

SHANTIVIJAY JEWELS LTD.



BEYOND EXCELLENCE

ANNUAL REPORT 2013-14



SHANTIVIJAY JEWELS LIMITED

BOARD OF DIRECTORS

PRADEEP KUMAR GODHA

(Chairman & Managing Director)

ANURAG GODHA

(Vice Chairman & Managing Director)

JEFFREY K. STERN

AMBUJ A. KASLIWAL

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 is hereby given that the 41st Annual General Meeting of the Members of SHANTIVIJAY JEWELS LIMITED will be held at Conference Hall, All India Institute of Local Self-Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Gali, Andheri (West), Mumbai 400 058 on **Monday, 29th September, 2014 at 3.00 p.m** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri. Anurag Godha (DIN: 00008224), who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration and, in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act 2013 and the Rules made there under, and pursuant to recommendation of the Audit Committee of the Board of Directors, B. F. Chordia & Co., Chartered Accountants (Firm Regn. No. FRN:101914W) be and are hereby appointed as statutory auditors of the Company, to hold office from the conclusion of this Annual General Meeting(AGM) until the conclusion of the next AGM of the Company, on such remuneration and reimbursement of out of pocket expenses, as shall be decided/approved by the Board of Directors."

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to such approvals, as may be necessary, the Company hereby approves the reappointment of Shri. Pradeep Kumar Godha (DIN: 00008194), Chairman, as the Managing Director of the Company for a period of five years with effect from 1st September, 2014 on the terms and conditions including remuneration as set out in the draft agreement proposed to be entered into by the Company with him and submitted to this meeting, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter or vary the terms and conditions of the said appointment and/or agreement as the Board of Directors in its discretion deem fit and as acceptable to Shri. Pradeep Kumar Godha."
5. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to such approvals, as may be necessary, the Company hereby approves the reappointment of Shri. Anurag Godha (DIN: 00008224), Vice Chairman as the Managing Director of the Company for a period of five years with effect from 1st September, 2014 on the terms and conditions including remuneration as set out in the draft agreement proposed to be entered into by the Company with him and submitted to this meeting, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter or vary the terms and conditions of the said appointment and/or agreement as the Board of Directors in its discretion deem fit and as acceptable to Shri. Anurag Godha."
6. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:
"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereof and the Rules made thereunder, and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof, for the time being in force), Shri. Apurva R. Shah (DIN: 00004781), Director of the Company whose period of office was liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the said Act, signifying his intention to propose Shri. Apurva R. Shah as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 1(one) year with effect from date of this Annual General Meeting, not liable to retire by rotation."
7. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:
"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereof and the Rules made thereunder, and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof, for the time being in force), Shri. Tushar A. Mavani (DIN: 00478763), Director of the Company whose period of office was liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the said Act, signifying his intention to propose Shri. Tushar A. Mavani as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent

Director of the Company to hold office for a period of 1(one) year with effect from date of this Annual General Meeting, not liable to retire by rotation.”

8. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:
 “RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereof and the Rules made thereunder, and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof, for the time being in force), Shri. Ambuj A. Kasliwal (DIN: 00679286), Director of the Company whose period of office was liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the said Act, signifying his intention to propose Shri. Ambuj A. Kasliwal as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 1(one) year years with effect from date of this Annual General Meeting, not liable to retire by rotation.”
9. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:
 “RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereof and the Rules made thereunder, and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof, for the time being in force), Shri. Jayant B. Shah (DIN: 01426873), Director of the Company whose period of office was liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the said Act, signifying his intention to propose Shri. Jayant B. Shah as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 1(one) year with effect from date of this Annual General Meeting, not liable to retire by rotation.”
10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:
 “RESOLVED that pursuant to Section 180(1)(c) and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board”) to borrow any sum or sums of money/ies, from time to time, notwithstanding that money so borrowed together with the money/ies already borrowed by the Company (apart from temporary loans obtained /to be obtained from the Company’s bankers in the ordinary course of business), and outstanding at any point of time, may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose, provided that the total amount so borrowed by the Board shall not exceed ₹ 25 crore (Rupees Twenty five crores).

RESOLVED FURTHER that the Board of the Company be and is hereby authorized to arrange and finalise the terms and conditions of all such monies to be borrowed from time to time and to do all such acts, matter, deeds and things as may be necessary or expedient for implementing and for giving effect to the above resolution in the best interest of the Company.”

Registered Office:

G-37, Gem & Jewellery Complex,
 Building No. III, SEEPZ, Andheri (East),
 Mumbai 400 096.
 Tel.: +91 22 42182244 Fax: +9122 28291360/42182211
 Email: shantivijay@shantivijay.com
 Website: <http://www.shantivijay.com/>
 CIN: L36910MH1980PLC023289

Dated : 25th August, 2014

BY ORDER OF THE BOARD

Sd/-

Pradeep Kumar Godha
 Chairman & Managing Director
 (DIN: 00008194)

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 person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
 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 102 of the Companies Act, 2013 in respect of special business above is annexed.
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, 20th September, 2014 to Monday, 29th September, 2014** (both days inclusive).
5. **The members are requested to:**
 - (i) Intimate change in their registered address, if any, to the Company's Registrar and Share Transfer Agents, 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.
 - (ii) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.
 - (iii) 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.
 - (iv) Register your email address and change, if any, therein from time to time with Bigshare Services Private Limited for shares held in physical form and with their Depository Participants for shares held in demat form.**
 - (v) Send or address all their shares related matters/correspondence directly to M/s. Bigshare Services Private Limited.
 - (vi) Note that Section 72 of the Companies Act, 2013 provides for Nomination by the shareholders of the Company in the prescribed Form No. SH 13 for shares held in physical form. Blank 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.
 - (vii) 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. 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.
7. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends as on the date of the 40th Annual General Meeting (AGM) held on 21st September, 2013, on the website of the IEPF viz. www.iepf.gov.in and on the Website of the Company viz. www.shantivijay.com
8. The Company is concerned about the environment. We request you to update your email address with your Depository Participants to enable us to send you communications via email. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to provide their e-mail addresses by sending an e-mail to the Company at investors@shantivijay.com.
9. Copies of the Annual Report 2013-14 are being sent by electronic mode only to all the members whose email addresses are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report for 2013-14 are being sent by the permitted mode.
10. Members/Proxies should bring the duly filled Attendance slip enclosed herewith to attend the meeting.
11. In terms of Sections 107 and 108 of the Companies Act, 2013 read with the Rules made thereunder, the Company is pleased to provide the facility to its Members holding shares in physical or dematerialized form as on the cut-off date, being 22nd August, 2014, to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL). Details of the process and manner of e-voting along with the User ID and Password is being sent to all the Members along with the AGM Notice.
12. In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, upon poll being demanded, in the larger interest of the Members, the Chairman may order a poll on his own motion or on demand at the Meeting in terms of Section 109 of the Companies Act, 2013 for all businesses specified in the AGM Notice. For abundant clarity, in the event of poll, please note that the Members who have exercised their right to vote by electronic means shall not vote by way of poll at the Meeting. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company, subject to the provisions of the Companies act, 2013. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Rules made thereunder.
13. The Results declared along with Scrutinizer's Report(s) will be available on the website of the Company (www.shantivijay.com) within two (2) days of passing of the resolutions and communication of the same to the BSE Limited.

14. VOTING THROUGH ELECTRONIC MEANS:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Forty First Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:
- (i) Open email and open PDF file viz; "Shantivijay Jewels e-voting services" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder – Login.
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of Shantivijay Jewels Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to investors@shantivijay.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :
EVEN (E Voting Event Number) USER ID PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on September 22, 2014 (9:00 am) and ends on September 24, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of August 22, 2014.
- VII. CS Sunil M. Dedhia, Company Secretary in Practice (Membership No. FCS 3483) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.shantivijay.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

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

Name of the Director	Shri. Anurag Godha	Shri. Pradeep Kumar Godha	Shri. Jayant B. Shah
Age (years)	53 Years	56 Years	67 Years
Date of Appointment	17.08.1989	11.12.1986	26.07.2002
Qualification	B.Sc.	B.sc	B.com
Expertise in specific functional areas	He has excellent experience and exposure to jewellery manufacturing operations and international markets.	He has excellent experience and exposure to jewellery manufacturing operations and international markets.	Reputed & experienced businessman & good exposure to import/export business
Chairmanship/ Directorship held in other public companies	NIL	NIL	Director in- G Jewelcraft Limited
Membership held in Committees of such Boards of other public companies	NIL	NIL	Member in Remuneration Committee of G Jewelcraft Limited

Name of the Director	Shri. Ambuj A. Kasliwal	Shri. Tushar A. Mavani	Shri. Apurva R. Shah
Age (years)	64 Years	49 Years	44 Years
Date of Appointment	01.06.2011	30.06.2006	26.07.2002
Qualification	B. Sc., P.M.D. (Harvard Business School)	B.Com., L.L.B.	Chartered Accountant, Cost and Works Accountant and a graduate from the London School of Economics and Political Sciences with a distinction in International Accounting and Finance. He was a rank holder in the Chartered Accountancy Examinations with an award for the highest distinction in Financial Accounting and in direct tax laws
Expertise in specific functional areas	He is an industrialist and has 40 years vast and rich experience in the various fields of textiles business.	Mr. Tushar Mavani is partner of M/s. Amarchand Mangaldas & Suresh A. Shroff & Co., Advocates Solicitors since 9th June, 2009 and has been in practice since 1991.	He is a Senior Partner in well known firm of Chartered Accountants - Rajendra & Co. He has over the years developed expertise in areas such as Direct Taxation, Foreign Exchange Management Law, Financial Management and Business Restructuring and in accounting.

Name of the Director	Shri. Ambuj A. Kasliwal	Shri. Tushar A. Mavani	Shri. Apurva R. Shah
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: 1. Kotak Mahindra Pension Fund Limited 2. Kotak Mahindra Trusteeship Services Limited	Director in: 1. AsianStar Company Ltd. 2. Fine Line Circuits Ltd. 3. Steelcast Ltd.
Membership held in Committees of such Boards of other public companies	NIL	Member in : Shareholders Grievances Remuneration Committee of the Company.	Member in : Audit Committee Shareholders Grievances Committee and Remuneration Committee of- Asian Star Company Ltd. Audit Committee and Remuneration Committee of Fine Line Circuits Ltd., Steelcast Ltd.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item Nos. 4 & 5

Shri. Pradeep Kumar Godha and Shri. Anurag Godha were appointed as Managing Directors of the Company w.e.f 1st September, 2011 for a term of 3 years and their tenure is due for expiry on 31st August, 2014.

Based on the recommendation of the Nomination and Remuneration Committee duly approved by a resolution passed at its meeting, the Board of Directors (Board) at its meeting held on 29th July, 2014, has reappointed Shri Pradeep Kumar Godha and Shri Anurag Godha as the Managing Director(s) of the Company with effect from 1st September, 2014 for a period of five years upon the terms and conditions contained in the draft agreements proposed to be entered into by the Company with each of them, subject to the approval of the Company. The said agreements, inter alia, contain the following material terms and conditions :

Particulars	Shri. Pradeep Kumar Godha	Shri. Anurag Godha
Designation	Managing Director	Managing Director
Period	01.09.2014 to 31.08.2019	01.09.2014 to 31.08.2019
Salary per month	₹3,00,000/-	₹3,00,000/-

- **Perquisites** : Free Furnished Housing accommodation or house rent allowance in lieu thereof together with furnishings, with gas, electricity, water, and other amenities; Reimbursement of medical expenses incurred in India or abroad including hospitalization and surgical charges and travel expenses relating thereto and/or medical insurance, for self and family; Reimbursement of expenses on servants, mobile phone, telephone at residence, leave travel including foreign travel for self and family, fees of clubs, personal accident and life insurance premiums; Bonus, special allowances and such other perquisites as may be determined by the Board of Directors from time to time in each of the cases restricted to and subject to the condition that overall remuneration payable shall not exceed the limits specified in Schedule V to the Companies Act, 2013, or any amendments made hereafter in that regard.
- The following perquisites shall not be included in the computation of the ceiling on remuneration specified herein :
 - (i) Contribution to Provident Fund, Super annuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - (ii) Gratuity which shall not exceed half a month's salary for each completed year of services, and
 - (iii) Encashment of leave at the end of the tenure.
- Provision of car with driver for personal use as well as business of the Company, mobile phone and telephone at residence.
- Annual privilege leave to MDs: On full salary for a period of thirty days and shall be entitled to accumulate such leave.

Notice period : 90 days in writing provided that the same may be waived mutually.

The Board shall have power to revise the Salary/Perquisites, on completion of each 12 months period, so that increase in such remuneration for any such period shall not exceed 25 % of the amount of such remuneration prevailing/provided in the period immediately preceding the period for which such remuneration is fixed.

No sitting fee shall be payable for attending the meetings of the Board of Directors or Committee thereof to any of them.

The above Salary and perquisites/allowances shall be payable notwithstanding the inadequacy or no profits in any financial year during the tenure of their respective offices as such.

The terms and conditions of the said appointments and/or agreements may be altered and varied from time to time by the Board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule V to the Companies Act, 2013, or any amendment made hereafter in that regard.

The other terms and conditions of the agreements are such as are customarily contained in agreements of similar nature.

The said reappointments/agreements including the remuneration as aforesaid shall be subject to the approval of the Company and all such sanctions as may be necessary and shall be given effect to as per the modifications, if any, made/approved as aforesaid.

Your Directors commend the said resolutions for your approval in view of the requirements of Section 196, 197 read with Schedule V to the Companies Act, 2013.

Shri. Pradeep Kumar Godha and Shri. Anurag Godha and their relatives are interested in the resolution pertaining to their respective appointment.

None of the other Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolutions.

Item Nos. 6 to 9

Shri. Apurva Rajendra Shah, a Chartered Accountant, Cost and Works Accountant and a graduate from the London School of Economics and Political Sciences with a distinction in International Accounting and Finance has been Independent Director of the Company since July 26, 2002.

Shri. Tushar Mavani a B.Com. and L.L.B. who is partner of M/s. Amarchand Mangaldas & Suresh A. Shroff & Co., Advocates Solicitors since 9th June, 2009 and has been in practice since 1991 has been Independent Director of the Company since June 30, 2006.

Shri. Ambuj Kasliwal a B. Sc., P.M.D. (Harvard Business School) is an industrialist and has 40 years vast and rich experience in the various fields of textiles business has been Independent Director of the Company since June 1, 2011.

Shri Jayant Shah a B.Com is a reputed & experienced businessman & has good exposure to import/export business has been Independent Director of the Company since July 26, 2002.

Shri Apurva Shah, Shri. Tushar Mavani, Shri Ambuj Kasliwal and Shri. Jayant Shah, Independent Directors of the Company, had been appointed as Directors liable to retire by rotation in terms of the Listing Agreement. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, all of them being eligible and seeking re-appointment on request, are proposed to be appointed as Independent Directors for a period of one year.

The Company has received notices in writing under the provisions of Section 160 of the Companies Act, 2013 from members along with a deposit of ₹ 1,00,000/- in each case, proposing candidature of Shri Apurva Shah, Shri. Tushar Mavani, Shri Ambuj Kasliwal and Shri. Jayant Shah for the office of Independent Directors, to be appointed as such.

The Company has received from each of the said Directors, consent in writing to act as director and declaration to the effect that they are not disqualified under Section 164(2) of the Companies Act, 2013 in prescribed Form DIR - 2 and DIR - 8 respectively. Further, the Company has received from each of the said Directors, a declaration to the effect that he meets criteria of independence as provided in Section 149(6) of the said Act. Further, in terms of Sections 149, 152 read with Schedule IV of the Companies Act, 2013, the Board of Directors have reviewed the declaration made by each of the said Directors that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the Board is of opinion that they fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder and are independent of the management.

The Board considers that continued association of each of the said Independent Directors would be of immense benefit to the Company in view of their qualification, expertise and experience in their respective field as also exposure to the corporate culture and governance. Further, continued association of each of the said Directors would be of immense benefit to the Company and it is desirable to continue to avail services of each one of them as Independent Directors.

Copies of the draft letters for appointment proposed to be issued to Shri. Apurva Shah, Shri. Tushar Mavani, Shri Ambuj Kasliwal and Shri. Jayant Shah as an Independent Director setting out the terms and conditions thereof are available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day between 11.00 a.m. to 1.00 p.m. excluding Saturdays up to the date of the AGM

The resolutions proposed at Item Nos. 6 to 9 of the accompanying Notice, seek the approval of the members for appointment of each of the said Directors as an Independent Director of the Company for a period set out in the respective resolution up to 31st March, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder and further, not as directors liable to retire by rotation.

Your Board thus commend the said resolutions for your approval.

Shri. Apurva Shah, Shri. Tushar Mavani, Shri Ambuj Kasliwal and Shri. Jayant Shah, are interested in the resolution pertaining to their respective appointment as an Independent Director.

None of the other Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolutions.

Item No. 10

Pursuant to Section 180 of the Companies Act, 2013 effective from 12th September, 2013, prior consent of the Company is required by way of a special resolution to the Board of Directors to borrow funds, apart from temporary loans obtained from the company's bankers in the ordinary course of business, exceeding aggregate of the paid up share capital and free reserves of the Company.

Having regard to the growth in the operations, it is proposed to obtain consent of the members by way of a Special Resolution under Section 180 and other applicable provisions of the Companies Act, 2013, to increase the borrowing powers of the Board of Directors as set out in the draft resolution proposed at Item No. 10 of the accompanying Notice up to ₹ 25 crores.

Your Board thus commend the said resolution for your approval as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

Registered Office:

G-37, Gem & Jewellery Complex,
Building No. III, SEEPZ, Andheri (East),
Mumbai 400 096.
Tel.: +91 22 42182244 Fax: +9122 28291360/42182211
Email: shantivijay@shantivijay.com
Website: <http://www.shantivijay.com/>
CIN: L36910MH1980PLC023289

Dated : 25th August, 2014

BY ORDER OF THE BOARD

Sd/-

Pradeep Kumar Godha
Chairman & Managing Director
(DIN: 00008194)

FINANCIAL HIGHLIGHTS (CONSOLIDATED)

(₹ in Lakhs)

Particulars	Financial years				
	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue from Operations	6119.37	7173.96	7165.02	8650.43	10125.58
Profit Before Tax	51.28	234.87	337.91	335.57	262.44
Profit After Tax	8.05	208.54	295.63	280.95	215.77
Equity Capital	300.20	300.20	300.20	300.20	300.20
Reserves & surplus	2843.97	3043.32	3448.65	3824.22	4213.82
Networth	3144.17	3343.52	3748.85	4124.42	4514.02
Borrowings	1293.76	1527.49	1803.01	1728.44	1774.46
Fixed Assets (Net Block)	294.09	368.92	448.64	399.65	418.4
Net working Capital	2401.27	2445.27	2822.66	3181.21	3483.99
Book Value per share	104.74	111.38	124.88	137.39	150.37
Earning per share (₹)	0.27	6.95	9.85	9.36	7.19
Dividend (%)	0	0	15%	0	0

DIRECTORS' REPORT

TO THE MEMBERS OF SHANTIVIJAY JEWELS LIMITED

Your Directors present their 41st Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2014

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Stand alone for the Company		Consolidated	
	2013-2014	2012-13	2013-2014	2012-13
Income from operations	7317.82	6332.37	10125.58	8650.43
Less : Expenses	7146.48	6237.39	9822.76	8381.66
Depreciation	63.16	60.92	71.61	68.52
Profit from operations before other income and finance costs	108.18	34.06	231.21	200.25
Add: Other Income	108.36	203.63	108.22	202.38
Profit from ordinary activities before finance costs	216.54	237.69	339.43	402.63
Less: Finance Cost	76.99	67.07	76.99	67.07
Profit from ordinary activities before tax	139.55	170.62	262.44	335.56
Less: Tax expenses	46.67	54.61	46.67	54.61
Net profit from ordinary activities after tax	92.88	116.01	215.77	280.95
Net Profit for the period	92.88	116.01	215.77	280.95
Earning Per Share (₹)	3.09	3.86	7.19	9.36

DIVIDEND

With a view to conserve resources, your Directors have not recommended any dividend for the year under review.

OPERATIONS

During the year under review, Sales & Operating Income was 7317.82 lakhs as compared to ₹ 6332.37 lakhs in the previous year with increase of over 15%. Consolidated Sales & operating Income have been ₹ 10125.58 lakhs as compared to ₹ 8650.43 lakhs in the previous year with increase of over 17%. Consolidated Net Profit has been ₹ 204.18 lakhs as against ₹ 280.95 lakhs in the previous year with decline of about 27%.

The Company has sustained its performance inspite 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 has 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, 2014 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, Shri. Anurag Godha, Managing Director, retires by rotation and, being eligible, offers himself for reappointment.

The Company had pursuant to Clause 49 of the Listing Agreement appointed Shri Apurva R. Shah, Shri Tushar A. Marani, Shri. Ambuj A. Kasliwal and Shri Jayant B. Shah as the Independent Directors, whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under Section 149(10) of the Companies Act, 2013, every listed Company is required to have at least one third of the total numbers of Directors on Independent Directors not liable to retire by rotation. In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office for a period of one year.

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, 2014 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
 (DIN : 00008194)

Place : Mumbai
 Dated: 29.05.2014

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 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. product improve ment, cost reduction product development, import substitution etc. | - 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

	2013-2014	2012-13
Foreign Exchange earned	<u>6958.63</u>	<u>5867.17</u>
Foreign Exchange used:		
CIF value of Imports :		
- Raw materials	884.73	826.61
- Stores & consumable including spares	5.14	13.83
- Finished Goods	220.09	342.86
- Fixed Assets	6.98	12.80
Expenditure in foreign currency :		
- Travelling expenses	17.15	13.63
- Exhibition expenses & advance	1.86	11.31
- Bank Charges	0.56	1.32
- Membership & subscription	0.00	0.18
- Postage & Telephone	1.27	1.41
- Sales Commission	12.08	12.16
- Sales Promotion expenses	0.00	13.75
- Advertisement	0.27	0.00

FOR AND ON BEHALF OF THE BOARD

Sd/-
PRADEEP KUMAR GODHA
 CHAIRMAN & MANAGING DIRECTOR
 (DIN : 00008194)

Place : Mumbai
 Dated : 29.05.2014

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 2013-14, four Audit Committee meetings were held on 28.05.2013, 29.07.2013, 29.10.2013 and 24.01.2014.

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

Name of Director	Category	Profession	No. of meetings attended
Shri. Ambuj Abhayakumarji Kasliwal, Chairman	Independent	Industrialist	4
Shri. Apurva Shah	Independent	Chartered Accountant	4
Shri. J. B. Shah	Independent	Business	3

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	5	Yes
Shri. Anurag Godha	Vice- Chairman & Managing Director	Nil	NIL	1	5	Yes
Shri. Ambuj Abhayakumarji Kasliwal	Independent	5	1	NIL	5	No
Shri. Apurva R. Shah	Independent	3	NIL	5	5	Yes
Shri. Jayant B. Shah	Independent	1	NIL	1	3	No
Shri. Tushar Mavani	Independent	2	1	Nil	1	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 2013-14, five meetings were held on 28.05.2013, 12.06.2013, 29.07.2013, 29.10.2013 and 24.01.2014. The last Annual General Meeting (AGM) was held on 21.09.2013.

(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 2013-14, no Committee meeting was held since no complaint was received during 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: No Complaints received during the year. No complaints were pending at the beginning or end of the financial year.

Number of pending share transfers as on 31.03.2014 was NIL. No request for dematerialisation was pending for approval as on 31.03.2014.

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 31.03.2014 are as under:

(Figures in ₹)

Name of Director(s)	Inter se Relation	Sitting Fees	Salary	Perquisites/ Allowances	Total
Shri. Pradeep Kumar Godha	Brother of Anurag Godha	Nil	2700000	299318	2999318
Shri. Anurag Godha	Brother of Pradeep Kumar Godha	Nil	2700000	176312	2876312
Shri. Ambuj Abhayakumar Kasliwal	Nil	45000	Nil	Nil	45000
Shri. Apurva R. Shah	Nil	45000	Nil	Nil	45000
Shri. Jayant B. Shah	Nil	30000	Nil	Nil	30000
Shri. TusharMavani	Nil	5000	Nil	Nil	5000
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
2011	Thursday, 25 th August, 2011 at 10.00 a.m.	G-37, Gem & Jewellery Complex, Building No. III, SEEPZ, Andheri (East), Mumbai 400 096	- 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)
2012	Friday, 20 th July, 2012 at 10.00 a.m.	N. J. Nair Conference Room, Indian Textile Accessories & Manufacturers' Association, Bhogilal Hargovindas Building, 4 th floor, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai 400001	- Approval for issue of further shares/securities u/s 81(1A)
2013	Saturday, 21 st September, 2013 at 3.00 p.m.	Conference Hall, All India Institute of Local Self-Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Gali, Andheri (West), Mumbai 400058	NIL

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 and no penalties or strictures have been imposed on the Company by the said authorities relating to the above save and except as under:

Details of Non-Compliance with regard to Capital Market

As per the continuous listing requirements, every Company (Other than Public Sector Company) shall maintain Public Shareholding of at least 25 percent. Any listed Company which has public shareholding below 25 percent on the commencement of the Securities Contracts (Regulation) (Amendment) Rules, 2010 ("SCRA"), was required to increase its public shareholding to at least 25 percent, within a period of 3 years from the date of such commencement, in the manner specified by SEBI i.e., by June 3, 2013.

Your Company being a Listed Company was also required to comply with the above provisions. Your Company's public shareholding was 6.90% as on March 31, 2013. As per SCRA this holding should be increased to a minimum of 25.

As the minimum public shareholding was not achieved, SEBI has issued certain directions vide Order dated June 4, 2013 (the "Order") to all non-compliant companies, pending final order. A brief summary of the Order is as given below:

1. SEBI has directed for the purpose of complying with the requirement of public shareholding, till such time these Companies comply with the Minimum Public Shareholding requirement, inter alia, as under:

a) Freezing of Voting Rights and Corporate benefits like dividend, Rights, Bonus Shares, Split, etc. with respect to the excess of proportionate promoter/promoter group shareholding in the non-compliant companies.

For the purpose of above direction proportionate promoter/promoter group shareholding shall be computed on the basis of Public Shareholding in the Company at three times the existing public shareholding.

b) Prohibiting the promoter/promoter group and directors of these non-compliant companies from buying, selling or otherwise dealing in the securities of their respective companies, either directly or indirectly, in any manner whatsoever, except for the purpose of complying with the requirement of public shareholding.

c) Restraining the shareholders forming part of the promoter/promoter group from holding any new position as a director in any listed company.

d) Restraining the directors of such companies from holding any new position as a director in any listed company.

2. The said Order is without prejudice to the right of SEBI to take any other action, including the following against the non-compliant companies, their promoters and/or directors or issuing such directions in accordance with law:

a) levying monetary penalty under adjudication proceedings;

b) initiating criminal proceedings;

c) moving the scrip to trade-to-trade segment;

d) excluding the scrip from F&O segment;

e) any other action/direction as may be deemed appropriate.

In order to comply with the Minimum Public Shareholding Threshold (i.e., 25 of the aggregate paid up share capital of the company being held by the 'public' category of shareholders), the Promoters of the Company had made two Offer for Sale

(OFSs) to the public shareholders. However, through OFSs, public shareholding could be increased only to 13% as on 31.03.2014.

In view of this, based on indication by the Promoters, the Company proposed to delist its shares from BSE Ltd. Necessary special resolution in this regard was passed through postal ballot process on 3rd May, 2014 in terms of the requirements of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. The Company has since then submitted to the SEBI authorities for permission to proceed with the voluntary delisting which is awaited.

(c) Transactions with related party are disclosed in Note No. 2.31 - 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 Company (www.shantivijay.com) and BSE 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 BSE Limited.

(9) General Shareholders Information

1. 41st Annual General Meeting – Day, Date, Time and Venue

Day	Date	Time	Venue
Monday	29 th September, 2014	3.00 p.m	Conference Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Gali, Andheri (West), Mumbai 400 058

2. Financial Calendar

Financial Year	1st April to 31st March
Adoption of Quarterly Results	3 rd or 4 th week of the month following each calendar quarter
Dates of Book Closure (Both days inclusive)	Saturday 20 th September, 2014 to Monday, 29 th September, 2014 (Both days inclusive)

3. Listing & Liquidity on Stock Exchanges:

BSE Limited
Stock Code: 530989
(included under S category)

Listing fees: The Company confirms that it has paid the annual listing fee to the BSE 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 31st March, 2014, 29,12,681 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.: 42182244 Fax : 28291360
 E-mail : 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

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
Apr 13	119.00	106.00	2,008
May 13	113.50	113.50	10
Jun 13	NA	NA	NA
Jul 13	NA	NA	NA
Aug 13	NA	NA	NA
Sep 13	119.00	119.00	16
Oct 13	NA	NA	NA
Nov 13	NA	NA	NA
Dec 13	NA	NA	NA
Jan 14	119.25	119.25	6
Feb 14	113.30	97.20	503
Mar 14	92.35	68.05	2,175

In view of infrequent trading in shares of the company relative movement Chart in the Company Share price vis-a-vis BSE sensx is not given.

8. Shareholding Pattern as on 31.03.2014

Category	No. of Shares	%
Promoters – Indian	2611606	87
Non-promoters :		
Bodies Corporate	75038	2.5
NRIs/OCBs	60435	2
Public	254921	8.5
Foreign National	0	0
Total	3002000	100.00

Distribution of Shareholding as on 31.03.2014

Nominal Value of Shares (₹)	Shareholders		Shares	
	Number	%	Value (₹)	%
1-5000	560	88.8889	518750	1.7280
5001-10000	25	3.9683	190270	0.6338
10001-20000	17	2.6984	247900	0.8258
20001-30000	2	0.3175	48900	0.1629
30001-40000	4	0.6349	136150	0.4535
40001-50000	1	0.1587	50000	0.1666
50001-100000	4	0.6349	315970	1.0525
100001-999999999	17	2.6984	28512060	94.9769
TOTAL	630	100.00	30020000	100.00

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 29.05.2014.

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: 29/05/2014

Pradeep Kumar Godha
 Chairman & Managing Director
 (DIN : 00008194)

Non-Mandatory Requirements

Remuneration Committee

The Remuneration Committee comprised of Shri. Ambuj Kasliwal, Chairman of the Committee, Shri. Tushar Mavani, Shri. Apurva

Shah and Shri. Jayant Shah, all of which are independent Directors. During the year 2013-14, no meeting of Remuneration Committee was held. 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 31st March, 2014 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
FRN : 101914W

Place: Mumbai.
Date: 29/05/2014

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Overview & Industry Developments

India's gems and jewellery exports, which contribute about 15 per cent of the country's overseas shipments, fell by about 9 per cent to USD 39.5 billion in 2013-14. Exporters were already facing a demand slowdown in the western markets and the imposition of curbs on gold imports acted as a double whammy. The government took steps last year to contain gold imports in a bid to narrow the current account deficit. It raised the import duty on the metal to 10 per cent and made it mandatory for traders to export 20 per cent of imported gold, creating a supply crunch in the domestic market. A local supply shortage hit exports as well, with volumes declining on a monthly basis. The gems and jewellery industry in India caters to both domestic and export demand. The gems and jewellery export sector employs 1.5 million people.

With election of new Government at Centre with clear majority, the effects of near term macro instability in the country appears to have diminished with the narrowing of twin deficits current account and fiscal, rebuilding of the foreign exchange reserves, strengthening of the rupee, all of which point towards disinflationary path for Indian economy. However, economic recovery is yet to materialize as more efforts from the Government are required in terms of removing structural impediments, building business confidence and creating environment in the country to support investment.

Growth in the Indian economy has had been spiraling downward from 9.5 in FY 2011 to around 4.5 in FY 2014. The view in business circles is that the negative growth appears to have bottomed out in Q2 and Q3 of FY 2014 recording 4.8 growth with clear signs of recovery yet to emerge.

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

Financial and Operational Performance

The Company has made Sales of ₹ 7317.82 as compared to ₹ 6332.37 lakhs in the previous year with increase of over 15%. Consolidated Sales & operating Income have been ₹ 10125.58 lakhs as compared to ₹ 8650.43 lakhs in the previous year with increase of over 17%. Operating Profit has been ₹108.18 lakhs as against ₹ 34.06 lakhs in the previous year. It may be noted that operating profit for the year 2012-13 had been significantly lower over mainly due to increased raw material prices. With controlled interest costs, newer market development and better designs, the Company has been able to sustain its volumes and improve margins during the year under review. Net profit of ₹ 92.88 lakhs was reported as against ₹ 116.01 lakhs in the previous year mainly due to lower other income. Consolidated Net Profit has been ₹ 215.77 lakhs as against ₹ 280.95 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 :

EXPORTS to:	₹ in Lakhs	
	Stand Alone	Consolidated
U.S.A.	2297.27	2488.08
EUROPE	761.99	2616.81
MIDDLE EAST	2138.81	2795.96
OTHERS	1775.66	1880.64
LOCAL SALES	340.15	340.15
Total	7313.88	10121.64

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.

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 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 31st March, 2014. 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.
 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 5(five) times respectively on 28.05.2013, 12.06.2013, 29.07.2013, 29.10.2013 and 24.01.2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
 5. The Company closed its Register of Members from Saturday, 14th September, 2013 to Saturday, 21st September, 2013 (both days inclusive) 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 31st March, 2013 was duly held on 21.09.2013 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 lodgement 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 deposited the amount of dividend declared in a separate bank account on 20.07.2012 which is within five days from the date of declaration of such dividend.
 - (iii) paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with HDFC Bank, Mumbai on 19.08.2012.
 - (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. There was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy during the financial year.
 15. The Company has not made any fresh appointment of Managing Director/Whole time Director / 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 ₹ Nil outstanding as on 31st March, 2014 and the Company has filed the copy of Statement in lieu of advertisement as required with the Registrar of Companies, Maharashtra on 23.09.2013. The Company has also duly filed 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 31st March, 2014. 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: 29.05.2014

Annexure "A" annexed to and forming part of Compliance Certificate dated 29th May, 2014

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: 29th May, 2014

Annexure "B" annexed to and forming part of Compliance Certificate dated 29th May, 2014

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 31st March, 2014.

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 62	58A	Return of Deposit as on 31.03.2013	12.06.2013	Yes	N.A.
2	Form 62	58A	Filing of Statement in lieu of Advertisement	23.09.2013	Yes	N.A.
4	Form 5 INV	Rule 3 of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012	Statement of unclaimed and unpaid amounts as on 31.03.2013	20.11.2013	Yes	N.A.
5	Form 66	383A	Compliance Certificate for the financial year ended 31.03.2013	01.10.2013	Yes	N.A.
6	Form 20B	159	For Annual Return as on 21.09.2013	06.11.2013	Yes	N.A.
8	Form 23AC and 23ACA (XBRL)	220	For Balance Sheet As at 31.03.2013	11.10.2013	Yes	N.A.

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

Company Secretaries

Sd/-

Sunil M. Dedhia

Proprietor

C. P. No. 2031

Place: Mumbai
Date: 29th May, 2014

Independent Auditor's Report to the Members To the Members of Shantivijay Jewels Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Shantivijay Jewels Limited which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant Accounting policies and other explanatory information.

Management Responsibility for the Financial Statement

Management is responsible for

- a) The preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act").
- b) This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements read

with notes thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit & Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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 those books
 - c) the Balance Sheet, 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, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) We have been informed that the Central Government has not issued any notification as to the levy of cess.

For **B. F. CHORDIA & CO**
Chartered Accountants
FRN: 101914W

Sd/-

B. F. Chordia
Proprietor

Place : Mumbai
Date : 29th May, 2014

Membership No.: 9026

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Shantivijay Jewels Limited on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. In respect of its fixed assets:

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) 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:

- (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to 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.

- (a) 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
- (b) During the year Company had not taken any fresh loans from such parties.

4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major

instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

- 5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- b) 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. No order has been passed by CLB, National law tribunal or RBI or any other court or Tribunal.
- 7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
- 8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act. Company have made and maintained such records properly.
- 9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable except Service Tax of ₹ 12.35 lacs payable under amnesty scheme & unquantified penalty for 2000-2001 for Income tax.
- (b) According to the information and explanations given to us, The disputed statutory dues aggregating to ₹ 678.46 lacs, that have not been deposited on account of matters pending before appropriate authorities are as under:

Sr. No.	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. 2011-2012	CIT (A)	673.95
2	Customs excise & Service Tax Act	Custom Duty	Custom & Service tax Appellate Tribunal	4.51

10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.

11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to the bank.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to the information & explanations given to us during the year company have not traded in shares, securities, mutual funds.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. No Term loan taken during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
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
FRN: 101914W

Sd/-

B. F. Chordia
Proprietor

Membership No.: 9026

Place : Mumbai
Date : 29th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	As at 31st March 2014 (₹)	As at 31st March 2013 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital	2.1	30020000	30020000
(b) Reserves and Surplus	2.2	243352393	234063964
2. Non-Current Liabilities			
(a) Long-term borrowings	2.3	0	418587
(b) Other Long term liabilities	2.4	440000	0
(c) Long-term provisions	2.5	181442	200365
3. Current Liabilities			
(a) Short-term borrowings	2.6	177005954	172425214
(b) Trade payables	2.7	72097126	46840266
(c) Other current liabilities	2.8	4480490	5313293
(d) Short-term provisions	2.9	1477491	1379159
Total		529054896	490660848
II. Assets			
1. Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	2.10	30814148	29803735
(ii) Intangible assets	2.10	4268168	3280379
(b) Non-current investments	2.11	19002385	19002385
(c) Deferred tax assets (net)		3190000	2960000
(d) Long term loans and advances	2.12	57857787	51360180
(e) Other non-current assets	2.13	15937	15937
2. Current assets			
(a) Inventories	2.14	209356925	203039500
(b) Trade receivables	2.15	173491903	142995650
(c) Cash and cash equivalents	2.16	16846927	17151997
(d) Short-term loans and advances	2.17	10414594	14928215
(e) Other current assets	2.18	3796122	6122870
Total		529054896	490660848

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES
ON FINANCIAL STATEMENTS**

1 & 2

IN TERMS OF OUR ATTACHED REPORT OF EVEN DATE

B. F. Chordia & Co.
Chartered Accountants
FRN : 101914W

Sd/-
B. F. Chordia
Proprietor
Membership No. 9026

Place : Mumbai
Dated : 29th May, 2014

For **SHANTIVIJAY JEWELS LTD.**

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

Sd/-
A. A. KASLIWAL
Director

Sd/-
J. B. SHAH
Director

Sd/-
T. A. MAVANI
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note No.	31.03.2014 (₹)	31.03.2013 (₹)
I. Revenue from operations	2.19	731781982	633236852
II. Other Income	2.20	10836343	20363396
III. Total Revenue (I +II)		742618325	653600248
IV. Expenses:			
Cost of materials consumed	2.21	507231359	481821551
Purchase of Stock-in-Trade	2.21	112001297	75106021
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.22	12549304	(11192013)
Employee benefit expense	2.23	23501099	22598863
Financial costs	2.24	7699069	6706869
Depreciation and amortization expense		6315905	6091560
Other expenses	2.25	59364523	55405110
Total Expenses		728662556	636537960
V. Profit before tax (III - IV)		13955769	17062288
VI. Tax expense:	2.26		
(1) Current tax		4897340	5670490
(2) Deferred tax		(230000)	(209000)
VII. Profit for the period from continuing operations		9288429	11600798
VIII. Earning per equity share:			
Equity share of par value of ₹ 10/- each			
(1) Basic & Diluted		3.09	3.86
Number of shares used in computing earning per share			
(1) Basic & Diluted		3002000	3002000

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES
ON FINANCIAL STATEMENTS**

1 & 2

IN TERMS OF OUR ATTACHED REPORT OF EVEN DATE

B. F. Chordia & Co.
Chartered Accountants
FRN : 101914W

Sd/-
B. F. Chordia
Proprietor
Membership No. 9026

Place : Mumbai
Dated : 29th May, 2014

For **SHANTIVIJAY JEWELS LTD.**

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

Sd/-
A. A. KASLIWAL
Director

Sd/-
J. B. SHAH
Director

Sd/-
T. A. MAVANI
Director

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES & OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2014

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 and factory at MIDC, Andheri. 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 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.

c) Investments

Long term Investments are valued at cost with an appropriate provision for permanent diminution in 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, Rubber Moulds is not valued and is charged to revenue.

e) Sales/Revenue Recognition.

Sales are net of tax 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.
- 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 on acquisition of fixed assets is adjusted to carrying cost of such fixed assets.

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. Company have made provision for Gratuity for the employees who are not covered by LIC's Group Gratuity scheme. Contribution to Provident / Family Pension Fund as percentage of salary is charged to Profit & Loss Account on accrual basis.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

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 ₹ 5.53 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**2. NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

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

	31.03.2014 (₹)	31.03.2013 (₹)
2.1 SHARE CAPITAL		
Authorised- Equity shares of ₹ 10/- par value		
6000000 Equity Shares	60000000	60000000
Issued, Subscribed & Paid Up		
3002000 Equity Shares of ₹ 10/- par value fully paid	30020000	30020000
TOTAL	30020000	30020000

(1) 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 details of shareholder holding more than 5% shares as at March 31, 2014 is set out below:

Name of the Shareholder	31.03.2014		31.03.2013	
	No of shares	%	No of shares	%
1. Rajrani Bimalchand Godha	712714	23.74	785954	26.18
2. Pradeep Kumar Bimalchand Godha	398006	13.26	453006	15.09
3. Anurag Bimalchand Godha	395096	13.16	450096	14.99
4. Varun Pradeep Kumar Godha	268500	8.94	268500	8.94
5. Namita Anurag Godha	191295	6.37	191295	6.37
6. Sudha Pradeep Kumar Godha	188795	6.29	188795	6.29
7. Anish Anurag Godha	151600	5.05	151600	5.05

The reconciliation of the number of shares outstanding as at March 31, 2014 and March 31, 2013 is set out below:

Particulars	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
Number of shares at the beginning and at the end	3002000	3002000
	₹ 30020000/-	₹ 30020000/-

2.2 RESERVE AND SURPLUS

Security Premium Reserve	46797952	46797952
Capital Reserve	20055422	20055422
General Reserve		
Opening Balance	109432127	109432127
Add : TRF from Statement of Profit & Loss	0	0
	109432127	109432127

(Contd.)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

Particulars	As at 31.03.2014		As at 31.03.2013	
	(₹)		(₹)	
Profit & Loss Account				
Opening Balance	57778463		46177665	
Add : TRF from statement of Profit & Loss	9288429	67066892	11600798	57778463
TOTAL		243352393		234063964
2.3 LONG TERM BORROWINGS (SECURED)				
Term loan from Bank (loan in the name of the Director) (Secured by Hypothecation of Motor Car)		0		418587
		0		418587
2.4 OTHER LONG TERM LIABILITIES				
Deposit received from Grip Sales P. Ltd.		440000		0
		440000		0
2.5 LONG TERM PROVISIONS				
Provision for Employee benefits-Gratuity		181442		200365
		181442		200365
2.6 SHORT TERM BORROWINGS				
PACKING CREDIT (Secured)		123862011		123989155
DISCOUNTED BILLS (Secured)		53143943		48436059
(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.)		177005954		172425214
2.7 TRADE PAYABLES				
Trade Payables		72097126		46840266
		72097126		46840266
2.8 OTHER CURRENT LIABILITIES				
Current maturities of long term debt		418587		507186
Advance from customers		720000		0
Un-paid dividends*		29421		29421
Other Payables # (Including ₹ 3.83 lacs Due to Directors Pr. Year 23.77 lacs)		3312482		4776686
		4480490		5313293
* These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund # Includes Statutory Dues & Security Deposit				
2.9 SHORT TERM PROVISION				
Provision for Income Tax		0		39760
Provisions for Employee Benefits-Bonus		1477491		1339399
		1477491		1379159

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

2.10 FIXED ASSETS

(FIGURES IN RUPEES)

PARTICULARS	GROSS BLOCK				DEPRECIATION AND AMORTIZATION				NET BLOCK	
	AT COST ON 01.04.2013	ADDITIONS DURING THE YEAR	SALE / TRANSFER	TOTAL	UPTO 01.04.2013	FOR THE YEAR 31.03.2014	ADJ ON SALE / TRANSFER	UPTO 31.03.2014	AS ON 31.03.2014	AS ON 31.03.2013
Tangible Assets										
Building	33858483	2295942	0	36154425	21807586	1299076	0	23106662	13047762	12050896
Plant & Machinery	22468207	1978951	4874180	19572978	15167062	1171058	4543616	11794504	7778474	7301145
Elec. Installation	2482461	324455	0	2806916	1339548	171616	0	1511164	1295752	1142913
Motor Vehicles	8624168	0	0	8624168	3782585	1253486	0	5036071	3588097	4841583
Office Equipments	8998400	651755	0	9650155	6360866	692574	0	7053440	2596715	2637538
Furniture & Fixtures	4474909	1044366	0	5519275	2645249	366678	0	3011927	2507348	1829660
Total (a)	80906628	6295469	4874180	82327917	51102896	4954488	4543616	51513768	30814148	29803735
Intangible Assets										
Software	4457870	2349204	0	6807074	1177491	1361415	0	2538906	4268168	3280379
Total (b)	4457870	2349204	0	6807074	1177491	1361415	0	2538906	4268168	3280379
Total (a + b)	85364498	8644673	4874180	89134991	52280387	6315903	4543616	54052674	35082316	33084114
Previous Year	84589792	7805620	7030914	85364498	48385810	6091558	2196981	52280387	33084112	36203983

Note : * Motor Vehicles costing ₹ 64.83 lacs are in the name of the Directors of the Company.

31.03.2014
(₹)

31.03.2013
(₹)

2.11 NON CURRENT INVESTMENTS

A) QUOTED, FULLY PAID EQUITY SHARES, NON TRADING, AT COST

Gujarat Fluoro Chemicals Ltd. - 300 Shares of ₹ 10/- each	32475		32475	
Canara Bank - 4100 shares of ₹ 10/- each	143500	175975	143500	175975

B) 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.	2021613		2021613	
Less : Provision for Diminution in the value (Total Provision for diminution in the value of Investment ₹ 20.22 lacs)	2021613	0	2021613	0
(Market Value of quoted shares ₹ 14.70 Lacs Previous Yr ₹ 16.66 Lacs)				
(Book value ₹ 1.76 Lacs, Previous year ₹1.76 Lacs)				
TOTAL		19002385		19002385

2.12 LONG TERM LOANS AND ADVANCES

Un-secured, considered good				
Loans and Advances to Employees		1061500		755500
Capital advances-Advance against property		29369200		22622173
Balances with Tax authorities		7710801		8278900
Other Loans & Advances		9796516		9794857
Rental Deposits		9203230		9203230
Other Security Deposits		716540		705520
		57857787		51360180

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

	31.03.2014 (₹)	31.03.2013 (₹)
2.13 OTHER NON CURRENT ASSETS		
Bank FDR	15937	15937
(Restricted bank balance with Maturity of more than one year from the reporting date)	<u>15937</u>	<u>15937</u>
2.14 INVENTORIES		
(Raw Materials and Finished goods are valued at lower of the cost or net realisable value & Consumables & tools are valued at cost.)		
Raw Materials	168113004	148407335
Finished Goods	39469405	52018709
Stores & Spares	1052329	1567156
Loose tools	722187	1046300
TOTAL	<u>209356925</u>	<u>203039500</u>
2.15 TRADE RECEIVABLES		
Un-secured considered good		
Debts outstanding for a period exceeding six months from the date they were due for payment	21472381	14043091
Other debts considered good	152019522	128952559
	<u>173491903</u>	<u>142995650</u>
2.16 CASH AND CASH EQUIVALENTS		
Cash on Hand	459603	387698
Balance with Bank		
In current and Deposit Account*	16387324	16764299
	<u>16846927</u>	<u>17151997</u>
* Includes Unpaid Dividend A/c ₹ 29428/- (Pr. Yr. ₹ 29428/-)		
2.17 SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
Interest accrued on FDR	112474	399291
Balances with Tax Authorities	7894152	9863311
Advances to Employees and Contractors	422272	1011043
Prepaid Expenses	1733578	1647810
Other Advances	252118	2006760
	<u>10414594</u>	<u>14928215</u>
2.18 OTHER CURRENT ASSETS		
Other Current Assets	3796122	6122870
	<u>3796122</u>	<u>6122870</u>
2.19 REVENUE FROM OPERATIONS		
Sales - Jewellery	614306017	554025810
Sales - Diamond	116528280	77543358
Sales - P. stones & Others	553685	69734
Services - Labour charges	394000	1597951
TOTAL	<u>731781982</u>	<u>633236852</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

	31.03.2014 (₹)	31.03.2013 (₹)
2.20 OTHER INCOME		
Dividend - Long term Investments	86700	54850
Interest received #	1639550	1742817
Gain on Foreign currency transaction/translation	4889914	9490808
Sales tax refund	0	115066
Profit on sale of Asset	0	2578777
Excess prov for exp written back	472328	3324
Rent recd	3747851	6374784
Misc. Income	0	2970
TOTAL	10836343	20363396
<p># Interest received includes bank interest on deposit of ₹ 3.33 lacs (Pr. Yr. 10.02 lacs) and Interest on loans and advances of ₹ 13.07 lacs (Pr. Yr. 7.41 lacs)</p>		
2.21 MATERIALS		
1) COST OF MATERIALS CONSUMED		
Gold	129875853	137500225
Diamond	353114854	330224477
Others	24240652	14096849
	507231359	481821551
2) PURCHASE OF STOCK IN TRADE		
Diamond & P. stones	112001297	75106021
2.22 Changes in inventories of finished goods, work in progress and stock - in -trade		
Opening Stock of Finished Goods	52018709	40311169
Opening Stock-in-trade	0	34527
Add : Purchases of Finished Goods	22027544	34812562
	74046253	75158258
Less : Closing Stock-in-trade	0	0
Less : Closing Stock of Finished Goods	39469405	52018709
Less : Melting of Finished Goods	22027544	34331562
TOTAL	12549304	(11192013)
2.23 EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	15851652	14903865
Contribution to PF & Other Funds	1076492	1374578
Welfare Expenses	49325	39338
	16977469	16317781
Directors Remuneration	6523630	6281082
TOTAL	23501099	22598863

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

	31.03.2014 (₹)		31.03.2013 (₹)
2.24 FINANCIAL COSTS			
Interest paid	7699069		6611500
Loss on foreign currency translation	0		95369
	<u>7699069</u>		<u>6706869</u>
2.25 OTHER EXPENSES			
Consumable Stores, Spares & Tools	4116427		3196453
Labour Charges	23850802		23674697
Rent	2719264		2639223
Electricity Charges	2858651		2482371
Directors Sitting Fees	125000		100000
Professional & Technical Fees	4354139		2777972
Bank Charges	1509816		1480139
ECGC Premium charges	888524		736884
Rates & Taxes	125804		76212
Repairs & Maintenance:			
Repairs & Maintenance to Machinery	1003170	629391	
Others	1419388	2422558	1299887
Donations	<u>1013601</u>		<u>536502</u>
Auditors Remuneration:			
As Auditors	396000	330000	
For Taxation Services	96000	80000	
For consultancy & other services	<u>108000</u>	<u>90000</u>	
	600000		500000
Insurance	575614		884156
Commission & Discount	2672946		3013444
Loss on Sale of Fixed asset	0		167682
Loss on sale of long term investments	0		38825
loss on Impairment of asset	127064		0
Other General Expenses	11391727		11030866
Prior Period Items			
Postage & Telephone	10503	1287	
Licence fees	2083	0	
Gratuity	0	74423	
Exhibition Expenses	0	48884	
ESIC-Non employees	0	10472	
Electricity expenses	0	12586	5340
TOTAL	<u>59364523</u>		<u>55405110</u>
2.26 TAX EXPENSES			
Current Tax:			
Income Tax	4886000		5586000
Short provision of Income tax relating to earlier year	11340		84490
	<u>4897340</u>		<u>5670490</u>
Deferred Taxes	(230000)		(209000)
	<u>4667340</u>		<u>5461490</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

	31.03.2014 (₹ in lacs)	31.03.2013 (₹ in lacs)
2.27 CONTINGENT LIABILITIES		
i) In respect of Income Tax matters contested by the company	673.95	0
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.	0.00	9.94

2.28 FINANCIAL AND DERIVATIVE INSTRUMENT :

- 1) During the year company have not entered into any forward exchange contract
- 2) Foreign Currency exposure that is not hedged by forward exchange contract as on 31-03-2014 ₹ 90.00 Lacs on account of Imports & others (Pr. Yr. 74.75 Lacs) and ₹ 1532.37 lacs on account of Export of goods. (Previous Year ₹ 1109.37 lacs)

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

	(₹ in Lacs)	%	(₹ in Lacs)	%
a) RAW MATERIALS CONSUMED				
Indigenous	5178.78	84%	4627.36	83%
Imported	1013.55	16%	942.26	17%
b) STORES & TOOLS CONSUMED				
Indigenous	21.03	51%	15.95	55%
Imported	20.14	49%	13.23	45%

b) CIF VALUE OF IMPORTS

(Including Inter Unit Purchases)

Raw Materials	884.73	826.61
Stores & Consumables & Spares	5.14	13.83
Finished Goods	220.09	342.86
Fixed Assets	6.98	12.80
	<u>1116.94</u>	<u>1196.09</u>

c) EARNINGS IN FOREIGN EXCHANGE

FOB Value of Exports	6958.63	5867.17
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d) EXPENDITURE IN FOREIGN CURRENCY

Travelling Expenses	17.15	13.63
Exhibition Expenses & Advances	1.86	11.31
Bank Charges	0.56	1.32
Membership & subscription	0.00	0.18
Postage & Telephone	1.27	1.41
Sales Commission	12.08	12.16
Sales Promotion expenses	0.00	13.75
Books & periodicals	0.27	0.00
	<u>33.19</u>	<u>53.76</u>

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)

COUNTRY	SALES		BALANCE ON	
	31/03/2014	31/03/2014	31/03/2013	31/03/2013
EXPORTS				
U.S.A.	2297.27	367.93	2239.88	255.54
EUROPE	761.99	91.25	887.65	91.61
MIDDLE EAST	2138.81	495.06	1550.64	186.94
OTHERS	1775.66	615.83	1207.18	726.56
LOCAL SALES	340.15	164.86	431.04	169.29
	<u>7313.88</u>	<u>1734.92</u>	<u>6316.39</u>	<u>1429.96</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (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

Precious Gems 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 Relatives of Directors
 Smt. Namita Godha
 Mr. Varun Godha
 Smt. Deepika Godha

Details of Transactions are as below,

SR. NO	NAME OF THE PARTY	RELATIONSHIP	NATURE OF TRANSACTION	TRANSACTION AMOUNT 31.03.2014	OUTSTANDING 31.03.2014	TRANSACTION AMOUNT 31.03.2013	OUTSTANDING 31.03.2013
1	Shantivijay Impex DMCC	Subsidiary of Wholly owned subsidiary	Sales	0	0 DR	11880172	4022148 DR
2	Diamondere Pvt Ltd.	Associate Company*	Sales & services Rent Purchase	N.A. N.A.	N.A. N.A.	3989305	3921565 DR
3	Pradeep Kumar Godha	Managing Director	Remuner+perks	2999318	209762 CR	2850013	1375662 CR
4	Anurag Godha	Managing Director	Remuner+perks	2876312	173244 CR	2843069	1000872 CR
5	Rajrani Godha	Relative of Director	Remuneration +Bonus and rent paid Advance recd Security deposit paid	36000 0 0	56088 CR 0 CR 8500000 DR	203400 0 0	67409 CR 0 CR 8500000 DR
6	Sudha Godha	Relative of Director	Remuneration +Bonus	223200	62443 CR	223200	166134 CR
7	Namita Godha	Relative of Director	Remuneration +Bonus	223200	191340 CR	223200	163623 CR
8	Varun Godha	Relative of Director	Remuneration +Bonus	237600	351941 CR	237600	131601 CR
9	Deepika Godha	Relative of Director	Remuneration +Bonus	32000	32000 CR	0	0

*as on 31.03.2013 only.

Surety given to Company's banker by Third parties

					31.03.2014	31.03.2013
1	Precious Gems P. Ltd	Associate Company	Surety given to Company bankers (without any charge)	Market value	25080000	11400000
2	Rajrani Godha	Wife of Director	- do -	Market value	41160000	29400000

2.32. LEASE DISCLOSURES

The Company has entered into Three Lease Agreements and had given premises on lease for 60 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 ₹ 182.32 Lacs. Lease income ₹ 34.48 Lacs is recognised on straight-line basis in the Profit & Loss Account. Depreciation ₹ 8.33 Lacs provided during the year at rates for which similar Assets are depreciated.

Future lease rental receivable within the period of one year ₹ 42.00 lacs (Previous Year ₹ Nil).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)**2.33. EARNING PER SHARE (EPS)**

(₹ in Lacs)

EPS computed in accordance with Accounting Standard - 20.

Basic & Diluted**31.03.2014** **31.03.2013**

(Rupees in Lacs)

Profit after Tax as per Accounts	92.88	116.01
Number of Equity Shares issued	3002000	3002000
Par Value of the Shares	10	10
EPS (Basic & Diluted) ₹	3.09	3.86

2.34. 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 :

Deffered Tax Assets

(₹ in Lacs)

	Upto 31.03.2014	Upto 31.03.2013
Assets		
Difference between Book & Tax Depreciation	32.49	30.25
Less : Provision for Gratuity	0.59	0.65
Net Deferred tax assets	31.90	29.60
Deffered Tax Assets Provision required	2.29	2.09

2.35. The Profit & Loss A/c includes exchange difference of ₹ 54.96 Lacs (Credit) (Pr. Year ₹ 100.22 lacs Credit) and ₹ 6.06 lacs (Debit) (Pr. year ₹ 6.27 lacs Dr)

2.36. 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.

2.37. 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
FRN : 101914W

Sd/-

B. F. ChordiaProprietor
Membership No. 9026

Place : Mumbai

Dated : 29th May, 2014For **SHANTIVIJAY JEWELS LTD.**

Sd/-

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

Sd/-

A. A. KASLIWAL

Director

Sd/-

J. B. SHAH

Director

Sd/-

T. A. MAVANI

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	2014 ₹	2013 ₹
A. CASH FLOW FROM OPERATION ACTIVITIES :		
Net Profit before tax & extraordinary items	13956	17062
Add: Adjustments for :		
Depreciation & Amortisation	6316	6092
Finance Cost	7699	6707
	<u>27971</u>	<u>29861</u>
Adjustments for :		
Interest/Dividend Received	(1726)	(1798)
Profit on cancellation of property	0	1883
Loss on sale of Assets/Investments	0	207
Profit on sale of Assets	0	(695)
<i>Operating Profit before working capital changes</i>	<u>26244</u>	<u>29457</u>
Adjustments for :		
(Increase)/Decrease in operating assets		
Inventories	(6317)	(26347)
Trade receivables	(30496)	19199
Short term loans & advances	4514	2079
Long term loans & advances	(6964)	(5119)
Other Current assets	2327	(2465)
Other non-current assets	0	400
	<u>(10692)</u>	<u>17204</u>
Increase/(Decrease) in operating liabilities		
Trade Payables	25257	10823
Other Current liabilities	(833)	3712
other long term liabilities	440	(1321)
Long term provisions	(19)	200
Short term Provisions	98	(6213)
	<u>14251</u>	<u>24405</u>
Cash generated from Operation	<u>14251</u>	<u>24405</u>
Finance Cost	(7699)	(6707)
Taxes Paid	(4431)	(6315)
Net cash (used in)/from Operating activities	<u>2121</u>	<u>11383</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed assets	(8518)	(6306)
Investments	0	461
Sale/Impairment of Fixed Assets.	204	5362
Profit on cancellation of property	0	(1883)
Interest & Dividend Received	1726	1798
Net cash (used in)/from Investment activities	<u>(6588)</u>	<u>(568)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Increase in Bank borrowings	4162	(7458)
Net cash used in Finance activities	<u>4162</u>	<u>(7458)</u>
NET DECREASE IN CASH EQUIVALENTS (B+C+A)	<u>(305)</u>	<u>3357</u>
Cash and Cash Equivalents		
Opening Balance	17152	13795
Closing Balance	<u>16847</u>	<u>17152</u>
	<u>(305)</u>	<u>3357</u>

() Indicates deductions.

IN TERMS OF OUR ATTACHED REPORT OF EVEN DATE

B. F. Chordia & Co.
Chartered Accountants
FRN : 101914W

Sd/-
B. F. Chordia
Proprietor
Membership No. 9026
Place : Mumbai
Dated : 29th May, 2014

For **SHANTIVIJAY JEWELS LTD.**

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

Sd/-
A. A. KASLIWAL
Director

Sd/-
J. B. SHAH
Director

Sd/-
T. A. MAVANI
Director

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Shantivijay Jewels Limited.

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Shantivijay Jewels Limited ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - (b) in the case of the consolidated statement of Profit and Loss Account, of the profit of the company for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the company for the year ended on that date.

Other Matters

6. We did not audit the financial statements of the Subsidiary Companies, Shantivijay Jewels International Limited and its Subsidiary Shantivijay Impex DMCC Dubai whose consolidated financial statements reflect total assets (Net) of Rs. 2391.17 lakhs as at March 31, 2014 and total revenues of Rs. 2807.76 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.

For **B.F.CHORDIA & CO**
Chartered Accountants
Registration No. 101914W

Sd/-
B. F. CHORDIA
Proprietor
Membership No. :9026

Place: Mumbai
Date: 29th May, 2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	As at 31 st March, 2014 (₹)	As at 31 st March, 2013 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.1	30020000	30020000
(b) Reserves and Surplus	2.2	421382491	382422355
(2) Non-Current Liabilities			
(a) Long-term borrowings	2.3	0	418587
(b) Other Long term liabilities	2.4	440000	0
(c) Long-term provisions	2.5	181442	200365
(3) Current Liabilities			
(a) Short-term borrowings	2.6	177005954	172425214
(b) Trade payables	2.7	112162178	88224044
(c) Other current liabilities	2.8	5626149	5665407
(d) Short-term provisions	2.9	1477491	1379159
Total		748295705	680755131
II. ASSETS			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	2.10	37572176	36684919
(ii) Intangible assets	2.10	4268168	3280379
(iii) Intangible assets under development		0	0
(b) Non-current investments	2.11	175975	175975
(c) Deferred tax assets (net)		3190000	2960000
(d) Long term loans and advances	2.12	58402489	51822645
(e) Other non-current assets	2.13	15937	15937
(2) Current assets			
(a) Inventories	2.14	398219164	369693119
(b) Trade receivables	2.15	209464144	174804815
(c) Cash and cash equivalents	2.16	17013237	19863446
(d) Short-term loans and advances	2.17	16178293	15331026
(e) Other current assets	2.18	3796122	6122870
Total		748295705	680755131
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS	1 & 2		

IN TERMS OF OUR ATTACHED REPORT OF EVEN DATE

B. F. Chordia & Co.
Chartered Accountants
FRN : 101914W

Sd/-
B. F. Chordia
Proprietor
Membership No. 9026
Place : Mumbai
Dated : 29th May, 2014

For **SHANTIVIJAY JEWELS LTD.**

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

Sd/-
A. A. KASLIWAL
Director

Sd/-
J. B. SHAH
Director

Sd/-
T. A. MAVANI
Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note No.	31.03.2014 (₹)	31.03.2013 (₹)
I. Revenue from operations	2.19	1012557920	865043455
II. Other Income	2.20	10821530	20237981
III. Total Revenue (I +II)		1023379450	885281436
IV. Expenses:			
Cost of materials consumed	2.21	507231359	481821551
Purchase of Stock-in-Trade	2.21	112001297	75106021
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.22	269639254	195352681
Employee benefit expense	2.23	24746515	23630749
Financial costs	2.24	7699069	6706869
Depreciation and amortization expense		7160531	6851940
Other expenses	2.25	68657346	62254785
Total Expenses		997135371	851724596
V. Profit before tax (III - IV)		26244079	33556842
VI. Tax expense:			
(1) Current tax	2.26	4897340	5670490
(2) Deferred tax		(230000)	(209000)
VII. Profit for the period from continuing operations		21576739	28095352
VIII. Earning per equity share:			
Equity share of par value of ₹ 10/- each			
(1) Basic & Diluted		7.19	9.36
Number of shares used in computing earning per share			
(1) Basic & Diluted		3002000	3002000
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS	1 & 2		

IN TERMS OF OUR ATTACHED REPORT OF EVEN DATE

B. F. Chordia & Co.
Chartered Accountants
FRN : 101914W

Sd/-
B. F. Chordia
Proprietor
Membership No. 9026
Place : Mumbai
Dated : 29th May, 2014

For **SHANTIVIJAY JEWELS LTD.**

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

Sd/-
A. A. KASLIWAL
Director

Sd/-
J. B. SHAH
Director

Sd/-
T. A. MAVANI
Director

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES & OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE No. 1 (Consolidated)

1. SIGNIFICANT ACCOUNTING POLICIES

Corporate Information :

Shantivijay Jewels Ltd is located in Special Economic Zone Mumbai having its showroom in Trident Hotel, Mumbai and factory at MIDC, Andheri. 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 31.03.2014
a) Shantivijay Jewels International Ltd.	Mauritius	100%
b) Shantivijay Impex DMCC (Wholly owned subsidiary of Shantivijay Jewels International Ltd.)	Dubai	100%

c) Exchange Adjustments

In case 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 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.

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.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (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, 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. In case of forward exchange contracts, the difference between the year end rate and rate on the date of contract is recognized 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 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 ₹ 5.53 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.

2. CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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

	31.03.2014 (₹)	31.03.2013 (₹)
2.1 SHARE CAPITAL		
Authorised- Equity shares of ₹ 10/- par value 6000000 Equity Shares	60000000	60000000
Issued, Subscribed & Paid Up		
3002000 Equity Shares of ₹ 10/- par value fully paid	30020000	30020000
TOTAL	30020000	30020000

(1) 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 details of shareholder holding more than 5 % shares as at March 31, 2014 is set out below :

Name of the shareholder	31.03.2014		31.03.2013	
	No of shares	%	No of shares	%
Rajrani Bimalchand Godha	712714	23.74	785954	26.18
Pradeep Kumar Bimalchand Godha	398006	13.26	453006	15.09
Anurag Bimalchand Godha	395096	13.16	450096	14.99
Varun Pradeep Kumar Godha	268500	8.94	268500	8.94
Namita Anurag Godha	191295	6.37	191295	6.37
Sudha Pradeep Kumar Godha	188795	6.29	188795	6.29
Anish Anurag Godha	151600	5.05	151600	5.05

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

The reconciliation of the number of shares outstanding as at March 31,2014 and March 31, 2013 is set out below :

Particulars	As at 31.03.2014		As at 31.03.2013	
	(₹)		(₹)	
Number of shares at the beginning and at the end		3002000		3002000
		₹ 30020000/-		₹ 30020000/-
2.2 RESERVE AND SURPLUS				
Security Premium Reserve		46797952		46797952
Capital Reserve		20055422		20055422
General Reserve				
Opening Balance	109432127		109432127	
Add: TRF from statement of Profit & Loss	0	109432127	0	109432127
Exchange Translation reserve		44930596		27547199
Profit & Loss Account				
Opening Balance	178589655		150494303	
Add: TRF from statement of Profit & Loss	21576739	200166394	28095352	178589655
TOTAL		421382491		382422355
2.3 LONG TERM BORROWINGS (SECURED)				
Term loan from Bank (loan in the name of the Director) (Secured by Hypothecation of Motor Car)		0		418587
		0		418587
2.4 OTHER LONG TERM LIABILITIES				
Deposit received from Grip Sales P. Ltd.		440000		0
		440000		0
2.5 LONG TERM PROVISIONS				
Provision for Employee benefits-Gratuity		181442		200365
		181442		200365
2.6 SHORT TERM BORROWINGS				
PACKING CREDIT (Secured)		123862011		123989155
DISCOUNTED BILLS (Secured)		53143943		48436059
(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.)		177005954		172425214
2.7 TRADE PAYABLES				
Trade Payables		112162178		88224044
		112162178		88224044
2.8 OTHER CURRENT LIABILITIES				
Current maturities of long term debt (refer note no 2.3)		418587		507186
Advance from customers		720000		0
Un-paid dividends*		29421		29421
Other Payables #		4458141		5128800
(Including ₹ 3.83 lacs due to Directors Pr. year 23.77 lacs)		5626149		5665407

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

Includes Statutory dues & security deposit

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

	31.03.2014 (₹)	31.03.2013 (₹)
2.9 SHORT TERM PROVISIONS		
Provision for Income Tax	0	39760
Provisions for Employee Benefits- Bonus	1477491	1339399
	<u>1477491</u>	<u>1379159</u>

2.10 FIXED ASSETS

(Figures in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION AND AMORTIZATION				NET BLOCK	
	AT COST ON 01.04.2013	ADDITIONS DURING THE YEAR	SALE/ TRANSFER	TOTAL	UPTO 01.04.2013	FOR THE YEAR 31.03.2014	ADJ ON SALE / TRANSFER	UPTO 31.03.2014	AS ON 31.03.2014	AS ON 31.03.2013
1) Tangible Assets										
Building	42276916	2295942	0	44572858	23113142	1677171	0	24790313	19782546	18534100
Plant & Machinery	22468207	1978951	4874180	19572978	15167062	1171058	4543616	11794504	7778474	7301145
Elec. Installation	2482461	324455	0	2806916	1339548	171616	0	1511164	1295752	1142913
Motor Vehicles	8624168	0	0	8624168	3782585	1253486	0	5036071	3588097	4841583
Office Equipments	8998400	651755	0	9650155	6360866	692574	0	7053440	2596719	2637538
Furniture & Fixtures	6281136	1044366	0	7325502	4045946	748965	0	4794911	2530592	2227640
Total (a)	91131288	6295469	4874180	92552577	53809148	5714870	4543616	54980403	37572176	36684920
2) Intangible Assets										
Software	4457870	2349204	0	6807074	1177491	1361415		2538906	4268168	3280379
Total (b)	4457870	2349204	0	6807074	1177491	1361415	0	2538906	4268168	3280379
Total (a + b)	95589159	8644673	4874180	99359651	54986639	7076285	4543616	57519308	41840345	39965299
Previous Year	93853598	7805620	7030914	94628303	50008051	6851940	2196981	54663010	39965298	43363782

Note : * Motor Vehicles costing ₹ 64.83 lacs are in the name of the Directors of the company.

	31.03.2014 (₹)	31.03.2013 (₹)
2.11 NON CURRENT INVESTMENTS		
A) QUOTED, FULLY PAID EQUITY SHARES, NON TRADING, AT COST		
Gujarat Fluoro chemicals Ltd - 300 Shares of ₹ 10/- each	32475	32475
Canara Bank - 4100 shares of ₹ 10/- each	143500	143500
183000 fully paid Equity shares of ₹ 10/- each of German Garden Ltd.	<u>2021613</u>	<u>2021613</u>
Less : Provision for Diminution in the value	<u>2021613</u>	<u>2021613</u>
(Total Provision for diminution in the value of Investment ₹ 20.22 lacs)		
(Market Value of quoted shares ₹ 14.70 Lacs, Previous Yr. ₹ 16.66 Lacs)		
(Book value ₹ 1.76 Lacs, Previous year ₹ 1.76 Lacs)		
TOTAL	<u>175975</u>	<u>175975</u>

(Aggregate provision for diminution in the value of investment of ₹ 20.21 lacs for 183000 shares of German Garden)

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014 (Contd.)

	31.03.2014 (₹)	31.03.2013 (₹)
2.12 LONG TERM LOANS AND ADVANCES		
Un-secured, considered good		
Loans and advances to Employees	1061500	755500
Balances with Tax authorities	7710801	8278900
Capital advances-Advance against property	29369200	22622173
Other loans & advances	9933111	9918615
Rental Deposits	9203230	9203230
Other Security Deposits	1124647	1044227
	<u>58402489</u>	<u>51822645</u>
2.13 OTHER NON CURRENT ASSETS		
Bank FDR	15937	15937
(Restricted bank balance with Maturity of more than one year from the reporting date)		
	<u>15937</u>	<u>15937</u>
2.14 INVENTORIES		
(Raw materials and Finished goods are valued at lower of the cost or net realisable value & Consumables & tools are valued at cost.)		
Raw Materials	168113004	148407335
Finished Goods	228331644	218672328
Stores & Spares	1052329	1567156
Loose tools	722187	1046300
TOTAL	<u>398219164</u>	<u>369693119</u>
2.15 TRADE RECEIVABLES		
Un-secured considered good		
Debts outstanding for a period exceeding six months from the date they were due for payment	38547270	40641811
Other debts considered good	170916873	134163005
	<u>209464144</u>	<u>174804815</u>
2.16 CASH AND CASH EQUIVALENTS		
Cash on Hand	508310	429765
Balance with Bank		
In current and Deposit Account *	16504927	19433681
	<u>17013237</u>	<u>19863446</u>
* Includes Unpaid Dividend A/c ₹ 29428/- (Pr. yr ₹ 29428/-)		
2.17 SHORT TERM LOANS AND ADVANCES		
Un-secured, considered good		
Interest accrued on FDR	112474	399291
Balances with Tax authorities	7894152	9863311
Advances to Employees and Contractors	422272	1011043
Prepaid Expenses	2787513	2000304
Other Advances	4961883	2057077
	<u>16178293</u>	<u>15331026</u>

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

	31.03.2014 (₹)	31.03.2013 (₹)
2.18 OTHER CURRENT ASSETS		
Other Current Assets	3796122	6122870
	<u>3796122</u>	<u>6122870</u>
2.19 REVENUE FROM OPERATIONS		
Sales - Jewellery	895081955	785832413
Sales - Diamond	116528280	77543358
Sales - P. Stones & Others	553685	69734
Services - Labour charges	394000	1597951
TOTAL	<u>1012557920</u>	<u>865043455</u>
2.20 OTHER INCOME		
Dividend - Long term Investments	86700	54850
Interest received #	1639550	1742817
Gain on Foreign currency transaction / translation	4875101	9365393
Profit on Sale of Asset	0	2578777
Sales Tax refund	0	115066
Excess prov for exp written back	472328	3324
Rent recd	3747851	6374784
Misc Income	0	2970
TOTAL	<u>10821530</u>	<u>20237981</u>
# Interest received includes bank interest on deposit of ₹ 3.33 lacs (Pr. Yr. 10.02 lacs) and Interest on loans and advances of ₹ 13.07 lacs (Pr. Yr . 7.41 lacs)		
2.21 MATERIALS		
1) COST OF MATERIALS CONSUMED		
Gold	129875853	137500225
Diamond	353114854	330224477
Others	24240652	14096849
	<u>507231359</u>	<u>481821551</u>
2) PURCHASE OF STOCK IN TRADE		
Diamond & P. stones	112001297	75106021
2.22 Changes in inventories of finished goods, work in progress and stock in-trade		
Opening Stock of Finished Goods	218672328	181876061
Opening Stock-in-trade	0	34527
Add : Purchases of Finished Goods	301326115	266445983
	<u>519998443</u>	<u>448356571</u>
Less : Closing Stock-in -trade	0	0
Less : Closing Stock of Finished Goods	228331644	218672328
Less : Melting of Finished Goods	22027544	34331562
TOTAL	<u>269639254</u>	<u>195352681</u>

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

	31.03.2014 (₹)	31.03.2013 (₹)
2.23 EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	17097068	15935751
Contribution to PF & Other Funds	1076492	1374578
Welfare Expenses	49325	39338
	<u>18222885</u>	<u>17349667</u>
Directors Remuneration	6523630	6281082
TOTAL	<u>24746515</u>	<u>23630749</u>
2.24 FINANCIAL COSTS		
Interest paid	7699069	6611500
Loss on foreign currency translation	0	95369
	<u>7699069</u>	<u>6706869</u>
2.25 OTHER EXPENSES		
Consumable Stores, Spares & Tools	4116427	3196453
Labour Charges	23850802	23674697
Rent	4424478	3835155
Electricity Charges	3017117	2587546
Directors Sitting Fees	276150	236025
Professional & Technical Fees	4909283	3136207
Bank Charges	1591921	1512622
ECGC Premium charges	888524	736884
Rates & Taxes	125804	76212
Repairs & Maintenance:		
Repairs & Maintenance to Machinery	1003170	629391
Others	1668120	1410448
	<u>2671290</u>	<u>2039839</u>
Donations	1013601	536502
Auditors Remuneration:		
As Auditors	615591	527617
For Taxation Services	96000	80000
For consultancy & other services	108000	90000
	<u>819591</u>	<u>697617</u>
Bad Debts written off	484950	0
Insurance	575614	884156
Commission & Discount	2672946	3013444
Loss on Sale of Fixed asset	0	167682
Loss on sale of long term investments	0	38825
loss on Impairment of asset	127064	0
Prior Period Items		
Postage & Telephone	10503	1287
Licence fees	2083	0
Gratuity	0	74423
Exhibition Expenses	0	48884
ESIC- Non employees	0	10472
Electricity expenses	0	5340
Other General Expenses	<u>17079199</u>	<u>15744513</u>
TOTAL	<u>68657346</u>	<u>62254785</u>

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

	31.03.2014 (₹)	31.03.2013 (₹)
2.26 TAX EXPENSES		
Current Tax:		
Income Tax	4886000	5586000
Short provision of Income tax relating to earlier years	11340	84490
	<u>4897340</u>	<u>5670490</u>
Deferred Taxes	(230000)	(209000)
	<u>4667340</u>	<u>5461490</u>
	2014	2013
	(₹ in lacs)	(₹ in lacs)
2.27. CONTINGENT LAIBILITIES		
i) In respect of Income Tax matters contested by the company	673.95	0
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.	0.00	9.94

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)

COUNTRY	SALES		BALANCE ON	
	31.03.2014	31.03.2014	31.03.2013	31.03.2013
EXPORTS				(₹ in lacs)
U.S.A.	2488.08	421.76	2483.14	368.64
EUROPE	2616.81	337.20	1952.07	193.95
MIDDLE EAST	2795.96	534.16	2386.93	175.80
OTHERS	1880.64	636.66	1381.27	840.37
LOCAL SALES	340.15	164.86	431.04	169.29
	<u>10121.64</u>	<u>2094.64</u>	<u>8634.46</u>	<u>1748.05</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

Precious Gems 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 Relatives of Directors

Smt Namita Godha

Shri Varun Godha

Smt Deepika Godha

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

Details of Transactions are as below,

(Figures in ₹)

Sr. No	NAME OF THE PARTY	RELATIONSHIP	NATURE OF TRANSACTION	TRANSACTION AMOUNT 31.03.2014	OUTSTANDING 31.03.2014	TRANSACTION AMOUNT 31.03.2013	OUTSTANDING 31.03.2013
1	Diamondere Pvt Ltd.	Associate Company*	Sales & Services	NA	NA	3989305	3921565 DR
2	Pradeep Kumar Godha	Managing Director	Remuner+perks	2953328	209762 CR	2850013	1375662 CR
3	Anurag Godha	Managing Director	Remuner+perks	2863136	173244 CR	2843069	1000872 CR
4	Rajrani Godha	Relative of Director	Remuneration +Bonus and rent paid	36000	56088 CR	203400	67409 CR
			Advance recd	0	0 CR	0	0 CR
			Security deposit paid	0	8500000 DR	0	8500000 DR
5	Sudha Godha	Relative of Director	Remuneration+Bonus	223200	62443 CR	223970	166134 CR
6	Namita Godha	Relative of Director	Remuneration+Bonus Sale of Jewellery	223200	191340 CR	223970 0	163623 CR 0
7	Varun Godha	Relative of Director	Remuneration+Bonus	237600	351941 CR	135000	131601 CR
8	Deepika Godha	Relative of Director	Remuneration+Bonus	32000	32000 CR	0	0
9	International Financial Services Ltd	Company in which Director are interested	Remuneration	0	0	0	0

*as on 31.03.2013 only.

Surety given to Company's banker by Third parties

31.03.2014

31.03.2013

Sr. No	NAME OF THE PARTY	RELATIONSHIP	NATURE OF TRANSACTION	Market value	31.03.2014	31.03.2013
1	Precious Gems P. Ltd	Associate Company	Surety given to Company bankers (without any charge)	Market value	25080000	11400000
2	Rajrani Godha	Wife of Director	— do —	Market value	41160000	29400000

2.30. EARNING PER SHARE (EPS)

EPS computed in accordance with Accounting Standard - 20.

Basic & Diluted

(₹ in Lacs)

	2014	2013
Profit after Tax as per Accounts	215.77	280.95
Number of Equity Shares issued	3002000	3002000
Par Value of the Shares	10	10
EPS (Basic & Diluted) ₹	7.19	9.36

2.31. 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
FRN : 101914W

Sd/-

B. F. Chordia
Proprietor
Membership No. 9026

Place : Mumbai
Dated : 29th May, 2014

For **SHANTIVIJAY JEWELS LTD.**

Sd/-

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

Sd/-

A. A. KASLIWAL
Director

Sd/-

J. B. SHAH
Director

Sd/-

T. A. MAVANI
Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	2014 ₹	2013 ₹
A. CASH FLOW FROM OPERATION ACTIVITIES :		
Net Profit before tax & Extraordinary Items	25731	34426
Adjustments for :		
Depreciation & Amortisation	7153	6851
Finance Cost	7699	6707
	<u>40583</u>	<u>47984</u>
Adjustments for :		
Interest/Dividend Received	(1726)	(1798)
Profit on cancellation of property	0	1883
Loss on sale of Assets/Investments	0	207
Profit on sale of Assets	0	(695)
<i>Operating Profit before working capital changes</i>	<u>38857</u>	<u>47580</u>
Adjustments for :		
Trade receivables	(26920)	20049
Inventories	(10684)	(42820)
Short term loans & advances	(839)	2188
Long term loans & advances	(6964)	(5119)
Other Current assets	2327	(2465)
Other non-current assets	0	400
	<u>(4224)</u>	<u>19813</u>
Increase/(Decrease) in operating liabilities		
Trade Payables	15207	17226
Other Current liabilities	(833)	(5503)
Other Long term liabilities	440	(1321)
Long term provisions	(19)	200
Short term Provisions	855	(6266)
Cash generated from Operation	<u>11426</u>	<u>24149</u>
Finance Cost	(7699)	(6707)
Taxes Paid	(4431)	(6315)
Net cash (used in)/from Operating activities	<u>(704)</u>	<u>11127</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed assets	(8518)	(6306)
Investments	0	461
Sale/Impairment of Fixed Assets.	204	5362
Profit on cancellation of property	0	-1883
Interest & Dividend Received	1726	1798
Net cash/(used in)/from Investment activities	<u>(6588)</u>	<u>(568)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Increase in Bank borrowings	4162	(7458)
Net cash (used in)/from Finance activities	<u>4162</u>	<u>(7458)</u>
NET DECREASE IN CASH EQUIVALENTS (B+C+A)	<u>(3131)</u>	<u>3100</u>
Cash and Cash Equivalents		
Opening Balance	20145	16764
Closing Balance	<u>17013</u>	<u>19864</u>
	<u>(3131)</u>	<u>3100</u>

() Indicates deductions.

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

IN TERMS OF OUR ATTACHED REPORT OF EVEN DATE

B. F. Chordia & Co.

Chartered Accountants

FRN : 101914W

Sd/-

B. F. Chordia

Proprietor

Membership No. 9026

Place : Mumbai

Dated : 29th May, 2014

For **SHANTIVIJAY JEWELS LTD.**

Sd/-

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

Sd/-

A. A. KASLIWAL

Director

Sd/-

J. B. SHAH

Director

Sd/-

T. A. MAVANI

Director

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 st March, 2014	31 st March, 2014
Date From which they become subsidiary Companies	22 nd May, 1998	15 th 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%
4. 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 st March,2014	US\$ (16382/-) (equivalent to Rs.(990456/-))	US \$ 212929/- (equivalent to Rs. 12873687/-)
ii) For the previous financial years of the subsidiary companies since they became the holding Company's subsidiaries	US\$1600256/- (equivalent to Rs.86861896/-)	US \$ 1056332/- (equivalent to Rs. 57337701/-)
b. Dealt within holding Company's accounts:		
i) for the financial year ended 31 st March 2014	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/-

Directors

A. A. KASLIWAL

J. B. SHAH

T. A. MAVANI

Place : Mumbai
Dated : 29th May, 2014

FINANCIAL DETAILS OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31 ST MARCH 2014

(₹ in Lakhs)

Particulars	Shantivijay Jewels International Ltd (Mauritius)	Shantivijay Impex DMCC
Share Capital	269.74	32.65
Reserves & Surplus	948.90	760.41
Total Assets	1221.22	2387.62
Total Liabilities	1221.22	2387.62
Details of Investments	32.65	0.00
Turnover (Including other Income)	0.00	2807.76
Profit before Tax	(9.90)	128.74
Provision for Tax	0.00	0.00
Profit after Tax	(9.90)	128.74
Proposed Dividend	0.00	0.00

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]



SHANTIVIJAY JEWELS LIMITED

Regd. Office / Factory: G-37, Gems & Jewellery Complex III, SEEPZ, Andheri(E) Mumbai – 400 096. INDIA

Tel: +91 – 22 – 42182244 **Fax:** +91-22-28291360/42182211

Email: shantivijay@shantivijay.com • **Website:** www.shantivijay.com

CIN- L36910MH1980PLC023289

41st Annual General Meeting – 29th September, 2014

Name of the member(s) :																					
Registered address :																					
E-mail Id :																					
Folio No/ Client Id: DP ID :	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																				

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

1. Name: _____

Address: _____

E-mail Id: _____

Signature: _____ or failing him;

2. Name: _____

Address: _____

E-mail Id: _____

Signature: _____ or failing him;

3. Name: _____

Address: _____

E-mail Id: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 41st Annual General Meeting of the Company, to be held on Monday, 29th September, 2014 at 3.00 p.m. at Conference Hall, All India Institute Of Local Self-Govt, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Gali, Andheri (West), Mumbai-400058, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

(Contd.)

Resolution Number	Resolution	Optional*	
		For	Against
	Ordinary Business		
1	Adoption of Financial Statements for the year ended 31st March, 2014.		
2	To appoint a Director in place of Shri. Anurag Godha, who retires by rotation and, being eligible, offers himself for reappointment.		
3	To appoint Auditors and to fix their remuneration.		
	Special Business		
4	Reappointment of Shri Pradeep Kumar Godha as Managing Director w.e.f. 1st September, 2014 for a period of 5 years.		
5	Reappointment of Shri Anurag Godha as Managing Director w.e.f. 1st September, 2014 for a period of 5 years		
6	Appointment of Shri Apurva Shah as an Independent Director		
7	Appointment of Shri Tushar Mavani as an Independent Director		
8	Appointment of Shri Ambuj Kasliwal as an Independent Director		
9	Appointment of Shri Jayant Shah as an Independent Director		
10	Special Resolution under Section 180(1)(c) of the Companies act, 2013 to consent for borrowing funds up to Rs.25 crores.		

Signed this _____ day of _____ 2014

Signature of Proxy holder(s) _____

Affix
Re. 1/-
Revenue
Stamp

Signature of shareholder _____

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Bank. Further, a Member holding more than ten percent, of the total share capital of the Bank carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

* it is optional to put a '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.



SHANTIVIJAY JEWELS LIMITED

Regd. Office / Factory: G-37, Gems & Jewellery Complex III, SEEPZ, Andheri(E) Mumbai – 400 096. INDIA

Tel: +91 – 22 – 42182244 **Fax:** +91-22-28291360/42182211

Email: shantivijay@shantivijay.com • **Website:** www.shantivijay.com

CIN- L36910MH1980PLC023289

ATTENDANCE SLIP

41st ANNUAL GENERAL MEETING – 29th September, 2014

I/we hereby record my/our presence at the 41st Annual General Meeting of the Company at Conference Hall, All India Institute Of Local Self-govt, Sthanikraj Bhavan, C.D.Bariwala Marg, Juhu Gali, Andheri (West), Mumbai-400058, Maharashtra on Monday , 29th September, 2014 at 3.00 p.m.

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

Note: Please fill up the attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the meeting.



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CIN- L36910MH1980PLC023289

ELECTRONIC VOTING PARTICULARS

EVEN(E-Voting Event Number)	USER ID	PASSWORD/PIN

NOTE: Please read instructions given at Note No. 14 of the Notice of 41st Annual General Meeting carefully before voting electronically