Particulars	As at 31.03.2012	As at 31.03.2011
	No. of Shares	No. of Shares
Number of shares at the beginning and at the end	<u>3002000</u>	<u>3002000</u>
	₹ 30020000/-	₹ 30020000/-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (Contd.)

	As at 31.03.2012	As at 31.03.2011
<b>2.2 RESERVE AND SURPLUS</b>		
Share premium	46797952	46797952
Capital Reserve	20055422	20055422
<b>General Reserve Balance</b>		
Opening Balance	108983798	
Add : Trf from statement of profit & loss	448329	
	<u>109432127</u>	108983798
<b>Profit &amp; Loss Account</b>		
Opening Balane	42892796	35150192
Add : Trf from statement of profit & loss	8966585	7742604
	<u>51859381</u>	<u>42892796</u>
Less : Transfer to General Reserve	448329	0
Less : Proposed Dividend	4503000	0
Less : Dividend Tax	730387	0
<b>TOTAL</b>	<u><u>222463166</u></u>	<u><u>218729968</u></u>
<b>2.3 LONG TERM BORROWINGS (SECURED)</b>		
Term loan from Bank (loan in the name of the Director) (Secured by Hypothecation of Motor Car) (Terms of repayment 35 Months (outstanding EMI 21 months at ₹48,670/-)	796262	0
	<u>796262</u>	<u>0</u>
<b>2.4 OTHER LONG TERM LIABILITIES</b>		
Deposit received from Nirmal life style ltd	1320602	1320602
<b>TOTAL</b>	<u><u>1320602</u></u>	<u><u>1320602</u></u>
<b>2.5 SHORT TERM BORROWINGS (SECURED)</b>		
<b>PACKING CREDIT (Secured)</b>	122173956	116210725
<b>DISCOUNTED BILLS (Secured)</b>	56768791	35376300
(Against hypothecation of stocks, collaterally secured by hypothecation of Book debts & Machinery and Negative Lien of Immovable property of Precious Gems P ltd and Rajrani Godha, personally guranteed by whole time directors & their relatives.)		
<b>Unsecured Borrowings</b>	562350	1162350
<b>TOTAL</b>	<u><u>179505097</u></u>	<u><u>152749375</u></u>
<b>2.6 TRADE PAYABLES</b>		
Trade Payables	31906013	9572162
<b>TOTAL</b>	<u><u>31906013</u></u>	<u><u>9572162</u></u>
<b>2.7 OTHER CURRENT LIABILITIES</b>		
Current maturities of long term debt (refer note no 2.3)	584040	0
Advance from customers	260000	0
Un-paid dividends *	12222	12222
Other outstanding expenses	5898030	3288082
(Including ₹17.43 lacs Due to Directors pr year 7.41 lacs)		
<b>TOTAL</b>	<u><u>6754292</u></u>	<u><u>3300304</u></u>

\* These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (Contd.)**

	31.03.2012	31.03.2011
	(₹)	(₹)
<b>2.8 SHORT TERM PROVISIONS</b>		
Provision for Income Tax	1317357	0
Proposed Dividend	4503000	0
Provision for tax Dividend	730387	0
<b>TOTAL</b>	<b>6550744</b>	<b>0</b>

**2.9 FIXED ASSETS**

(FIGURES IN ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION AND AMORTIZATION				NET BLOCK	
	AT COST ON 01.04.2011	ADDITIONS DURING THE YEAR	SALE/ TRANSFER	TOTAL	UPTO 01.04.2011	FOR THE YEAR 31.03.2012	ADJ. ON SALE/ TRANSFER	UPTO 31.03.2012	AS ON 31.03.2012	AS ON 31.03.2011
<b>Tangible Assets</b>										
Building	37275321	1935764	0	39211085	19268932	1857669	0	21126601	18084484	18006389
Plant & Machinery	19455530	1091203	0	20546733	14321244	777006	0	15098250	5448483	5134286
Elec. Installation	1438134	991214	0	2429348	1032724	113783	0	1146507	1282841	405410
Motor Vehicles	7182913	2415086	1327884	8270115	2704960	1305390	1045708	2964642	5305473	4477953
Office Equipments	6422093	1874256	0	8296349	5110168	405469	0	5515637	2780712	1311925
Furniture & Fixtures	2677641	1728934	0	4406575	2037932	210324	0	2248256	2158320	639708
<b>Total (a)</b>	74451632	10036457	1327884	83160205	44475960	4669641	1045708	48099893	35060313	29975671
<b>Intangible Assets</b>										
Software	0	1429587	0	1429587	0	285917	0	285917	1143670	0
<b>Total (b)</b>	0	1429587	0	1429587	0	285917	0	285917	1143670	0
<b>Total (a + b)</b>	74451632	11466044	1327884	84589792	44475960	4955558	1045708	48385810	36203983	29975671
Previous Year	63784868	11852351	1185587	74451632	41929309	3479142	932495	44475959	29975671	21855558

Note : \* Motor Vehicles costing ₹ 55.08 lacs are in the name of the Directors of the company.

	31.03.2012	31.03.2011
	(₹)	(₹)

**2.10 NON CURRENT INVESTMENTS****A) QUOTED, FULLY PAID EQUITY SHARES, NON TRADING, AT COST**

Gujrat Fluorochemicals Ltd - 300 Shares  
of Rs. 10/- each

32475

32475

Canara Bank-4100 shares of ₹ 10/- each

143500

143500

175975

175975

**UN QUOTED**

In wholly owned Subsidiary Company  
450250 fully paid Equity shares of  
US \$ 1 each in Shantivijay Jewels  
International Ltd Mauritius.

18826410

18826410

183000 fully paid Equity shares of  
₹10/- each of German Garden Ltd.

0

2021613

Less : Provision for Diminution in the value  
(Total Provision for diminution in the value  
of Investment ₹ 20.22 lacs)

0

0

2021613

0

**TOTAL**

19002385

19002385

**B) INVESTMENTS IN MUTUAL FUNDS- UNQUOTED**

SBI MF-Magnum Global fund -  
15375 Units of ₹ 10/- each  
(Market Value of quoted shares  
₹ 21.22 Lacs, Previous Yr ₹26.32 Lacs)

500000

500000

(Book value ₹1.76 Lacs, Previous year ₹1.76 Lacs)

**TOTAL**

19502385

19502385

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (Contd.)**

	31.03.2012 (₹)	31.03.2011 (₹)
<b>2.11 LONG TERM LOANS AND ADVANCES</b>		
Un-secured, considered good		
Loans and advances to Employees	790000	796000
Capital advances-Advance against property	17585480	11444280
Balances with Tax authorities	7633900	9309893
Other loans & advances	9798397	9796925
Rental Deposits	9203230	8513230
Other Security Deposits	579470	574200
<b>TOTAL</b>	<b>45590477</b>	<b>40434528</b>
<b>2.12 OTHER NON CURRENT ASSETS</b>		
Bank FDR (Maturity of more than one year from the reporting date)	400000	0
<b>TOTAL</b>	<b>400000</b>	<b>0</b>
<b>2.13 CURRENT INVESTMENTS</b>		
<b>INVESTMENTS IN MUTUAL FUNDS-UNQUOTED</b>		
ICICI Prud Flexible Income plan-95516.0420 Units of ₹10/- each	0	10078680
<b>TOTAL</b>	<b>0</b>	<b>10078680</b>
<b>2.14 INVENTORIES</b>		
(Raw materials and Finished goods are valued at lower of the cost or net realisable value & Consumables & tools are valued at cost.) (As taken, valued & certified by Directors)		
Raw Materials	134575414	109952944
Finished Goods	40311169	38641515
Stores & Spares	1235624	918354
Loose tools	570430	644979
Stock-in-Trade	0	36497
<b>TOTAL</b>	<b>176692637</b>	<b>150194289</b>
<b>2.15 TRADE RECEIVABLES</b>		
Un-secured considered good		
Debts outstanding for a period exceeding six months from the date they were due for payment	14641719	20142835
Other debts considered good	147552704	123830303
<b>TOTAL</b>	<b>162194422</b>	<b>143973138</b>
<b>2.16 CASH AND CASH EQUIVLAENTS</b>		
Cash on Hand	203732	404220
Balance with Bank		
In current and Deposit Account	13607182	4222200
<b>TOTAL</b>	<b>13810914</b>	<b>4626420</b>
Restricted Bank balances (Excise FDR)	15937	15937
Un paid Dividend A/c.	12229	12229

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (Contd.)**

	31.03.2012 (₹)	31.03.2011 (₹)
<b>2.17 SHORT TERM LOANS AND ADVANCES</b>		
unsecured, considered good		
Interest accrued on FDR	380363	212549
Balances with Tax authorities	12271161	8088082
Advances to Employees and Contractors	1825692	1679508
Prepaid Expenses	1344077	1557046
Other Advances	735624	989547
<b>TOTAL</b>	<b>16556917</b>	<b>12526732</b>
<b>2.18 OTHER CURRENT ASSETS</b>		
Other Current Assets	4113441	1683567
<b>TOTAL</b>	<b>4113441</b>	<b>1683567</b>
<b>2.19 REVENUE FROM OPERATIONS</b>		
Sales-Jewellery	454045158	443838679
Sales-Diamond	58306530	75184085
Sales-P.stones & Others	5434135	3668454
Services	98900	102500
<b>TOTAL</b>	<b>517884723</b>	<b>522793717</b>
<b>2.20 OTHER INCOME</b>		
Dividend - Long term Investments	512362	463472
Interest received #	1175401	811790
Profit on sale of shares	0	900679
Excess prov for exp written back	49227	53122
Rent recd	6099784	5794434
	<b>7836774</b>	<b>8023497</b>
<b>Less : Loss on sale of Assets</b>	<b>95509</b>	<b>125552</b>
<b>TOTAL</b>	<b>7741265</b>	<b>7897945</b>
<b># Bank Interest on deposit</b>	<b>437557</b>	<b>68201</b>
<b>Interest on Loans &amp; advances</b>	<b>737844</b>	<b>736209</b>
<b>Other Interest</b>	<b>0</b>	<b>7380</b>
	<b>1175401</b>	<b>811790</b>
<b>2.21 MATERIALS</b>		
<b>1) COST OF MATERAILS CONSUMED</b>		
Gold	105056309	116460137
Diamond	261327669	251952095
Others	10972442	7797724
	<b>377356420</b>	<b>376209956</b>
<b>2) PURCHASE OF STOCK IN TRADE</b>		
Diamond & P/stones	56254127	73047308

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (Contd.)**

	31.03.2012 (₹)		31.03.2011 (₹)
<b>2.22 Changes in inventories of finished goods, work in progress and stock-in-trade</b>			
Opening Stock of Finished Goods	38641515		41671660
Opening Stock-in-trade	36497		0
Add : Purchases of Finished Goods	37365118		12548949
	<u>76043130</u>		<u>54220609</u>
Less : Closing Stock-in-trade	0		36497
Less : Closing Stock of Finished Goods	40311169		38641515
Less : Melting of Finished Goods	36402046		13347742
<b>TOTAL</b>	<u>(670085)</u>		<u>2194855</u>
<b>2.23 EMPLOYEE BENEFIT EXPENSES</b>			
Salaries & Wages	11802640	9346133	
Contribution to PF & Other Funds (Incl. ₹ 5.88 Lacs for Directors)	1608420	1335946	
Welfare Expenses	77845	31571	
	<u>13488905</u>		<u>10713650</u>
Directors Remuneration	5265931		4559402
<b>TOTAL</b>	<u>18754836</u>		<u>15273052</u>
<b>2.24 FINANCIAL COSTS</b>			
Interest paid	7320529		3245243
Exchange fluctuations	160044		93076
<b>TOTAL</b>	<u>7480573</u>		<u>3338319</u>
<b>2.25 OTHER EXPENSES</b>			
Consumable Stores, Spares & Tools	2885946		3887837
Labour Charges	20514151		19362549
Rent	1597324		811170
Electricity Charges	1868371		1788124
Seepz Water charges	236716		235060
Directors Sitting Fees	135000		100000
Advertisement Expenses	255065		52087
Professional & Technical Fees	1499368		1209147
Bank Charges	2310741		2220884
Rates & Taxes	76212		76212
<b>Repairs &amp; Maintenance :</b>			
Repairs & Maintenance to Machinery	591328	686521	
Others	993884	1025964	
Buildings	35058	1620270	21550
Donations	1006501		1734035
			508251

Contd...

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (Contd.)**

	31.03.2012	31.03.2011
	(₹)	(₹)
<b>Auditors Remuneration :</b>		
As Auditors	280000	250000
For Taxation Services	65000	55000
For consultancy & other services	80000	70000
	<b>425000</b>	375000
Insurance	888184	908845
Investments written off	0	183000
Exhibition Expenses	2776411	1862750
Software Expenses	300000	0
Travelling Expenses	2182524	3063627
Freight & Cartage	1342520	1419380
Commission & Discount	2515868	3054522
Entertainment Expenses	128512	170661
Postage, Telephone & Fax	720200	560715
Printing & Stationary	209522	222637
Refreshments	394191	327383
Sundry Expenses	175666	104044
Security Charges	1054287	1102681
Vehicle Expenses	732695	701137
Diwali & pooja expenses	112948	154652
Other General Expenses	309638	489289
<b>Prior Period Items</b>		
Postage & Telephone	2693	1281
Sundry expenses	18949	33230
Vehicle expenses	0	7357
Entertainment exp	4809	0
Professional fees	0	40000
Interest	0	5489
<b>TOTAL</b>	<b>48300282</b>	<b>46773036</b>
<b>2.26 TAX EXPENSES</b>		
<b>Current Tax:</b>		
Income Tax	4343821	1692000
Short provision of Income tax relating to earlier years	(62129)	910391
	<b>4281692</b>	2602391
Deferred Taxes	(54000)	31000
<b>TOTAL</b>	<b>4227692</b>	<b>2633391</b>
		(₹ in lacs)
<b>2.27 CONTINGENT LIABILITIES</b>	<b>2012</b>	<b>2011</b>
i) In respect of Income Tax matters contested by the company	2.52	59.31
ii) In respect of Custom Duty matter	4.51	4.51
iii) Estimated Amount of Contracts remaining to be executed on Capital Accounts and not provided for in the accounts.	15.00	46.44

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (Contd.)**

**2.28 FINANCIAL AND DERIVATIVE INSTRUMENT :-**

- 1) Forward exchange contract entered into by the company for hedging currency related risks and outstanding as on 31-03-2012 ₹ 258.52 Lacs US \$ 500000 (Previous Year ₹ 276.44 Lacs)
- 2) The Company uses Foreign Currency forward contracts to hedge its risks against Foreign Currency.
- 3) Foreign Currency exposure that is not hedged by forward exchange contract as on 31-03-2012 ₹ 26.69 Lacs on account of Imports & others (Previous Year 22.35 Lacs) and ₹1286.82 lacs on account of Export of goods. (Previous Year ₹ 1126.29 lacs)

**2.29 a) CONSUMPTION OF IMPORTED & INDIGENOUS RAW MATERIALS & STORES**

A) RAW MATERIALS CONSUMED	(₹ in Lacs)	%	(₹ in Lacs)	%
Indigenous	3263.69	86%	3290.01	87%
Imported	509.87	14%	472.09	13%
<b>B) STORES &amp; TOOLS CONSUMED</b>				
Indigenous	15.04	52%	19.29	50%
Imported	13.82	48%	19.59	50%
<b>b) CIF VALUE OF IMPORTS</b> (Including Inter Unit Purchases)		<b>2012</b> (₹ in Lacs)		<b>2011</b> (₹ in Lacs)
Raw Materials		144.23		130.44
Stores & Consumables & Spares		13.04		16.12
Finished Goods		363.72		122.60
Fixed Assets		10.00		0
<b>TOTAL</b>		<b>530.99</b>		<b>269.17</b>
<b>c) EARNINGS IN FOREIGN EXCHANGE</b>				
FOB Value of Exports		4803.34		4958.62
<b>d) EXPENDITURE IN FOREIGN CURRENCY</b>				
Travelling Expenses		9.85		16.71
Exhibition Expenses & Advances		21.92		24.87
Bank Charges		1.88		1.29
Postage & Telephone		0.86		0.07
Sales Commission		6.48		12.52
Advertisement		0.30		0.00
<b>TOTAL</b>		<b>41.30</b>		<b>55.47</b>

**2.30 SEGMENT REPORTING**

Company is exclusively engaged in the Gems & Jewellery Business, which as per Accounting Standard AS-17 is considered the only primary reportable business segment.

**GEOGRAPHICAL SEGMENT REPORTING (GEMS & JEWELLERY)**

(₹ in Lacs)

COUNTRY	SALES 31/03/2012	BALANCE ON 31/03/2012	SALES 31/03/2011	BALANCE ON 31/03/2011
<b>EXPORTS</b>				
U.S.A.	2259.92	586.79	1852.06	305.69
EUROPE	1130.39	198.84	1419.86	139.72
MIDDLE EAST	679.08	322.99	906.19	529.64
OTHERS	745.87	441.33	794.28	432.05
<b>LOCAL SALES</b>	<b>309.63</b>	<b>72.00</b>	<b>218.37</b>	<b>32.63</b>
	<b>5124.89</b>	<b>1621.94</b>	<b>5190.76</b>	<b>1439.73</b>

Contd...



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (Contd.)****2.31 RELATED PARTY TRANSACTIONS**

Related Party Disclosures have been set out below. The Related parties, as defined by Accounting Standard 18 related party disclosure, issued by Institute of Chartered Accountants of India, in respect of which the disclosures have been made, have been identified on the basis of information available with the company.

**A) Wholly owned Subsidiary Companies**

- i) Shantivijay Jewels International Ltd., Mauritius
- ii) Shantivijay Impex DMCC (Subsidiary of Shantivijay Jewels International Ltd.,)

**B) Associate Companies**

- i) Precious Gems Pvt. Ltd.
- ii) Diamondere Pvt. Ltd.

**C) Key Management Personnel & Relatives**

Shree Pradeep Kumar Godha - Chairman & Managing Director  
Shree Anurag Godha - Vice Chairman & Managing Director

Smt. Rajrani Godha  
Smt. Sudha Godha  
Smt. Namita Godha  
Shri Varun Godha } Relatives of Directors

Details of Transactions are as below,

(Figures in ₹)

SR. NO	NAME OF THE PARTY	RELATIONSHIP	NATURE OF TRANSACTION	TRANSACTION AMOUNT	OUTSTANDING	TRANSACTION AMOUNT	OUTSTANDING
				31.03.2012	31.03.2012	31.03.2011	31.03.2011
1	Shantivijay Impex DMCC	Subsidiary of Wholly owned subsidiary	Sales	18857902	8624245 DR	14855671	9835526 DR
2	Diamondere Pvt Ltd	Associate Company	Sales & services	580780	580780 DR	0	0
3	Pradeep Kumar Godha	Managing Director	Remuner+perks	2588900	986278 CR	2252783	422110 CR
4	Anurag Godha	Managing Director	Remuner+perks	2677031	756987 CR	2306619	319264 CR
5	Rajrani Godha	Relative of Director	Remuneration+Bonus and rent paid/Advance recd/ Security deposit paid	217680 0 0	74588 CR 562350 CR 8500000 DR	148320 0 0	28483 CR 1162350 CR 8500000 DR
6	Sudha Godha	Relative of Director	Remuneration+Bonus	223970	81522 CR	205704	90844 CR
7	Namita Godha	Relative of Director	Remuneration +Bonus	223970	66461 CR	205704	160573 CR
			Sale of Jewellery	0	0	87971	0
8	Varun Godha	Relative of Director	Remuneration +Bonus	135000	135000 CR	0	0
<b>Surety given to Company's banker by Third parties</b>							
1	Precious Gems P.Ltd	Associate Company	Surety given to Company bankers (without any charge)	Market value	11400000		11400000
2	Rajrani Godha	Relative of Director	—do—	Market value	29400000		29400000

**2.32** The Company has not reported liabilities of Gratuity which is a defined benefit plan in accordance with Accounting Standard 15 issued by Institute of Chartered Accountants of India as it is covered under Group Gratuity Scheme of Life Insurance Corp. of India.

**2.33 LEASE DISCLOSURES**

The Company has entered into Four Lease Agreements and had given premises on lease for 33 Months to others, which are in the nature of operating lease. Leased Asset i.e., premises is shown as Fixed Assets. Gross value ₹ 257.33 Lacs and accumulated depreciation ₹ 164.72 Lacs. Lease income ₹ 60.75 Lacs is recognised on straight-line basis in the Profit & Loss Account. Depreciation ₹ 10.29 Lacs provided during the year at rates for which similar Assets are depreciated. Future lease rental receivable within the period of one year ₹ 60.75 Lacs (Previous Year ₹ 60.75 Lacs).

Contd...

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (Contd.)**

**2.34 EARNING PER SHARE (EPS)**

EPS computed in accordance with Accounting Standard - 20.

<b>Basic &amp; Diluted</b>	(₹ in Lacs)	
	<b>2012</b>	2011
Profit after Tax as per Accounts	<b>89.67</b>	77.43
Number of Equity Shares issued	<b>3002000</b>	3002000
Par Value of the Shares	<b>10</b>	10
EPS (Basic & Diluted) ₹	<b>2.99</b>	2.58

**2.35 ACCOUNTING FOR DEFERRED TAX**

The deferred Tax Asset has arisen mainly on account of timing difference between Depreciation admissible under Income Tax Rules and Depreciation in Books.

Major components of Deferred Tax Assets are arising on account of timing difference as under :

<b>Deffered Tax Assets</b>	(₹ in lacs)	
	<b>Upto 31/03/2012</b>	Upto 31/03/2011
<b>Assets</b>		
Difference between Book & Tax Depreciation	<b>27.51</b>	26.97
Deffered Tax Assets Provision required	<b>0.54</b>	(0.31)

**2.36.** The Profit & Loss A/c includes aggregate exchange difference (Net) of ₹47.42 Lacs (Credit) Previous Year ₹37.55 lacs (Debit) including ₹6.20 lacs on outstanding Forward Exchange Contract.

**2.37.** The Company has no information as to whether any of its suppliers constitute small-scale industrial undertakings and therefore, the amount due to such suppliers has not been identified.

**2.38.** Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006;

There are no outstanding dues payable to parties covered under the Micro, Small and Medium Enterprises as per MSMED Act, 2006. This information has been determined to the extent such parties have been identified on the basis of information available with the company.

During the year, Company have not paid any interest to such suppliers and no interest was accrued and remaining unpaid at the year end. This has been relied upon by the auditors.

**2.39.** Figures of previous year has been regrouped and rearranged wherever necessary.

IN TERMS OF OUR ATTACHED  
REPORT OF EVEN DATE

**B.F. Chordia & Co.**  
Chartered Accountants

Sd/-

**B. F. Chordia**  
Proprietor

Place : Mumbai  
Dated : 11th May, 2012

For **SHANTIVIJAY JEWELS LTD**

Sd/-  
**P. K. GODHA** (Chairman & M.D)

Sd/-  
**A. K. GODHA** (Vice Chairman & M.D)

Sd/-  
Directors  
**A.R.SHAH**  
**J.B.SHAH**  
**T.A.MAVANI**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

	2012 ₹	(₹ in Thousands) 2011 ₹
<b>A. CASH FLOW FROM OPERATION ACTIVITIES :-</b>		
<b>Net Profit before tax &amp; extraordinary items</b>	<b>13194</b>	<b>10376</b>
<b>Add: Adjustments for :</b>		
Depreciation & Amortisation	4956	3479
Finance Cost	7481	3338
	<b>25630</b>	<b>17193</b>
<b>Adjustments for :</b>		
Interest/Dividend Received	(1688)	(1275)
Profit on sale of Shares	0	(901)
Loss on sale of Assets	96	126
Diminution in the value of Investment	0	183
<i>Operating Profit before working capital changes</i>	<b>24038</b>	<b>15327</b>
<b>Adjustments for :</b>		
<b>Increase / (Decrease) in operating assets</b>		
Inventories	(26498)	881
Trade receivables	(18221)	(7678)
Short term loans & advances	(4030)	(5648)
Long term loans & advances	(6807)	(6196)
Other Current assets	(2430)	65
Other non-current assets	(400)	16
	<b>(34349)</b>	<b>(3232)</b>
<b>Increase / (Decrease) in operating liabilities</b>		
Trade Payables	22334	(10048)
Other Current liabilities	3454	38
Short term Provisions	1318	0
<b>Cash generated from Operation</b>	<b>(7243)</b>	<b>(13242)</b>
Finance Cost	(7481)	(3339)
Taxes Paid	(2630)	5536
<b>Net cash (used in)/ from Operating activities</b>	<b>(17354)</b>	<b>(11045)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :-</b>		
Purchase of Fixed assets	(12966)	(11852)
Investments	10079	(56)
Sale of Fixed Assets.	187	128
Profit on Sale of shares	0	901
Interest & Dividend Received	1688	1275
<b>Net cash (used in)/from Investment activities</b>	<b>(1013)</b>	<b>(9604)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :-</b>		
Increase in Bank borrowings	27552	23373
<b>Net cash used in Finance activities</b>	<b>27552</b>	<b>23373</b>
<b>NET INCREASE IN CASH EQUIVALENTS (B+C+A)</b>	<b>9185</b>	<b>2724</b>
Cash and Cash Equivalents		
Opening Balance	4626	1902
Closing Balance	<b>13811</b>	<b>4626</b>
	<b>9185</b>	<b>2724</b>

IN TERMS OF OUR ATTACHED  
REPORT OF EVEN DATE

**B.F. Chordia & Co.**  
Chartered Accountants

Sd/-

**B. F. Chordia**  
Proprietor

Place : Mumbai

Dated : 11th May, 2012

For **SHANTIVIJAY JEWELS LTD.**

Sd/-

**P. K. GODHA** (Chairman & M.D)

Sd/-

**A. K. GODHA** (Vice Chairman & M.D)

Sd/-

Directors

**A.R.SHAH**

**J.B.SHAH**

**T.A.MAVANI**

**Report of the Auditors' to the Board of Directors of Shantivijay Jewels Limited on Consolidated Financial statements.**

1. We have audited the attached consolidated Balance Sheet of Shantivijay Jewels Limited and its subsidiary Companies as at March 31, 2012, and also the related statement of profit and loss and the cash flow statement for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Subsidiary Companies, Shantivijay Jewels International Limited and its Subsidiary Shantivijay Impex DMCC Dubai whose financial statements reflect total assets (Net) of ₹ 1417.72 lakhs as at March 31, 2012 and total revenues of ₹ 2227.71 lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the Subsidiary Companies, is based solely on the report of the other auditors.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statements. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 'Consolidated Financial Statements,' issued by the Institute of Chartered Accountants of India, on the basis of the individual financial statements of Shantivijay Jewels Ltd. and its Subsidiary Companies included in the aforesaid consolidation.
4. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) In the case of Consolidated Balance sheet, of the consolidated state of affairs of the Company and its subsidiaries as at 31st March, 2012.
  - b) In the case of the Consolidated Statement of Profit & Loss, of the consolidated results of operations of the Company and its subsidiaries for the year then ended and
  - c) In the case of the Consolidated Cash flow Statement, of the consolidated cash flows of the Company and its subsidiaries for the year that ended.

**B.F. CHORDIA & CO.**  
CHARTERED ACCOUNTANTS

Sd/-  
**B.F.CHORDIA**  
PROPRIETOR

Place: Mumbai  
Dated: 11th May, 2012.

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012**

Particulars	Note No.	As at 31 <sup>st</sup> March, 2012 (₹)	As at 31 <sup>st</sup> March, 2011 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2.1	30020000	30020000
(b) Reserves and Surplus	2.2	344865089	304331747
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	2.3	796262	0
(b) Other Long term liabilities	2.4	1320602	1320602
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	2.5	179505097	152749375
(b) Trade payables	2.6	60214405	55071221
(c) Other current liabilities	2.7	15390746	6873970
(d) Short-term provisions	2.8	6550744	0
<b>Total</b>		<b>638662945</b>	<b>550366915</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	2.9	42220112	36891893
(ii) Intangible assets	2.9	1143670	0
(iii) Intangible assets under development		1500000	0
(b) Non-current investments	2.10	675975	675975
(c) Deferred tax assets (net)		2751000	2697000
(d) Long term loans and advances	2.11	46023890	40801416
(e) Other non-current assets	2.12	400000	0
<b>(2) Current assets</b>			
(a) Current investments	2.13	0	10078680
(b) Inventories	2.14	318257529	260946989
(c) Trade receivables	2.15	187947259	177587043
(d) Cash and cash equivalents	2.16	16593096	6169725
(e) Short-term loans and advances	2.17	17036973	12834627
(f) Other current assets	2.18	4113441	1683567
<b>Total</b>		<b>638662945</b>	<b>550366915</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS</b>	<b>1 &amp; 2</b>		

IN TERMS OF OUR ATTACHED  
REPORT OF EVEN DATE

**B.F. Chordia & Co.**  
Chartered Accountants

Sd/-

**B. F. Chordia**  
Proprietor

Place : Mumbai  
Dated : 11<sup>th</sup> May, 2012

For **SHANTIVIJAY JEWELS LTD.**

Sd/-  
**P. K. GODHA** (Chairman & M.D)

Sd/-  
**A. K. GODHA** (Vice Chairman & M.D)

Sd/-  
Directors  
**A.R.SHAH**  
**J.B.SHAH**  
**T.A.MAVANI**

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

<b>Particulars</b>	<b>Notes No.</b>	<b>2011-2012 (₹)</b>	<b>2010-11 (₹)</b>
I. Revenue from operations	<b>2.19</b>	<b>721798213</b>	717396365
II. Other Income	<b>2.20</b>	<b>7741265</b>	7897945
III. <b>Total Revenue (I +II)</b>		<b>729539478</b>	725294310
IV. Expenses			
Cost of materials consumed	<b>2.21</b>	<b>377356420</b>	376209956
Purchase of Stock-in-Trade	<b>2.21</b>	<b>56254127</b>	73047308
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	<b>2.22</b>	<b>174166587</b>	175621717
Employee benefit expense	<b>2.23</b>	<b>19704163</b>	16120650
Financial costs	<b>2.24</b>	<b>7480573</b>	3338319
Depreciation and amortization expense		<b>5678333</b>	4151151
Other expenses	<b>2.25</b>	<b>55108610</b>	53318228
<b>Total Expenses</b>		<b>695748813</b>	701807329
V. Profit before tax (III - IV)		<b>33790665</b>	23486981
VI. Tax expense:			
(1) Current tax		<b>4281692</b>	2602391
(2) Deferred tax		<b>(54000)</b>	31000
VII. Profit for the period from continuing operations		<b>29562973</b>	20853590
VIII. Earning per equity share:			
Equity share of par value of ₹ 10/- each			
Basic & Diluted		<b>9.85</b>	6.95
Number of shares used in computing earning per share			
Basic & Diluted		<b>3002000</b>	3002000
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS</b>	<b>1 &amp; 2</b>		

IN TERMS OF OUR ATTACHED  
REPORT OF EVEN DATE

**B.F. Chordia & Co.**  
Chartered Accountants

Sd/-  
**B. F. Chordia**  
Proprietor

Place : Mumbai  
Dated : 11<sup>th</sup> May, 2012

For **SHANTIVIJAY JEWELS LTD.**

Sd/-  
**P. K. GODHA** (Chairman & M.D)

Sd/-  
**A. K. GODHA** (Vice Chairman & M.D)

Sd/-  
Directors  
**A.R.SHAH**  
**J.B.SHAH**  
**T.A.MAVANI**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

### NOTE No. 1

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### Corporate Information :

Shantivijay Jewels Ltd is located in Special Economic Zone Mumbai having its showroom in Trident Hotel, Mumbai. Company is engaged in Manufacturing and exports of wide range of studded gold jewellery and Diamond and P.stones. Company is having two Subsidiaries. {as per Note No b (c)}

##### a) System of Accounting:

- i) The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis unless otherwise stated hereinafter.
- ii) The Accounts are prepared under historical cost convention, as a going concern and generally in accordance with applicable Accounting standards.

##### b) Principles of Consolidation :

- a) The Consolidated financial statements relates to Shantivijay Jewels Ltd ('the Company') and its wholly owned Subsidiary Company Shantivijay Jewels International Ltd Mauritius and it's Subsidiary Shantivijay Impex DMCC Dubai. The consolidated financial statements have been prepared on the following basis.

The Financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

- b) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the companies separate financial statements.
- c) The Subsidiary Companies considered in the consolidated financial statements are,

Name of the Company	Country of Incorporation	% of Voting Power held as at 31.03.2012
a) Shantivijay Jewels International Ltd	Mauritius	100%
b) Shantivijay Impex DMCC (Wholly owned subsidiary of Shantivijay Jewels International Ltd)	Dubai	100%

##### c) Exchange Adjustments

Incase of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the exchange rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the exchange fluctuation reserve.

##### d) Fixed Assets and Depreciation :

###### i) Tangible Assets

- a) Fixed Assets are stated at their cost of acquisition less Depreciation. Additions to Fixed assets are net of Modvat Credit. Rubber moulds of small value have not been capitalised and considered as consumables and charged to revenue.
- b) Depreciation on all Fixed Assets is provided on written down value method at the rates and in the manner prescribed by Schedule XIV of the Companies Act, 1956. Assets costing up to ₹ 5000/- are depreciated fully in the year of Purchase. Depreciation on additions / Deletions of Assets is provided on Pro-Rata basis.

###### ii) Intangible Assets :

###### Computer Software :

Intangible Assets are stated at cost of acquisition less accumulated amortization. Computer Software is amortized over a period of Five Years in equal installments.

##### e) Investments

Long term Investments are valued at cost with an appropriate provision for permanent diminution in value. Current investments are stated at lower of the cost or quoted / fair value.

##### f) Inventories

- a) Raw materials are valued at lower of the cost or net realisable value; cost is arrived at on FIFO basis. Cost includes costs incurred in bringing them to their present location.



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (Contd.)**

- b) Stores & Consumables are valued at cost.
- c) Loose Tools are valued at cost.
- d) Finished goods are valued at lower of the cost or net realisable value. Cost of finished goods is determined by taking material, labour and appropriate factory overheads.
- e) Inventory of spares / tools, Rubber Moulds is not valued and is charged to revenue.

**g) Foreign Currency Transaction**

- a) Transactions denominated in Foreign Currencies are normally recorded at the exchange rate prescribed by customs at the time of transaction.
- b) Monetary items denominated in foreign currencies at the year-end are restated at the year end rates. Incase of forward exchange contracts, the difference between the year end rate and rate on the date of contract is recognised as exchange difference and premium or discount on forward exchange contracts is recognised over the life of the contract.
- c) Non-monetary foreign currency items are carried at cost.
- d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.
- e) Exchange difference is adjusted against sales / purchases etc., wherever applicable.
- f) Exchange difference on acquisition of fixed assets is adjusted to carrying cost of such fixed assets.

**h) Employee Benefits**

Company have opted for Group Gratuity Scheme with LIC of India; Company's contribution based on a actuarial valuation by LIC is charged to Profit & Loss Account. Contribution to Provident / Family Pension Fund as percentage of salary is charged to Profit & Loss Account on accrual basis.

Accrued leave Salary is estimated and provided on accrual basis. The expense is recognised at present value of amount payable to Employees. Total liability for Leave Salary outstanding at year end rate is ₹ 3.70 Lacs.

**i) Taxation**

Provision for current tax is made considering Rules/ benefits admissible under Income tax Act 1961. Deferred Tax Asset resulting from timing difference between book profit and taxable profit for the year is calculated by using tax rates & tax laws that have been enacted or substantially enacted at the Balance sheet date.

**j) Other Significant Accounting Policies**

These are set out in the Notes to Accounts under Significant Accounting Policies for Financial statements of the Company and its Subsidiaries.

**NOTE No. 2**

The previous period figures have been regrouped /reclassified, wherever necessary to conform to the current presentation.

	<b>31.03.2012</b>	<b>31.03.2011</b>
	(₹)	(₹)
	<u>                    </u>	<u>                    </u>
<b>2.1 SHARE CAPITAL</b>		
Authorised- Equity shares of ₹ 10 par value 6000000 Equity Shares	<b>60000000</b>	60000000
<b>Issued, Subscribed &amp; Paid Up</b>		
3002000 Equity Shares of ₹ 10/- par value fully paid	<b>30020000</b>	30020000
<b>TOTAL</b>	<b>30020000</b>	30020000

Refer to note 2.30 for details of basic and diluted shares.

The Company has only one class of shares referred to as equity shares having a par value of 10/-. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors, in their meeting on 11-05-2012 proposed a dividend of ₹ 1.50 per equity share. The proposal is subject to the approval of shareholders at their Annual General Meeting. The total dividend appropriation for the year ended 31<sup>st</sup> March, 2012 amounted to ₹52,33,387/- including corporate dividend tax of ₹ 7,30,387/-.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (Contd.)**

The details of shareholder holding more than 5% shares as at March 31, 2012 is set out below :

Name of the shareholder	31.03.2012	%	31.03.2011	%
	No of shares		No of shares	
Rajrani Bimalchand Godha	785954	26.18	785954	26.18
Pradeepkumar Bimalchand Godha	453006	15.09	453006	15.09
Anurag Bimalchand Godha	450096	14.99	450096	14.99
Namita Anurag Godha	191295	6.37	191295	6.37
Sudha Pradeepkumar Godha	188795	6.29	188795	6.29
Anish Anurag Godha	151600	5.05	151600	5.05

The reconciliation of the number of shares outstanding as at March 31, 2012 and March 31, 2011 is set out below :

Particulars	As at 31.03.2012		As at 31.03.2011	
	No. of Shares		No. of Shares	
Number of shares at the beginning and at the end	3002000		3002000	
	₹ 30020000/-		₹ 30020000/-	
<b>2.2 RESERVE AND SURPLUS</b>				
Share premium		46797952		46797952
Capital Reserve		20055422		20055422
<b>General Reserve Balance</b>				
Opening Balance	108983798			
Add : Trf from statement of profit & loss	448329	109432127		108983798
Exchange Translation reserve		18085285		1881524
<b>Profit &amp; Loss Account</b>				
Opening Balane	126613046		105759461	
Add : Trf from statement of profit & loss	29562973		20853590	
	156176019		126613051	
Less : Transfer to General Reserve	448329		0	
Less : Proposed Dividend	4503000		0	
Less : Dividend Tax	730387	150494303	0	126613051
<b>TOTAL</b>		<b>344865089</b>		<b>304331747</b>
<b>2.3 LONG TERM BORROWINGS (SECURED)</b>				
Term loan from Bank (loan in the name of the Director) (Secured by Hypothecation of Motor Car) (Terms of repayment 35 Months (outstanding EMI 21 months at ₹ 48,670/-)		796262		0
<b>TOTAL</b>		<b>796262</b>		<b>0</b>
<b>2.4 OTHER LONG TERM LIABILITIES</b>				
Deposit received from Nirmal life style ltd		1320602		1320602
<b>TOTAL</b>		<b>1320602</b>		<b>1320602</b>
<b>2.5 SHORT TERM BORROWINGS (SECURED)</b>				
<b>PACKING CREDIT (Secured)</b>		122173956		116210725
<b>DISCOUNTED BILLS (Secured)</b>		56768791		35376300
(Against hypothecation of stocks, collaterally secured by hypothecation of Book debts & Machinery and Negative Lien of Immovable property of Precious Gems P ltd and Rajrani Godha, personally guaranteed by whole time directors & their relatives.)				
<b>Unsecured Borrowings</b>		562350		1162350
<b>TOTAL</b>		<b>179505097</b>		<b>152749375</b>
<b>2.6 TRADE PAYABLES</b>				
Trade Payables		60214405		55071221
<b>TOTAL</b>		<b>60214405</b>		<b>55071221</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (Contd.)**

	31.03.2012 (₹)	31.03.2011 (₹)
<b>2.7 OTHER CURRENT LIABILITIES</b>		
Current maturities of long term debt (refer note no. 2.3)	584040	0
Advance from customers	8896454	3573666
Un-paid dividends	12222	12222
Other outstanding expenses (Including ₹ 17.43 lacs Due to Directors previous year 7.41 lacs)	5898030	3288082
<b>TOTAL</b>	<b>15390746</b>	<b>6873970</b>
<b>2.8 SHORT TERM PROVISIONS</b>		
Provision for Income Tax	1317357	0
Proposed Dividend	4503000	0
Provision for tax Dividend	730387	0
<b>TOTAL</b>	<b>6550744</b>	<b>0</b>

**2.9 FIXED ASSETS :**

(Figures in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION AND AMORTIZATION				NET BLOCK	
	AT COST ON 1.4.2011	ADDITIONS DURING THE YEAR	SALE / TRANSFER	TOTAL	UPTO 01.04.2011	FOR THE YEAR 31.03.2012	ADJ ON SALE / TRANSFER	UPTO 31.03.2012	AS ON 31.03.2012	AS ON 31.03.2011
<b>Tangible Assets</b>										
Building	44423472	1935764	0	46359236	19268932	2572494	0	21841426	24517809	23958798
Plant & Machinery	19455530	1091203	0	20546733	14321244	777006	0	15098250	5448483	5134286
Elec. Installation	1438134	991214	0	2429348	1032724	113783	0	1146507	1282841	405410
Motor Vehicles	7182913	2415086	1327884	8270115	2704960	1305390	1045708	2964642	5305473	4477953
Office Equipments	6422093	1874256	0	8296349	5110168	405469	0	5515637	2780712	1311924
Furniture & Fixtures	4170116	1770139	0	5940255	2837187	218274	0	3055461	2884793	1603522
<b>Total (a)</b>	83092258	10077662	1327884	91842035	45275215	5392416	1045708	49621923	42220112	36891893
<b>Intangible Assets</b>										
Software	0	1429587	0	1429587	0	285917	0	285917	1143670	0
<b>Total (b)</b>	0	1429587	0	1429587	0	285917	0	285917	1143670	0
<b>Total (a +b)</b>	83092258	11507249	1327884	93271622	45275215	5678333	1045708	49907840	43363782	36891893
Previous Year	71180521	12030622	1185587	82025556	41915002	4151151	932495	45133658	36891894	29408682

Note : \* Motor Vehicles costing ₹ 55.08 lacs are in the name of the Directors of the Company.

	31.03.2012 (₹)	31.03.2011 (₹)
<b>2.10 NON CURRENT INVESTMENTS</b>		
<b>A) QUOTED, FULLY PAID EQUITY SHARES, NON TRADING, AT COST</b>		
Gujrat Fluorochemicals Ltd - 300 Shares of ₹10/- each	32475	32475
Canara Bank -4100 sharss of ₹10/- each	143500	143500
	<b>175975</b>	<b>175975</b>
183000 fully paid Equity shares of ₹10/- each of German Garden Ltd.	0	2021613
Less : Provision for Dimunition in the value	0	2021613
(Total Provision for dimunition in the value of Investment ₹ 20.22 lacs)		
<b>B) INVESTMENTS IN MUTUAL FUNDS-UN QUOTED</b>		
SBI MF-Magnum Global fund - 15375 Units of ₹ 10/- each (Market Value of quoted shares ₹ 21.22 Lacs, Previous Yr ₹ 26.32 Lacs) (Book value ₹1.76 Lacs, Previous year ₹1.76 Lacs)	500000	500000
<b>TOTAL</b>	<b>675975</b>	<b>675975</b>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (Contd.)

	31.03.2012 (₹)	31.03.2011 (₹)
<b>2.11 LONG TERM LOANS AND ADVANCES</b>		
Un-secured, considered good		
Loans and advances to Employees	790000	796000
Balances with Tax authorities	7633900	9309893
Capital advances-Advance against property	17585480	11444280
Other loans & advances	9914381	9885570
Rental Deposits	9203230	8513230
Other Security Deposits	896899	852443
<b>TOTAL</b>	<b>46023890</b>	<b>40801416</b>
<b>2.12 OTHER NON CURRENT ASSETS</b>		
Bank FDR (Maturity of more than one year from the reporting date)	400000	0
<b>TOTAL</b>	<b>400000</b>	<b>0</b>
<b>2.13 CURRENT INVESTMENTS</b>		
<b>INVESTMENTS IN MUTUAL FUNDS-UNQUOTED</b>		
ICICI Prud Flexible Income plan -95516.0420 Units of ₹10/- each	0	10078680
<b>TOTAL</b>	<b>0</b>	<b>10078680</b>
<b>2.14 INVENTORIES</b>		
(Rawmaterials and Finished goods are valued at lower of the cost or net realisable value & Consumables & tools are valued at cost.) (As taken, valued & certified by Directors)		
Raw Materials	134575414	109952944
Finished Goods	181876061	149394215
Stores & Spares	1235624	918354
Loose tools	570430	644979
Stock-in -Trade	0	36497
<b>TOTAL</b>	<b>318257529</b>	<b>260946989</b>
<b>2.15 TRADE RECEIVABLES</b>		
Un-secured considered good		
Debts outstanding for a period exceeding six months from the date they were due for payment	30711967	50737796
Other debts considered good	157235290	126849248
<b>TOTAL</b>	<b>187947258</b>	<b>177587043</b>
<b>2.16 CASH AND CASH EQUIVLALENTS</b>		
Cash on Hand	250939	448320
Balance with Bank		
In current and Deposit Account	16342157	5721405
<b>TOTAL</b>	<b>16593096</b>	<b>6169725</b>
Restricted Bank balances (Excise FDR)	15937	15937
Un paid Dividend A/c.	12229	12229

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (Contd.)**

	31.03.2012 (₹)	31.03.2011 (₹)
<b>2.17 SHORT TERM LOANS AND ADVANCES</b>		
Un secured, considered good		
Interest accrued on FDR	380363	212549
Balances with Tax authorities	12271161	8086539
Advances to Employees and Contractors	1895025	1679508
Prepaid Expenses	1712680	1676146
Other Advances	777744	1179885
<b>TOTAL</b>	<b>17036973</b>	<b>12834627</b>
<b>2.18 OTHER CURRENT ASSETS</b>		
Other Current Assets	4113441	1683567
<b>TOTAL</b>	<b>4113441</b>	<b>1683567</b>
<b>2.19 REVENUE FROM OPERATIONS</b>		
Sales -Jewellery	657958648	638441327
Sales- Diamond	58306530	75184085
Sales- P.stones &Others	5434135	3668454
Services	98900	102500
<b>TOTAL</b>	<b>721798213</b>	<b>717396365</b>
<b>2.20 OTHER INCOME</b>		
Dividend - Long term Investments	512362	463472
Interest received #	1175401	811790
Profit on sale of shares	0	900679
Excess prov for exp written back	49227	53122
Rent received	6099784	5794434
	<b>7836774</b>	<b>8023497</b>
<b>Less : Loss on sale of Assets</b>	<b>95509</b>	<b>125552</b>
<b>TOTAL</b>	<b>7741265</b>	<b>7897945</b>
# Bank Interest on deposit	437557	68201
Interest on Loans & advances	737844	736209
Other Interest	0	7380
<b>TOTAL</b>	<b>1175401</b>	<b>811790</b>
<b>2.21 MATERIALS</b>		
<b>1) COST OF MATERAILS CONSUMED</b>		
Gold	105056309	116460137
Diamond	261327669	251952095
Others	10972442	7797724
	<b>377356420</b>	<b>376209956</b>
<b>2) PURCHASE OF STOCK IN TRADE</b>		
Diamond & precious stones	56254127	73047308

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (Contd.)

	31.03.2012 (₹)		31.03.2011 (₹)
<b>2.22 Changes in inventories of finished goods, work in progress and stock-in-trade</b>			
Opening Stock of Finished Goods	149394215		40537540
Opening Stock-in-trade	36497		0
Add : Purchases of Finished Goods	243013982		297862631
	<u>392444694</u>		<u>338400171</u>
Less : Closing Stock-in-trade	0		36497
Less : Closing Stock of Finished Goods	181876061		149394215
Less : Melting of Finished Goods	36402046		13347742
<b>TOTAL</b>	<u><u>174166587</u></u>		<u><u>175621717</u></u>
<b>2.23 EMPLOYEE BENEFIT EXPENSES</b>			
Salaries & Wages	12632854	10079831	
Contribution to PF & Other Funds (Incl. ₹ 5.88 Lacs for Directors)	1608420	1335946	
Welfare Expenses	<u>77845</u>	<u>31571</u>	
	14319119		11447348
Directors Remuneration	5385044		4673302
<b>TOTAL</b>	<u><u>19704163</u></u>		<u><u>16120650</u></u>
<b>2.24 FINANCIAL COSTS</b>			
Interest paid	7320529		3245243
Exchange fluctuations	160044		93076
<b>TOTAL</b>	<u><u>7480573</u></u>		<u><u>3338319</u></u>
<b>2.25 OTHER EXPENSES</b>			
Consumable Stores, Spares & Tools	2885946		3887837
Labour Charges	20514151		19362549
Rent	2707834		1874768
Electricity Charges	1980670		1880429
Seepz Water charges	236716		235060
Directors Sitting Fees	135000		100000
Advertisement Expenses	255065		52087
Professional & Technical Fees	1685374		1318218
Bank Charges	2362531		2343121
Rates & Taxes	76212		76212
<b>Repairs &amp; Maintenance :</b>			
Repairs & Maintenance to Machinery	591328	686521	
Others	1007177	1102824	
Buildings	<u>189047</u>	<u>131213</u>	1920558
Donations	<u>1006501</u>		508251

Contd...



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (Contd.)

	31.03.2012 (₹)	31.03.2011 (₹)
<b>Auditors Remuneration :</b>		
As Auditors	469484	434062
For Taxation Services	65000	55000
For consultancy & other services	80000	70000
	<u>614484</u>	<u>559062</u>
Insurance	888184	908845
Investments written off	0	183000
Exhibition Expenses	3691671	1862750
Software Expenses	300000	0
Travelling Expenses	2431946	3494306
Freight & Cartage	2418249	1454097
Commission & Discount	2706448	3161178
Entertainment Expenses	128512	170661
Postage, Telephone & Fax	720200	560715
Printing & Stationary	209522	222637
Refreshments	394191	327383
Sundry Expenses	175666	104044
Security Charges	1054287	1102681
Vehicle Expenses	732695	701137
Diwali & pooja expenses	112948	154652
<b>Prior Period Items</b>		
Postage & Telephone	2693	1281
Sundry expenses	18949	33230
Vehicle expenses	0	7357
Entertainment exp	4809	0
Professional fees	0	40000
Interest	0	5489
Other General Expenses	<u>2869604</u>	<u>4704633</u>
<b>TOTAL</b>	<u><u>55108610</u></u>	<u><u>53318228</u></u>
<b>2.26 TAX EXPENSES</b>		
<b>Current Tax:</b>		
Income Tax	4343821	1692000
Short provision of Income tax relating to earlier years	(62129)	910391
	<u>4281692</u>	<u>2602391</u>
Deferred Taxes	(54000)	31000
<b>TOTAL</b>	<u><u>4227692</u></u>	<u><u>2633391</u></u>
	<u>2012</u>	<u>(₹ in Lacs) 2011</u>
<b>2.27 CONTINGENT LAIBILITIES</b>		
i) In respect of Income Tax matters contested by the company	2.52	59.31
ii) In respect of Custom Duty matter	4.51	4.51
iii) Estimated Amount of Contracts remaining to be executed on Capital Accounts and not provided for in the accounts.	15.00	46.44

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (Contd.)****2.28. SEGMENT REPORTING**

Company is exclusively engaged in the Gems & Jewellery Business, which as per Accounting Standard AS-17 is considered the only primary reportable business segment.

**GEOGRAPHICAL SEGMENT REPORTING (GEMS & JEWELLERY)**

(₹ in Lacs)

COUNTRY	SALES	BALANCE ON	SALES	BALANCE ON
	31/03/2012	31/03/2012	31/03/2011	31/03/011
<b>EXPORTS</b>				
U.S.A.	2513.23	625.93	2022.32	321.31
EUROPE	2142.03	342.79	2466.86	302.19
MIDDLE EAST	1229.26	259.50	1458.55	550.82
OTHERS	969.88	579.25	970.69	568.92
LOCAL SALES	309.63	72.00	218.37	32.63
	<u>7164.03</u>	<u>1879.47</u>	<u>7136.79</u>	<u>1775.87</u>

**2.29. RELATED PARTY TRANSACTIONS**

Related Party Disclosures have been set out below. The Related parties, as defined by Accounting Standard 18 related party disclosure, issued by Institute of Chartered Accountants of India, in respect of which the disclosures have been made, have been identified on the basis of information available with the company.

**A) Wholly owned Subsidiary Companies**

- i) Shantivijay Jewels International Ltd. -Mauritius
- ii) Shantivijay Impex DMCC (Subsidiary of Shantivijay Jewels International Ltd.)

**B) Associate Companies**

- i) Precious Gems Pvt. Ltd.
- ii) Diamondere Pvt. Ltd.

**C) Key Management Personnel & Relatives**

Shree Pradeep Kumar Godha - Chairman & Managing Director

Shree Anurag Godha - Vice Chairman & Managing Director

Smt. Rajrani Godha

Smt. Sudha Godha

Smt. Namita Godha

Shri Varun Godha

} Relatives of Directors

Contd..

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (Contd.)**

Details of Transactions are as below:

(Figures in ₹)

SR. NO	NAME OF THE PARTY	RELATIONSHIP	NATURE OF TRANSACTION	TRANSACTION AMOUNT 31.03.2012	OUTSTANDING 31.03.2012	TRANSACTION AMOUNT 31.03.2011	OUTSTANDING 31.03.2011
1	Diamondere Pvt Ltd	Associate Company	Sales & services	580780	580780 DR	0	0
2	Pradeep Kumar Godha	Managing Director	Remuner+perks	2588900	986278 CR	2252783	422110 CR
3	Anurag Godha	Managing Director	Remuner+perks	2677031	756987 CR	2306619	319264 CR
4	Rajrani Godha	Relative of Director	Remuneration+Bonus and rent paid/Advance recd/ Security deposit paid	217680 0 0	74588 CR 562350 CR 8500000 DR	148320 0 0	28483 CR 1162350 CR 8500000 DR
5	Sudha Godha	Relative of Director	Remuneration+Bonus	223970	81522 CR	205704	90844 CR
6	Namita Godha	Relative of Director	Remuneration+Bonus Sale of Jewellery	223970 0	66461 CR 0	205704 87971	160573 CR 0
7	Varun Godha	Relative of Director	Remuneration+Bonus	135000	135000 CR	0	0
8	International Financial Services Ltd	Company in which Director are interested	Remuneration	119113	0	113900	0
<b>Surety given to Company's banker by Third parties</b>							
1	Precious Gems P.Ltd	Associate Company	Surety given to Company bankers (without any charge)	Market value	11400000		11400000
2	Rajrani Godha	Relative of Director	—do—	Market value	29400000		29400000

**2.30. EARNING PER SHARE (EPS)**

EPS computed in accordance with Accounting Standard - 20.

	<b>2012</b>	(₹ in Lacs) 2011
<b>Basic &amp; Diluted</b>		
Profit after Tax as per Accounts	<b>295.63</b>	208.54
Number of Equity Shares issued	<b>3002000</b>	3002000
Par Value of the Shares	<b>10</b>	10
EPS (Basic & Diluted) ₹	<b>9.85</b>	6.95

 IN TERMS OF OUR ATTACHED  
REPORT OF EVEN DATE

**B.F. Chordia & Co.**  
Chartered Accountants

 Sd/-  
**B. F. Chordia**  
Proprietor

 Place : Mumbai  
Dated : 11<sup>th</sup> May, 2012

 For **SHANTIVIJAY JEWELS LTD.**

 Sd/-  
**P. K. GODHA** (Chairman & M.D)

 Sd/-  
**A. K. GODHA** (Vice Chairman & M.D)

 Sd/-  
Directors  
**A.R.SHAH**  
**J.B.SHAH**  
**T.A.MAVANI**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

	2012 ₹	2011 ₹
(₹ in Thousands)		
<b>A. CASH FLOW FROM OPERATION ACTIVITIES :-</b>		
<b>Net Profit before tax &amp; extraordinary items</b>	<b>34811</b>	<b>22973</b>
<b>Adjustments for :</b>		
Depreciation & Amortisation	5728	4137
Finance Cost	7481	3338
	<b>48019</b>	<b>30448</b>
<b>Adjustments for :</b>		
Write off of over provision	0	0
Interest/Dividend Received	(1688)	(1275)
Loss on sale of Assets	96	126
Profit on sale of Shares	0	(901)
Diminution in the value of Investment	0	183
<i>Operating Profit before working capital changes</i>	<b>46427</b>	<b>28581</b>
<b>Adjustments for :</b>		
Trade receivables	(3029)	(46873)
Inventories	(41236)	(110766)
Short term loans & advances	(4174)	(6052)
Long term loans & advances	(6807)	(6195)
Other Current assets	(2430)	65
Other non-current assets	(400)	16
<i>Cash generated from Operation</i>	<b>(11648)</b>	<b>(141224)</b>
<b>Increase/(Decrease) in operating liabilities</b>		
Trade Payables	(3775)	40592
Other Current liabilities	8013	3612
Short term Provisions	1232	184
Cash generated from Operation	(6178)	(96836)
Finance Cost	(7481)	(3339)
Taxes Paid	(2630)	5536
<b>Net cash (used in)/from Operating activities</b>	<b>(16290)</b>	<b>(94640)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :-</b>		
Purchase of Fixed assets	(13007)	(12030)
Investments	10079	1159
Surplus in closing of Subsidiaries	0	58664
Sale of Fixed Assets.	187	128
Profit on sale of shares	0	901
Interest & Dividend Received	1688	1275
<b>Net cash /(used in)/from Investment activities</b>	<b>(1053)</b>	<b>50097</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :-</b>		
Increase in bank borrowings	27552	23373
<b>Net cash (used in)/from Finance activities</b>	<b>27552</b>	<b>23373</b>
<b>NET INCREASE IN CASH EQUIVALENTS (B+C+A)</b>	<b>10208</b>	<b>(21170)</b>
Cash and Cash Equivalents		
Opening Balance	6387	4518
Closing Balance	<b>16593</b>	<b>(16652)</b>
	<b>10208</b>	<b>(21170)</b>

( ) Indicates deductions.

Note : Difference in the opening balance of cash &amp; cash equivalent is due to exchange translation difference.

IN TERMS OF OUR ATTACHED  
REPORT OF EVEN DATE**B.F. Chordia & Co.**  
Chartered Accountants

Sd/-

**B. F. Chordia**  
Proprietor

Place : Mumbai

Dated : 11<sup>th</sup> May, 2012For **SHANTIVIJAY JEWELS LTD.**

Sd/-

**P. K. GODHA** (Chairman & M.D)

Sd/-

**A. K. GODHA** (Vice Chairman & M.D)

Sd/-

Directors

**A.R.SHAH****J.B.SHAH****T.A.MAVANI**

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN THE SUBSIDIARY COMPANIES**

Name of Subsidiary Company	Shantivijay Jewels International Limited (Mauritius)	Shantivijay Impex DMCC
The financial year of the Subsidiary companies ended on	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2012
Date From which they become subsidiary Companies	22 <sup>nd</sup> May, 1998	15 <sup>th</sup> June, 2005
a. Number of shares held by Shantivijay Jewels Limited with its nominees in the subsidiaries at the end of the financial year of the subsidiary companies	450250 Ordinary Shares of US \$ 1/- each fully paid- up.	54496 200 Ordinary shares of AED 1000/- each fully paid up.
b. Extent of interest of holding company at the end of the financial year of the subsidiary companies	100%	100%
The net aggregate amount of the subsidiary companies Profit/(Loss) so far as it concerns the members of the holding Company.		
a. Not dealt with in the holding Company's accounts		
i) For the financial year ended 31 <sup>st</sup> March,2012	US\$ (13142/-) (equivalent to ₹(626151/-))	US \$ 438084/- (equivalent to ₹ 20872512/-)
ii) For the previous financial years of the subsidiary companies since they became the holding Company's subsidiaries	US\$1626138/- (equivalent to ₹72509493/-)	US \$ 285620/- (equivalent to ₹ 12735796/-)
b. Dealt within holding Company's accounts:		
i) for the financial year ended 31 <sup>st</sup> March 2012	NIL	NIL
ii) For the financial years of the subsidiary companies since they became the holding company's subsidiaries	NIL	NIL

For SHANTIVIJAY JEWELS LTD.

Sd/-

**P. K. GODHA** (Chairman & M.D)

Sd/-

**A. K. GODHA** (Vice Chairman & M.D)

Sd/-

Directors

**A.R.SHAH**
**J.B.SHAH**
**T.A.MAVANI**

Place : Mumbai

 Dated : 11<sup>th</sup> May, 2012

**FINANCIAL DETAILS OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

(₹ in Lacs)

Particulars	Shantivijay Jewels International Ltd. (Mauritius)	Shantivijay Impex DMCC
Share Capital	229.04	27.72
Reserves & Surplus	820.53	368.15
Total Assets	1049.57	1415.77
Total Liabilities	1049.57	1415.77
Details of Investments	27.72	0.00
Turnover (Including other Income)	0.00	2227.71
Profit before Tax	(6.26)	208.73
Provision for Tax	0.00	0.00
Profit after Tax	(6.26)	208.73
Proposed Dividend	0.00	0.00

**SHANTI VIJAY JEWELS LIMITED**

Registered Office: G-37, Gem & Jewellery Complex, Bldg, No. III. SEEPZ, Andheri (E), Mumbai-400 096.

**THIRTY NINTH ANNUAL GENERAL MEETING 20TH JULY, 2012**

**ADMISSION SLIP**

Folio No./Client ID

I certify that I am a registered shareholders/proxy for the registered shareholders of the Company.

I hereby record my presence at the THIRTY NINTH ANNUAL GENERAL MEETING of the Company being held at N. J. Nair Conference Room, Indian Textile Accessories & Manufacturers' Association, Bhogilal Hargovindas Building, 4th floor, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai 400001 on Friday 20<sup>th</sup> July, 2012 at 10.00 A.M.

\_\_\_\_\_  
Name of the Member in BLOCK Letters

\_\_\_\_\_  
Member's Signature

\_\_\_\_\_  
Name of the Proxy in BLOCK Letters

\_\_\_\_\_  
Proxy's Signature

Note Please fill the attendance slip and hand it over at the ENTRANCE OF THE HALL.

\_\_\_\_\_ (Tear Here) \_\_\_\_\_

**SHANTI VIJAY JEWELS LIMITED**

Registered Office: G-37, Gem & Jewellery Complex, Bldg, No. III. SEEPZ, Andheri (E), Mumbai-400 096.

**THIRTY NINTH ANNUAL GENERAL MEETING 20TH JULY, 2012**

**FORM OF PROXY**

Folio No./Client ID

I/We \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_

being a member/members of SHANTIVIJAY JEWELS LIMITED, hereby appoint \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_

of failing him/her \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the THIRTY NINTH ANNUAL GENERAL MEETING of the Company to be held on Friday 20<sup>th</sup> July, 2012 and at any adjournment thereof.

Place

Date

Affix  
Re. 1/-  
Revenue  
Stamp

Signed \_\_\_\_\_

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

(Tear Here)