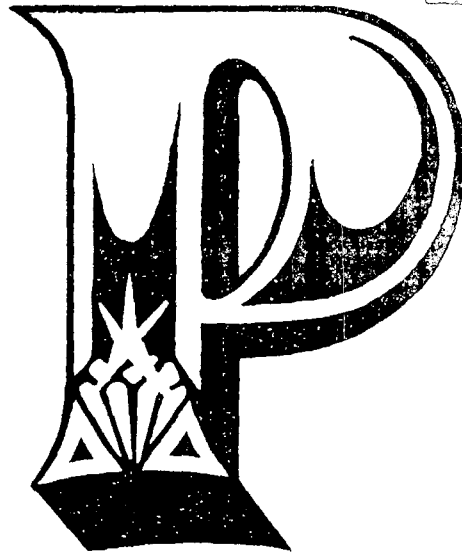
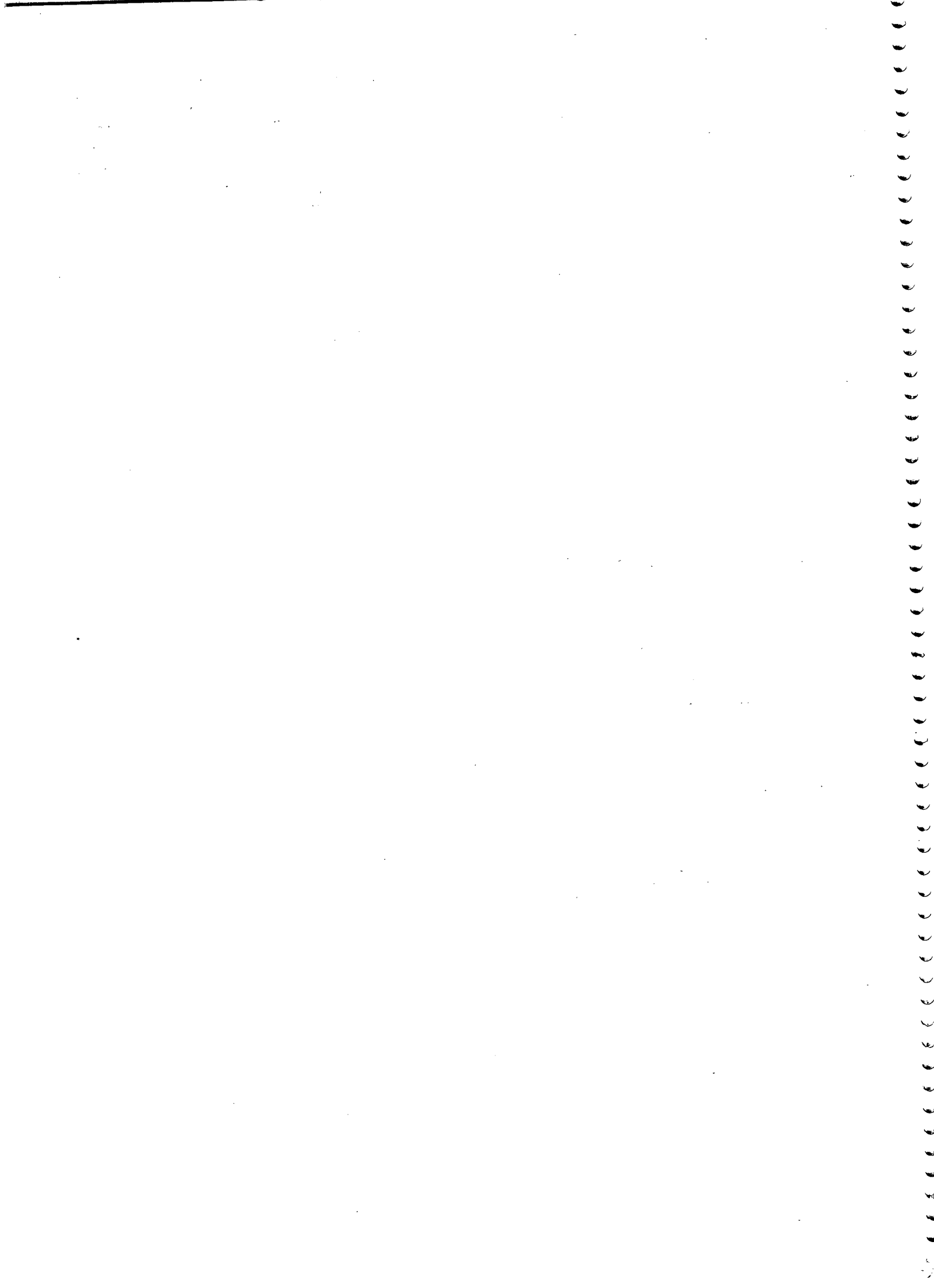


MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	NA		DPY	NA
RO	<input checked="" type="checkbox"/>		DIV	NA
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
ACM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



# PRECIMET DIAMONDS (INDIA) LIMITED

*5th Annual Report 1996-97*



## DIRECTORS

MR. DEEPAK S. JAVERI, Chairman & Managing Director.  
MR. K. P. KULKARNI, Vice Chairman.  
MR. KIRIT N. DAMANIA.  
MR. SHAILESH S. JAVERI.  
MR. BHARAT S. MODI.  
MR. ARUN KAIGAOKAR  
MRS. UJVALA D. JAVERI

### REGD. OFFICE :

1106 Panchratna, 11th Floor,  
Mama Parmanand Marg,  
Opera House,  
MUMBAI-400 004.

### SHOWROOMS :

1. Kalpataru Jewellers,  
243, Zaveri Bazar,  
MUMBAI-400 002.
2. Kalpataru Jewellers,  
2, Vishnudham,  
Junction of Linking Road,  
& 14th Road, Khar (West),  
MUMBAI-400 052.

### REGISTRAR & TRANSFER AGENT :

R & D Consultant Pvt. Ltd.,  
610 Dalamal Towers,  
221, Nariman Point,  
MUMBAI-400 021.

### SOLICITOR:

M/S. KIRIT N. DAMANIA & CO.,  
1113 Raheja Centre, Nariman Point,  
MUMBAI-400 020.

### AUDITOR :

M/s. NARESH S. SHAH & Co.  
Chartered Accountants.

### CONSULTING COMPANY SECRETARY :

M/s. R. N. Shah & Associates,  
Company Secretary.

### WORKS:

Gala No. 17, Rajesh Park,  
Malad East, Mumbai.

### BANKERS :

Bank of India,  
Opera House Branch.  
MUMBAI-400 004.

Punjab National Bank,  
Opera House Branch.  
MUMBAI-400 004.

Patan Co-op Bank Ltd.  
Marine Drive  
MUMBAI-400 020.



**NOTICE**

**NOTICE** is hereby given that the Fifth Annual General Meeting of the members of **PRECIMET DIAMONDS (INDIA) LIMITED** will be held on Saturday, the 27th September, 1997 at 4.00 pm. at Vishnudham Hall, 1st Floor, 14th Road, Khar (West), Mumbai - 400 052 to transact the following business :-

**ORDINARY BUSINESS :-**

1. To receive, consider and adopt the Directors' Report and Auditors' Report and Audited Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date.
- ~~2. To elect a Director.~~
2. To appoint a Director in Place of Mr. K. P. Kulkarni who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in Place of Mr. Kirit Damania who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from conclusion of this meeting until the conclusion of the Next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS :-**

5. To pass with or without modification, the following resolution as an Ordinary Resolution :

" **RESOLVED THAT** a notice in writing having been received from a member of the Company under section 257 of the Companies Act, 1956 signifying his intention to propose Mrs. Ujvala D. Javeri for the office of Director be and is hereby appointed as a Director of the Company."

For and on behalf of the Board

(DEEPAK S. JAVERI)  
Chairman & Managing Director.

Dated :- 28th June, 1997.

Regd. office :-1106, Panchratna,  
Opera House, Mumbai - 400 004.

**MEMBERS ARE REQUESTED TO BRING THEIR  
COPIES OF THE ANNUAL REPORT TO THE  
MEETING**

**NOTES :**

- A. A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself/herself and the Proxy need not be a member. Proxies in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the meeting.
- B. Members desiring any information as regard accounts, are required to write their queries to the Company atleast ten days in advance of the Annual General Meeting.
- C. Intimation of any change of address (with their-Folio No.) should be given to the Registrar and Transfer Agent.
- D. The explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of item No. 5 is annexed hereto.
- E. Register of members and share transfer registers will remain closed from Friday, 12th September, 1997 to Saturday, 27th September, 1997 (Both days inclusive).

**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.**

**Item No. 5 :-**

The Board of Directors had at their Meeting held on 13th Day of February, 1997 co-opted Mrs. Ujvala D. Javeri as an Additional Director. In accordance with the provision of section 260 of the Companies Act, 1956 and the regulation of the Articles of Association of the Company the Additional Director so appointed shall hold office until the date of the following Annual General Meeting. The Company has received notice from a shareholder pursuant to section 257 of the Companies Act, 1956 proposing candidature of Mrs Ujvala D. Javeri to the office of the Director.

Mrs Ujvala D. Javeri is a businesswoman, Hence it is felt that the Company would benefit by her valuable guidance and advice from time to time and thus recommend the resolution for your approval.

None of the Directors except Mrs Ujvala D. Javeri and Mr. Deepak S. Javeri and Shailesh Javeri is interested in this resolution.

By Order of the Board

(DEEPAK S. JAVERI)

Chairman & Managing Director.

Dated :- 28th June, 1997.

Regd. office :- 1106, Panchratna,  
Opera House,  
Mumbai - 400 004.

## DIRECTORS REPORT

Dear Shareholders,

It gives us great pleasure to present to you the Fifth Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March, 1997.

### FINANCIAL RESULTS

	31ST MARCH, 1997		31ST MARCH, 1996	
		Rs.		Rs.
Gross Profit		69,34,863		46,03,069.35
Less : Depreciation	17,95,502		13,10,367.00	
Interest	<u>5,24,615</u>		<u>2,30,127.00</u>	
		<u>23,20,117</u>		15,40,494.00
		46,14,746		30,62,575.35
Less :Income Tax		7,11,856		6,50,000.00
Net Profit		<u>39,02,890</u>		<u>24,12,575.35</u>
Profit B/f from the Previous Year		<u>27,05,159</u>		<u>17,14,660.86</u>
		<u>66,08,049</u>		41,27,236.21
Add/Less : Previous year Adjustments		NIL		<u>2,05,240.52</u>
Profit available for appropriation		<u>66,08,049</u>		43,32,476.73
a) Proposed Dividend		---		---
b) Interim Dividend		---		12,27,317.70
c) General Reserve		---		4,00,000.00
Surplus C/f to Balance Sheet		<u><u>66,08,049</u></u>		<u><u>27,05,159.03</u></u>

### DIVIDEND :

Your Directors have not declared any Dividend for the year ended 31st March, 1997 to conserve the resource for working capital requirements of the Company.

### STATEMENT UNDER CLAUSE 43 OF THE LISTING AGREEMENT:

Description	(Rupees in Lacs)	
	Actuals 1996-97	Projections 1996-97
Sales/Income	4673.40	1823.00
profit before Interest		
Depreciation and Tax	69.35	199.00
Profit after Tax	39.03	140.00

### Explanation for variation:

1. Due to sluggishness in the market, and general liquidity crisis, the Company's profitability was affected.
2. To counter competition, the Company had absorbed cost increases and maintained price levels, resulting in lower profits.

### WORKING RESULTS :

The Company achieved the turnover of Rs. 4673.40 Lakhs Compared to Rs. 952.81 Lakhs in the previous year. The same have increased by 390% but due to sluggishness in the market and general liquidity crisis, the Company's profitability was affected.

### PERFORMANCE :

Turnover for the 1st three months of the current year is Rs. 218.69 Lacs which shows an appreciable increase.

We are now planning to launch Shree Sidhivinayak Watches assembled locally.



As mentioned in the last Directors' Report the Company's showroom at Zavari Bazar was to open shortly. The same has been opened in the last year and the response has been very good.

The Company has entered into an agreement to market its silver Coin to Gold Corp, Australia all over the world by taking a royalty of U.S. \$ 1 per coin of 1 ounce.

**DIRECTORS :**

Shri. K. P. Kulkarni & Shri. Kirit Damania, Directors retire by rotation and being eligible offer themselves for re-appointment.

Smt. Ujvala D. Javeri has been appointed as an Additional Director on 13th February, 1997.

Notice pursuant to Section 257 of the Companies Act, 1956 has been received from a member recommending her appointment as a Director at the 5th Annual General Meeting.

Your Board recommends her appointment as a Director of the Company.

**AUDITORS :**

M/s. Naresh S. Shah & Co., Chartered Accountants retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

**PARTICULARS OF EMPLOYEES :**

None of the employees have drawn salary in excess of the limits prescribed u/s 217 (2-A) of the Companies Act, 1956.

Hence no information is furnished as required under the said provision.

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

The Company has not carried out any activities as required u/s 217 (1) (e) the Companies Act, 1956 in relation to conservation of energy. The Foreign Exchange earning amounted to Rs.41,08,68,137 for the year ended 31st March, 1997 compared to Rs.2,23,06,622 in the previous year. The Foreign Exchange expenses towards purchase of Rough Diamonds coins amounted to Rs. 5,08,07,908 Compared to Rs. 4,39,28,054/- in the previous year.

**ACKNOWLEDGEMENT :**

We profusely thank our Bankers, our suppliers customers and Share Holders for their support and encouragement.

For and on Behalf of the Board

**(DEEPAK S. JAVERI)**  
Chairman & Managing Director.

Date : 25th June, 1997.

**Regd. Office :** 1106, Panchratna,  
Opera House,  
BOMBAY-400 004.

**AUDITOR'S REPORT**

To  
The Shareholders of **PRECIMET DIAMONDS (INDIA) LIMITED**

We have audited the attached Balance Sheet of **PRECIMET DIAMONDS (INDIA) LIMITED** as at 31st March, 1997 and the profit and loss account of the company for the financial year ended on that date annexed thereto.

- 1) As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956; and on the basis of such checks as we considered appropriate, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
  - (a) We have obtained all 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 accounts as required by law have been kept by the company so far as appears from our examination of the books;
  - (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon as specified in Schedule N give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
    - (i) in the case of the Balance Sheet of the Company, of the state of affairs of the company as at 31st March, 1997 and
    - (ii) in the case of Profit & Loss Account, of the profit of the Company for the financial year ended on that date.

**ANNEXURE TO THE AUDITOR'S REPORT**

(for the year ended 31-3-97)

REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

- (1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management during the period. We are informed that no material discrepancies were noticed on physical verification as compared with the records of fixed assets.
- (2) None of the fixed assets have been revalued during the year.
- (3) Physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores and spares and raw materials in the Company's possession. During the year, goods in the custody and possession of third parties have been verified by the management either physically or with reference to certificates or statements of accounts of third parties for the major portion of stock held.
- (4) The procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (5) According to the information and explanations given to us, the discrepancies noticed on physical verification of stocks as compared to book records were not material and the same have been properly dealt with in the books of account.
- (6) In our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles.
- (7) In our opinion and according to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and/or from companies under the same management within the meaning of section 370 (1-B) of the Companies Act, 1956 where the rate of interest and other terms and conditions are prima facie, prejudicial to the interests of the Company.
- (8) The Company has not granted loans secured or unsecured to companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956 or the Company under the same management within the meaning of section 370 (1-B) of the Companies Act, 1956.
- (9) No loans or advances in the nature of loans have been given by the company.
- (10) In our opinion and according to the information and explanation given to us, there exists an adequate internal control procedure commensurate with the size of the Company and the nature of its business for purchase of stores, raw materials including components, plant and machinery, equipment and other assets, and for the sale of goods during the year.
- (11) According to information and explanations given to us, the Company has not entered into any transactions of purchase of goods and materials and sale of goods, materials and services, in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs:50,000 or more in respect of each party.
- (12) As explained to us, the Company has a regular procedure for determination of unserviceable or damaged stores, raw materials or finished goods and adequate provision for the loss has been made in accounts.
- (13) Since the Company has not accepted any deposit within the meaning of the Companies (Acceptance of Deposits) Rules, 1975, the directives issued by the Reserve Bank of India, the provisions of section 58A and the rules framed thereunder are not applicable.
- (14) As explained to us, the Company does not generate any realisable by-product or scrap.
- (15) The Company does not have internal audit system commensurate with its size and the nature of its business.
- (16) As explained to us, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in the case of the Company.
- (17) According to the records of the Company, the Company has been regular in depositing provident fund and employees state insurance dues with appropriate authorities.
- (18) According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom duty and excise duty were outstanding at the last day of the financial year concerned, for a period of more than six months from the date they become payable.
- (19) According to the examination of the books of account and voucher and the explanations given to us on our inquiries, no personal expenses have been charged to revenue account, other than those payable under contractual obligation or in accordance with generally accepted business practices.
- (20) The Company is not a sick industrial company within the meaning of clause (O) of sub-section (1) of section 3 of Sick Industrial Companies (Special Provision) Act, 1985.
- (21) In respect of service activities of the Company, in our opinion and according to information and explanations given to us, and considering the nature and magnitude of services rendered, we report as under:
  - i) Since there is no consumption of material and stores clauses (ii) & (iv) of paragraph 4 (B) of the Manufacturing and Other Companies (Auditor's Report) Order, 1988 are not applicable.
  - ii) It is not feasible to have a system of allocating manhours utilised to the relative jobs.
- (22) In respect of trading activities of the Company, we are informed that there are some damaged goods found during the financial year and the difference is properly written off while valuing such stock.

For **NARESH S. SHAH & CO.**  
(CHARTERED ACCOUNTANTS)

**NARESH S. SHAH**  
PARTNER  
MEMBERSHIP NO: 10585

MUMBAI

DATED: 28th June, 1997.



**BALANCE SHEET AS AT 31ST MARCH 1997.**

PARTICULAR	SCHEDULE	AS AT 31ST MARCH 1997		AS AT 31ST MARCH 1996	
		RUPEES	RUPEES	RUPEES	RUPEES
<b>I. SOURCES OF FUNDS :</b>					
1. Shareholder's Funds :					
A) Share Capital	A	5,34,72,000.00		5,34,72,000.00	
B) Reserve & Surplus	B	99,08,049.30		60,05,159.03	
			6,33,80,049.30		5,94,77,159.03
2. Loans & Funds :					
a) Secured Loans	C	50,00,000.00		—	
b) Unsecured Loans		1,39,793.00		19,88,459.71	
			51,39,793.00		19,88,459.71
<b>TOTAL</b>			<b>6,85,19,842.30</b>		<b>6,14,65,618.74</b>
<b>II. APPLICATION OF FUNDS :</b>					
1 Fixed Assets					
a. Gross Block	D	90,47,083.79		1,64,38,884.21	
Less : Depreciation		-10,06,865.00		13,61,397.00	
Net Block			80,40,218.79		1,50,77,487.21
b. Investments	E		2,51,501.00		1,500.00
2. Working Capital					
a. Current Assets, Loans & Adv.					
i. Inventories (as certified by Director)	F	1,48,88,760.00		5,16,17,297.00	
ii. Sundry Debtors		33,30,80,252.41		1,54,32,892.00	
iii. Cash & Bank Balances		13,75,781.50		8,39,509.03	
iv. Loans & Advances & Deposits & Others		1,24,97,492.00		1,16,19,948.00	
		36,18,42,285.91		7,95,09,646.03	
<u>Less :</u>					
b. Current Liabilities & Provisions					
i. Liabilities	G	30,02,52,307.40		3,48,12,494.00	
ii. Provisions		13,61,856.00		6,50,000.00	
		30,16,14,163.40		3,54,62,494.00	
			6,02,28,122.51		4,40,47,152.03
3. Miscellaneous Expenditure (to the extent not W/off or Adj.)					
			—		23,39,479.50
<b>TOTAL</b>			<b>6,85,19,842.30</b>		<b>6,14,65,618.74</b>
Significant Accounting Policies and notes on Accounts	N				

AS PER OUR REPORT OF EVEN DATE

For NARESH S. SHAH & CO.  
CHARTERED ACCOUNTANTS

For PRECIMET DIAMONDS (INDIA) LTD.

PLACE : Mumbai.  
DATE : 28th June, 1997.

(NARESH S. SHAH)  
PROPRIETOR

Sd/-  
DEEPAK JAVERI  
(MANAGING DIRECTOR)

Sd/-  
BHARAT MODI  
(DIRECTOR)



**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1995.**

PARTICULAR	SCHEDULE	YEAR ENDED	
		31ST MARCH 1997	31ST MARCH 1996
		RUPEES	RUPEES
<b>I. INCOME :</b>			
Sales	H	46,73,40,031.91	9,52,81,542.20
Exchange Difference		31,49,647.89	11,49,653.58
Licence Premium (Net)		-1,23,967.39	22,359.10
Interest received		16,619	—
Miscellaneous Income		91.00	—
<b>TOTAL</b>		<b>47,03,82,422.41</b>	<b>9,64,53,554.88</b>
<b>II. EXPENDITURE :</b>			
Cost of Goods consumed/Sold	I	45,34,15,758.00	8,84,56,925.00
Manufacturing Expenses	J	4,51,078.00	3,36,760.00
Selling Expenses	K	21,00,541.90	9,47,057.57
Salaries & Others to Employees		3,84,650.00	3,32,769.00
Directors Remuneration		2,40,000.00	3,92,775.00
Interest		5,24,615.00	2,30,127.00
Miscellaneous Expenditure	L	8,000.00	6,000.00
Other Administration Expenses	M	21,33,085.92	10,93,255.96
Depreciation		17,95,502.00	13,10,367.00
Auditors Remuneration		25,000.00	25,000.00
Preliminary Expenses W/off		23,39,479.50	2,59,943.00
Loss on sale of Gold Plating Machine		23,49,966.00	—
		<b>-46,57,67,676.32</b>	<b>9,33,90,979.53</b>
III. Profit before Tax		46,147,46.09	30,62,575.35
IV. Provision for Taxation		-7,11,856.00	-6,50,000.00
V. Profit after the Tax		39,02,890.09	24,12,575.35
VI. Balance B/d. from Previous year		27,051,59.03	17,14,660.86
		66,08,049.12	41,27,236.21
VII. Previous year adjustments (net)		—	2,05,240.52
VIII. Amount available for appropriation		66,08,049.12	43,32,476.73
<b>APPROPRIATIONS:</b>			
IX. Proposed Dividend		—	—
X. Interim Dividend Paid		—	12,27,317.70
XI. Transfer to General Reserve		—	4,00,000.00
XI. Balance C/f to Balance Sheet		66,08,049.12	27,05,159.03
		66,08,049.12	43,32,476.73
Significant Accounting Policies and notes on Accounts	N		

AS PER OUR REPORT OF EVEN DATE

For NARESH S. SHAH & CO.  
CHARTERED ACCOUNTANTS

For PRECIMET DIAMONDS (INDIA) LTD.

PLACE : Mumbai.  
DATE : 28th June, 1997.(NARESH S. SHAH)  
PROPRIETORSd/-  
DEEPAK JAVERI  
(MANAGING DIRECTOR)Sd/-  
BHARAT MODI  
(DIRECTOR)

**SCHEDULE "A"**  
**PARTICULARS**

**SHARE CAPITAL:**

	AS AT 31ST MARCH 1997. (RUPEES)	AS AT 31ST MARCH 1996. (RUPEES)
1 <b>AUTHORISED</b> 60,00,000 Equity Shares Of Rs. 10/- each	6,00,00,000.00	6,00,00,000.00
2 <b>ISSUED :</b> 53,47,200 (Previous year 33,96,900) Equity Shares Of Rs. 10/- each :	5,34,72,000.00	5,34,72,000.00
3 <b>SUBSCRIBED:</b> 53,47,200 (Previous year 33,96,900) Equity Shares of Rs.10/- each fully paid up	5,34,72,000.00	5,34,72,000.00
NOTE:1950300 Equity share fully paid up were issued to public in public issue.		

**SCHEDULE "B"**  
**RESERVES & SURPLUS**

I. General Reserve As per last years Balance Sheet	33,00,000.00	29,00,000.00
Add: Transferred from Profit & Loss Account	—	4,00,000.00
	<u>33,00,000.00</u>	<u>33,00,000.00</u>
II. Profit & Loss Account As per last years Balance Sheet	27,05,159.30	17,14,660.86
Add: Transferred from Profit & Loss Account	39,02,890.00	9,90,498.17
<b>TOTAL</b>	<b>66,08,049.30</b>	<b>27,05,159.03</b>
<b>TOTAL</b>	<b>99,08,049.30</b>	<b>60,05,159.03</b>

**SCHEDULE "C"**

A) Secured Loans :	50,00,000.00	NIL
From Bank : (Patan Co-op. Bank Ltd.) Secured by office premises, situated at Panchratna, Opera House, : as also on the hypothecation of company's stock in trade; and on the personal guarantees of some of the directors of the company.	<u>50,00,000.00</u>	<u>NIL</u>
B) Unsecured Loans :		
1) Bank of India , Opera House	—	13,39,626.71
2) Loan From Directors	1,39,793.00	3,53,833.00
3) Loan From Others	—	2,95,000.00
4) Real value Appliance Ltd.	—	—
	<u>1,39,793.00</u>	<u>19,88,459.71</u>

**SCHEDULE "D"**

**FIXED ASSETS**

SR.	PARTICULARS	GROSS BLOCK		COST AS ON 31.03.97	DEPRECIATION		NET BLOCK		W.D.V. ON 31.03.97	W.D.V. ON 31.03.97
		COST AS ON 01.04.96	ADDITION DEDUCTION		AS ON 01.04.96	ADDITION	AS ON 31.03.97	W.D.V. ON 31.03.96		
1.	Patents	3,000.00	27,000.00	30,000.00	—	—	—	30,000.00	30,000.00	30,000.00
2.	Office Premises	45,00,000.00	—	45,00,000.00	—	—	—	45,00,000.00	45,00,000.00	45,00,000.00
3.	Office Equipment	97,200.00	10,172.00	1,07,372.00	7541.00	12,825.00	20,365.00	89,659.00	87,006.00	87,006.00
4.	Office Furniture	68,000.00	—	68,000.00	24970.00	7,788.00	32,758.00	43,030.00	35,242.00	35,242.00
5.	Fax Machine	37,000.00	—	37,000.00	13392.00	3,284.00	16,676.00	23,608.00	20,324.00	20,324.00
6.	Computer	59,000.00	—	59,000.00	38468.00	2,856.00	41,324.00	20,532.00	17,676.00	17,676.00
7.	Furniture At Showroom Khar	22,79,386.30	—	22,79,386.79	206284.00	3,75,231.00	5,81,515.00	20,73,102.30	16,97,871.79	16,97,871.79
8.	Godrej Safe At Showroom Khar	80,298.00	17,515.00	97,813.00	5584.00	14,316.00	19,900.00	74,713.91	77,913.00	77,913.00
9.	Camera At Showroom Khar	40,000.00	—	40,000.00	2782.00	5,177.00	7,959.00	37,218.00	32,041.00	32,041.00
10.	Air Conditioner At Showroom Khar	2,75,000.00	—	2,75,000.00	19126.00	35,592.00	54,718.00	2,55,874.00	2,20,282.00	2,20,282.00
11.	Electrical Installation at Z. Bazaar	—	32,831.00	32,831.00	—	1,981.00	1,981.00	—	30,850.00	30,850.00
12.	Gold Plating , Jewellery casting machine	90,00,000.00	-90,00,000.00	—	1043250.00	11,06,784.00	21,50,034.00	79,56,750.00	—	—
13.	Motor Cars	—	12,90,385.00	12,90,385.00	—	2,22,720.00	2,22,720.00	—	10,67,665.00	10,67,665.00
14.	Furniture at Zaveri Showroom Bazaar	—	2,30,296.00	2,30,296.00	—	6,948.00	6,948.00	—	2,23,348.00	2,23,348.00
<b>TOTAL</b>		1,64,38,884.30	-73,91,801.00	90,47,083.79	13,61,397.00	17,95,502.00	31,56,899.00	1,50,77,487.21	80,40,218.79	80,40,218.79
<b>PREVIOUS YEAR</b>		57,16,896.10	1,07,18,988.11	1,64,38,884.21	51,030.00	13,10,367.00	13,61,397.00	56,65,866.10	1,50,77,487.21	1,50,77,487.21

NOTE: (1) Depreciation is round off to nearest rupee.  
(2) To counter competition, the Company had absorbed cost increases and maintained price levels, resulting in lower profits.

**SCHEDULE "E"**

PARTICULARS	AS AT 31ST MARCH 1997 (RUPEES)	AS AT 31ST MARCH 1996 (RUPEES)
<b>SHARE INVESTMENTS</b>		
Unquoted Shares :		
Cosmos Co-Op Bank Ltd.(Shares) 50 Equity Share of Rs. 20/-each fully paid.	1,000.00	1,000.00
Patan Co-Op Bank Ltd (Shares) 50 Equity Shares of Rs.10/-each fully paid.	500.00	500.00
12500 Equity Shares of Rs. 10/- each fully paid	1,25,000.00	-
FDR with Patan Co. Op. Bank	1,25,001.00	-
<b>TOTAL</b>	<u>2,51,501.00</u>	<u>1,500.00</u>

**SCHEDULE "F"****CURRENT ASSETS, LOANS & ADVANCES****I. INVENTORIES**

1. Rough Diamonds	5,82,704.00	NIL
2. Diamond studded gold rings	8,15,145.00	9,60,644.00
3. Polished Diamonds	11,75,425.00	4,49,70,779.00
4. Gold jewellery	35,49,937.00	23,06,830.00
5. Gold coins	7,85,081.00	1,17,505.00
6. Gold piece	6,81,495.00	3,61,250.00
7. Silver jewellery	16,31,910.00	8,74,566.00
8. 1 oz Silver coins	40,05,500.00	9,43,950.00
9. Other Silver coins	3,65,518.00	7,07,750.00
10. Licence	1,00,687.00	2,64,473.00
11. Gold bar	1,09,550.00	1,09,550.00
12. Coin watch	23,894.00	-
13. Silver piece	10,61,914.00	-
	<u>1,48,88,760.00</u>	<u>5,16,17,297.00</u>

**II. SUNDRY DEBTORS (Unsecured considered good)**

A) More than Six Months	17,76,28,636.41	NIL
B) Less than Six Months	15,54,51,616.00	1,54,32,892.00
<b>TOTAL</b>	<u>33,30,80,252.41</u>	<u>1,54,32,892.00</u>

**III. CASH & BANK BALANCES**

A. Cash on Hand	40,10,490.81	1,69,137.85
B. Balance with Schedule Bank Current Account:		
1. Punjab National Bank	-30,47,950.99	19,274.00
2. Cosmos Co-Op Bank Ltd.	2,883.17	4,183.17
3. Bank of India (E.E.F.C.)	1,05,383.25	6,24,308.47
4. Bank of India Interim Dividend A/c O.P.H. Br.	—	22,605.54
5. Bank of India	2,87,527.09	—
6. Punjab National Bank (E.E.F.C.)	18,550.00	—
7. Citibank	22,159.00	—
8. Patan Cop. Bank Ltd.	-23,260.83	—
<b>TOTAL</b>	<u>13,75,781.50</u>	<u>8,39,509.03</u>



PARTICULARS	AS AT 31ST MARCH 1997 (RUPEES)	AS AT 31ST MARCH 1996 (RUPEES)
<b>IV. LOANS &amp; ADVANCES &amp; DEPOSITS (UNSECURED CONSIDERED GOOD)</b>		
A) Depsits	1,17,54,796.00	1,16,05,748.00
B) Loans and Advances	21,837.00	14,200.00
C) Other Receivable	7,20,859.00	—
<b>TOTAL</b>	<u>1,24,97,492.00</u>	<u>1,16,19,948.00</u>

**SCHEDULE " G "**

**CURRENT LIABILITIES AND PROVISIONS**

<b>A. Current Liabilities : (Sundry Creditors)</b>		
a) For Goods :	29,94,90,889.00	3,43,50,073.00
b) For Expenses & Others :	7,61,418.40	1,79,242.00
c) For Licence Premium :	—	2,83,179.00
<b>TOTAL A</b>	<u>30,02,52,307.40</u>	<u>3,48,12,494.00</u>
<b>B. Provision</b>		
1. Provision For Taxation	13,61,856.00	6,50,000.00
2. Proposed Dividend	—	—
<b>TOTAL B</b>	<u>13,61,856.00</u>	<u>6,50,000.00</u>

**SCHEDULE "H"**

	CURRENT YEAR		PREVIOUS YEAR	
	LOCAL	EXPORT	LOCAL	EXPORT
<b>SALES</b>				
1. Polished Diamonds	3,75,56,249.00	40,98,07,307.41	6,29,85,305.25	2,23,06,622.05
2. Gold	—	—	1,07,741.20	—
3. Silver coins 1 oz.	1,14,58,215.50	7,17,310.00	87,21,563.70	—
4. Gold bars	—	—	5,15,000.00	—
5. Silver jewellery	9,100.00	58,222.00	34,087.00	—
6. Diamond studded gold rings	8,694.00	1,69,025.00	6,11,223.00	—
7. 1/2 Ounce S. Coins	7,59,745.00	—	—	—
8. 100 gms. S. Coins	9,45,402.00	—	—	—
9. Gold Jewellery	30,33,259.00	1,16,273.00	—	—
10. Gold Coin	27,01,230.00	—	—	—
<b>TOTAL</b>	<u>5,64,71,894.50</u>	<u>41,08,68,137.41</u>	<u>7,29,74,920.15</u>	<u>2,23,06,622.50</u>
<b>GRAND TOTAL</b>	<u>46,73,40,031.91</u>		<u>9,52,81,542.20</u>	

**SCHEDULE "I"**

**COST OF GOODS CONSUMED / SOLD**

Opening Stock	5,16,17,297.00	5,96,26,238.00
Add : Purchase :		
<b>LOCAL</b>		
1. Silver Bar	10,66,572.00	—
2. Silver jewellery	—	9,00,000.00
3. Polished Diamonds	36,29,10,979.00	2,12,87,110.00
4. Gold pieces	3,96,534.00	28,65,000.00
5. Licence	—	17,69,255.00
6. Silver coins	—	56,87,500.00

**IMPORTS :**

7.	Coin Watch	23,900.00	—
8.	Silver Jewellery	8,53,725.00	—
9.	Rough diamonds	3,22,99,296.00	4,39,28,054.00
10.	Gold jewellery	35,91,658.00	10,53,953.00
11.	Gold bars & coins	30,56,530.00	5,04,677.00
12.	Silver coins	1,09,82,799.00	21,53,665.00
13.	Custom duty	9,18,693	1,70,455.00
14.	Freight	5,86,535.00	1,28,315.00
		<u>46,83,04,518.00</u>	<u>14,00,74,222.00</u>

**Less : Closing Stock :**

1.	Rough Diamonds	5,82,704.00	NIL
2.	Polished Diamonds	11,75,425.00	4,49,70,779.00
3.	Diamond Studded Gold Rings	8,15,145.00	9,60,644.00
4.	Gold Bar	1,09,550.00	1,09,550.00
5.	Gold Jewellery	35,49,937.00	23,06,830.00
6.	Gold Coins	7,85,081.00	1,17,505.00
7.	Gold Piece	6,81,495.00	3,61,250.00
8.	Silver Jewellery	16,31,910.00	8,74,566.00
9.	One Ounce Silver Coins	40,05,500.00	9,43,950.00
10.	Half Ounce Silver Coins	3,65,518.00	7,07,750.00
11.	Import Licence	1,00,687.00	2,64,473.00
12.	Silver Pieces	10,61,914.00	—
13.	Coin Watch	23,894.00	—
		<u>1,48,88,760.00</u>	<u>5,16,17,297.00</u>
<b>TOTAL</b>		<u><u>45,34,15,758.00</u></u>	<u><u>8,84,56,925.00</u></u>

**SCHEDULE "J"****PARTICULARS**

	<b>AS AT 31ST MARCH 1997 (RUPEES)</b>	<b>AS AT 31ST MARCH 1996 (RUPEES)</b>	
<b>MANUFACTURING EXPENSES</b>			
1.	Salary Works Department	2,93,000.00	2,95,000.00
2.	Factory Rent	9,000.00	12,000.00
3.	Purchase expenses	1,734.00	100.00
4.	Re-assortment Charges	49,600.00	7,500.00
5.	Licence Application Fees	97,744.00	22,160.00
	<b>TOTAL</b>	<b>4,51,078.00</b>	<b>3,36,760.00</b>

**SCHEDULE "K"****SELLING EXPENSES**

1.	Sales Tax (Turnover)	1,44,494.00	2,52,199.00
2.	Selling Expenses	7,42,576.16	1,62,018.40
3.	Export Insurance	45,900.00	8,476.00
4.	Advertisement	7,78,804.70	4,04,771.00
5.	Travelling Expenses	2,77,785.04	56,784.53
6.	Sales Promotion Expenses	76,454.00	62,808.64
7.	Expenses on Export	34,528.00	—
	<b>TOTAL</b>	<u><u>21,00,541.90</u></u>	<u><u>9,47,057.57</u></u>

	AS AT 31ST MARCH 1997 (RUPEES)	AS AT 31ST MARCH 1996 (RUPEES)
<b>SCHEDULE "L"</b>		
<b>MISCELLANEOUS EXPENSES</b>		
1. Donations	8,000.00	6,000.00
<b>TOTAL</b>	<u>8,000.00</u>	<u>6,000.00</u>
<b>SCHEDULE " M "</b>		
<b>OTHER ADMINISTRATIVE EXPENSES</b>		
Secretarial Fees	36,000.00	36,000.00
Professional Fees	—	9,000.00
Professional Tax	1,880.00	3,005.00
Employees Provident Fund	79,665.00	71,382.00
E.S.I.C. Charges	17,426.00	19,821.50
Legal Fees	795.00	4,786.00
Membership Fees	12,075.00	15,190.00
Entertainment Expenses	1,16,843.67	—
Motor Car Rent	—	9,900.00
Motor Car Expenses	1,15,274.00	76,186.03
Motor Car Insurance	22,562.00	24,107.00
Telephone Expenses	3,46,494.09	1,94,420.68
Electricity Expenses	1,67,440.44	1,38,959.00
Printing & Stationery	92,175.75	93,661.00
Office Maintenance Expenses	47,766.80	27,520.00
Conveyance Expenses	55,252.40	41,126.25
Misc .Expenses	27,807.50	21,563.00
Office Expenses	1,14,771.79	23,338.50
Bank Charges	4,37,593.03	1,16,401.00
Other Admn. Expenses	8,115.00	30,727.00
P F Admn. Charges	8,319.00	13,972.00
Board Meeting Fees	5,500.00	7,750.00
Rent	—	1,726.50
Staff Welfare	30,286.45	38,290.00
Cleaning & Washing	686.50	1,513.50
Labour Charges	—	10,850.00
Security Expenses	35,786.00	6,000.00
Filing Fees	—	55,000.00
Discount	18.00	1,060.00
Insurance Premium	46,521.00	—
Income Tax	22,201.00	—
Office Repairs and Maintainance	10,680.00	—
Listing Fees	17,000.00	—
Mediclaime Charges	2,457.00	—
Repairs/renovation expenses for Showroom at Zaveri Bazaar written off	—	—
<b>TOTAL</b>	<u>4,96,389.00</u>	<u>—</u>
	<u>21,33,085</u>	<u>10,93,255.96</u>

**SCHEDULE "N"****A) SIGNIFICANT ACCOUNTING POLICIES:**

1. **Basis of Accounting:**
  - i. The financial statements are prepared under the historical cost convention on accrual basis.
  - ii. Method of accounting employed by the company is mercantile system.
2. **Fixed Assets :** Fixed Assets are stated at cost of acquisition. They are stated at historical cost less accumulated depreciation.
3. **Depreciation:** Depreciation on Fixed Assets is provided on W.D.V. basis in accordance with the rate and manner specified in Schedule XIV of the Company Act, 1956. Depreciation is calculated prorata from the month of addition.
4. **Inventories:**
  - a) Rough Diamonds: Valued at cost or market value whichever is lower.
  - b) Polished Diamonds: Valued at cost or estimated Realisation value whichever is lower
  - c) Coins & Jewellery: Valued at cost or estimated Realisation value whichever is lower
5. **Revenue Recognition :**  
Exports and Imports are booked when the delivery of materials are physically given to or received from Customs Authorities, respectively.
6. **Foreign Exchange Transaction:**
  - i. In respect of export and import of goods, transactions in foreign currency are recorded at the exchange rate prevailing at the time of such transactions. Amount short or excess realised are debited or credited to exchange difference account.
  - ii. Assets and liabilities related to foreign currency transaction remaining unsettled at the end of the year are translated at year end rate. The difference in translation of current assets and current liabilities is recognised in the profit & loss account.

**B) NOTES FORMING PART OF ACCOUNT**

1. Previous year's figures are re-grouped & re-casted wherever required.
2. Value of Closing Stocks have been Taken as valued and as certified by the Directors.
3. Provisions of Gratuity Act are not applicable to the Company.
4. Income Tax Assessment till the year end 31st March, 1995 is completed.
5.
  - a) In the opinion of the Board the provisions for all known Liabilities are adequate and not in excess of amount reasonably necessary.
  - b) In the opinion of the Board the Current Assets are shown in the Balance Sheet at their realisable values.
6. The Company is a Partner in the firm in the name & style of M/s. KALPATARU JEWELLERS with Profit/Loss Sharing Ratio of 90% (Ninety Percent) in the said firm. In the opinion of Directors, the company does not expect any material profit/loss from the same. However, the company has not accounted of the said loss of Rs.1.50 paise attributable to its share upto the firms accounting year ended on 31.3.96, since it is immaterial.
7. The balances of sundry debtors and sundry creditors are subject to confirmation.
8. Current assets and current liabilities relating to foreign exchange transactions outstanding at the year end translated at year end rate resulted in a net profit of Rs.4,34,896 which has been recognised in the profit and loss account (through exchange difference adjustment account of year end) to comply with the terms of Mandatory Accounting Standard 11 of the Institute of Chartered Accountants of India.
9. The Board is of the opinion that provision for Income-tax made is adequate as the company shall be only liable to pay tax on its book profit under section 115JA of Income-tax Act, 1961 as it expects that the export debtors outstanding as at 31.3.97 and unrealised as at the date of this report, would be realised within the time specified under section 80 HHC of the Income-tax Act, 1961.
10. The Company has engaged the services of a professionally qualified Company Secretary on retainer basis.
11. There were no employees who were in receipt of remuneration in the aggregate at the rate of not less than Rs. 3,00,000/- per year per year and Rs. 25,000/- per month if employed for part of the year.
12. The Company has written off the entire Preliminary expenses (Miscellaneous Expenditure) of Rs. 2339479.50 to Profit and Loss Account.
13. The Company has also written off Rs. 496389/- being the expenditure on repairs and renovation incurred for its showroom at Zaveri Bazaar, Mumbai 400 002.



14. Additional Information as required by para 3,4C & 4D Part -II Of Schedule VI of the Companies Act, 1956.

A) Licenced and installed capacity and productions:

As at 31.3.97  
carats

Quantitative information  
a. Licenced Capacity Not applicable

b. Installed Capacity NIL  
Company does trading as well as manufacturing.

B) Details of Opening Stock, Purchase of Raw Materials & Polished Goods, Turnover & Closing Stock.

Stock Statement of 1996-1997.

Details of Opening Stock ,Purchase Turnover and Closing Stock

		As on 31/3/97		As on 31/3/96
	Weight in carrats/grams/ pieces	Amount	Weight in carrats/grams/ pieces	Amount
<b>1. OPENING STOCK</b>				
1. Rough Diamonds (Cts)	NIL	NIL	3479.270	41987811.00
2. Diamond Studded (pieces)				
Gold ring	548.000	960644.00	—	-
3. Polished Diamonds (Cts)	3287.130	44970779.00	1085.700	17500068.00
4. Gold Jewellery (gms)	5084.000	2306830.00	—	-
5. Gold Coins	55.000	117505.00	—	-
6. Gold Piece (gms)	722.500	361250.00	—	-
7. Silver Jewellery (gms)	29152.200	874566.00	—	-
8. 1 Ounce Silver Coins (pieces)	2697.000	943950.00	—	-
9. Gold Piece (gms)	233.276	109550.00	233.276	109550.00
10. Other Silver Coins (pieces)	2831.000	707750.00	—	-
<b>2. PURCHASES</b>				
A. Raw Materials Gold rings (gms)	—	—	8603.290	3918953.00
Rough diamonds (Cts)	44406.400	32299296.00	12483.960	43928054.00
B. Goods				
Polished Diamonds (Cts)	62727.300	362910979.00	7316.250	21287110.00
Silver coins (pieces)				
1 Ounce	39989.000	10172331.00	19450.000	6549244.00
Other silver coins (pieces)	1001.000	810468.00	6400.000	1291921.00
Gold Coins (pieces)	849.000	3056530.00	1000.000	504677.00
Gold Jewellery (gms)	8374.200	3591658.00	—	—
Silver Jewellery (gms)	57648.280	853725.00	30000.000	900000.00
Coin Watch (pieces)	13.000	23900.00	—	—
Gold Piece (gms)	844.155	396534.00	—	—
Silver (Bar) pieces ((gms)	165150.000	1066572.00	—	—
3. From Manufacturing				
Polished Diamonds (Cts)	4353.280	—	—	—
<b>4. Turnover/Consumption</b>				
1. Rough Diamonds (Cts) (To Mfg.)	35481.010	31216592.00	15963.230	85915865.00
2. Polished Diamonds (Cts)	63536.210	447363556.00	10681.640	85291927.00
3. Diam.Studded Gold Rings (pieces)	83.000	177719.00	252.000	611223.00



4.	Gold Coins (pieces)	660.000	2701230.00	774.000	515000.00
5.	Silver Jewellery (gms)	5205.000	67322.00	847.800	34087.00
6.	Gold Jewellery (gms)	5706.150	3149532.00	276.730	151641.00
7.	1 Ounce Silver Coins (pieces)	26664.000	12175525.50	16515.000	8677644.00
8.	Other Silver coins (pieces)	3099.000	1705147.00	3569.000	43919.00
5.	<b>Closing Stock</b>				
i.	Rough Diamonds (cts)	8925.390	582704.00	—	—
ii.	Polished Diamonds (cts)	6831.500	1175425.00	3287.130	44970779.00
iii.	Gold Bar piece (gms)	233276.000	109550.00	233.276	109550.00
iv.	Gold Jewellery (gms)	7752.050	3549937.00	5084.060	2306830.00
v.	Gold coins (pieces)	244.000	785081.00	226.000	117505.00
vi.	Silver Jewellery (gms)	81595.480	1631910.00	29152.200	874566.00
vii.	Diamond Studd. (Gold Rings) (pieces)	465.000	815145.00	548.000	960644.00
viii.	Gold Piece (gms)	1566.65	681495.00	722.500	361250.00
ix.	Silver Coins 1 oz. (pieces)	16022.00	4005500.00	2697.000	943950.00
x.	Other silver Coins (pieces)	733.000	365518.00	2831.000	707750.00
xi.	Coin Watch (pieces)	13.000	23894.00	—	—
xii.	Silver pieces (gms)	165150.000	1061914.00	—	—
C.	Expenses in Foreign Currency.				
	Imports		50807908.00		NIL
	Foreign Travelling		273661.04		NIL
D.	Earning in Foreign Currency (FOB) Rs.		410562792.00		22312000.00
E.	Value of Import of CIF Basis in respect of :				
1.	CIF Value of Import		50807908.00		47748792.00
2.	Stores and Spares		—		—
3.	Capital Goods		—		—
F.	Raw Material Consumed				
1.	Import (Rough Diamonds)	96.64%	31216592.00	100%	43928054.00
G.	Payment to Auditors				
	Audit fees (Including Tax Audit)		25000.00		20000.00
	Taxation Matters		—		5000.00
			25000.00		25000.00
H.	Managerial Remuneration				
	Managing Director's Salary		180000.00		236000.00
I.	Contingent Liabilities in respect of Stamp Duty on Office & Factory Premises		Unascertained		Unascertained

AS PER OUR REPORT OF EVEN DATE

For NARESH S. SHAH & CO.  
CHARTERED ACCOUNTANTS

For PRECIMET DIAMONDS (INDIA) LTD.

PLACE : Mumbai.  
DATE : 28th June, 1997.(NARESH S. SHAH)  
PROPRIETORSd/-  
DEEPAK JAVERI  
(MANAGING DIRECTOR)Sd/-  
BHARAT MODI  
(DIRECTOR)

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No. : 67593 State Code : 11  
 Balance Sheet Date : 31-03-97

**II. Captial Raised during the year (Amount in Rs. Thousands)**

Public Issue : — Rights Issue : —  
 Bonus Issue : — Private Placement : —

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities : 68519.00 Total Assets : 68519.00  
 (Net of miscellaneous expenditure)

**Source of Funds**

Paid up Capital : 53472.00 Reserves & Surplus : 9908.00  
 Secured Loans : 5000.00 Unsecured Loans : 139.00

**Application of Funds**

Net Fixed Assets : 8040.00 Investments : 251.00  
 Net Current Assets : 60228.00 Misc. Expenditure : —  
 Accumulated Losses : —

**IV. Performance of Company (Amount in Rs. Thousands)**

Turnover : 470382.00 Total Expenditure : 465768  
 Profit Before Tax : 4614.00 Profit After Tax : 3902  
 Profit Per Share in Rs. : 0.73 Dividend Rate (%) : NIL  
 (Weighted)

**V. Generic Names of Three Principal Product of the Company, (as per monetary terms)**

Item Code No. : ITC Code : 7106.93  
 Production Description : Coin  
 Item Code No. : ITC Code : 7102.39  
 Product Description : DIAMONDS  
 Item Code No. : ITC Code : 7113.19  
 Product Description : JEWELLERY

AS PER OUR REPORT OF EVEN DATE

For NARESH S. SHAH & CO.  
 CHARTERED ACCOUNTANTS

For PRECIMET DIAMONDS (INDIA) LTD.

PLACE : Mumbai.  
 DATE : 28th June, 1997.

(NARESH S. SHAH)  
 PROPRIETOR

Sd/-  
 DEEPAK JAVERI  
 (MANAGING DIRECTOR)

Sd/-  
 BHARAT MODI  
 (DIRECTOR)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 1997

	Year ended 31-03-1997 Rs. in lakhs	Year ended 31-03-1996 Rs. in lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxes and Extraordinary Items	46.15	30.63
Adjustments for :		
Depreciation	17.96	13.10
Interest Expenditure	—	NIL
Interest/Dividend Income	(0.16)	NIL
Income from Trade Investments	—	NIL
Income from Other Investments	(1.24)	(00.22)
Surplus on buy-back of Debentures	—	NIL
Net increase in Foreign Currency Liabilities Written off	(4.35)	NIL
Miscellaneous Expenses Written off	23.39	2.60
Miscellaneous Expenses Incurred during the Year	—	NIL
Prior Year's Adjustments	—	2.05
Interest Charged	5.24	2.21
Amortisation of Miscellaneous Expenditure	—	NIL
Lease Rent Charged	—	NIL
Operating Profit before Working Capital Charges	89.47	50.37
Adjustments for :		
Trade & Other Receivables	(3185.71)	(68.16)
Inventories	367.29	80.09
Trade Payables	(2654.40)	(35.30)
Cash Generated from Operations	(74.55)	27.00
Interest Paid	(5.24)	(2.21)
Taxes Paid	—	—
	(79.79)	24.79
Cash Flow before Extraordinary Items	—	—
Extraordinary Items	28.46	NIL
<b>Net Cash From Operating Activities A</b>	<b>(51.33)</b>	<b>24.79</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(16.08)	(112.22)
Sale of Fixed Assets	45.00	5.00
Purchase of Investments	(2.5)	—
Sale of Investments	—	—
Income from Other Investments	(1.24)	0.22
<b>Net Cash used in Investing Activities B</b>	<b>25.18</b>	<b>(107.00)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Monies Received towards Share Capital and Share Premium	—	155.03
Redemption of Preference Share Capital	—	—
Increase in Capital Contributions	—	—
Proceeds from Borrowings	31.51	(37.52)
Final Dividend Paid 95-96	—	(18.54)
Interim Dividend Paid 96-97	—	(12.27)
Expenses on Issue of Shares	—	(3.02)
<b>Net Cash used in Financing Activities C</b>	<b>31.51</b>	<b>83.68</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	5.36	1.47
Cash and Cash Equivalents as at 1st April, (Opening Balance)	8.39	6.92
Cash and Cash Equivalents as at 31st March, (Closing Balance)	13.75	8.39

For and on behalf of the Board

MUMBAI,  
28TH June, 1997.

Directors

## AUDITOR'S CERTIFICATE

We have verified the above cash flow statement of M/s. PRECIMET DIAMONDS (INDIA) LIMITED, derived from the annual financial statements for the year ended 31st March, 1997 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreements with the Stock Exchange.

For NARESH S. SHAH & Co.  
Chartered AccountantsNARESH S. SHAH  
PARTNER  
MEMBERSHIP No. 10585Place : Mumbai.  
Date : 28th June, 1997.



**PRECIMET DIAMONDS (INDIA) LTD.**

Regd. Office: 1106, Panchratna, Opera House, Mumbai 400 004.

**ATTENDANCE SLIP**

I hereby record my presence at the Fourth Annual General Meeting of **PRECIMET DIAMONDS (INDIA) LTD.** held on Saturday, the 27th September, 1997 at 4.00 pm. at Vishnudham Hall, 1st Floor, 14th Road, Khar (West), Mumbai - 400 052.

I am attending this Meeting in my capacity as:

Shareholder

Proxy

Representative

(Please tick whichever is applicable)

(Signature)

Note: Please bring this attendance slip and your copy of the Annual Report to the Meeting

**PRECIMET DIAMONDS (INDIA) LTD.**  
**ENTRY PASS**  
(to be retained throughout the Meeting)

**PRECIMET DIAMONDS (INDIA) LTD.**

Regd. Office: 1106, Panchratna, Opera House, Mumbai 400 004.

**PROXY**

I/We .....

of ..... being a Member/Members of Precimet

Diamonds (India) Ltd. hereby appoint .....

of ..... or failing him .....

of ..... or failing him .....

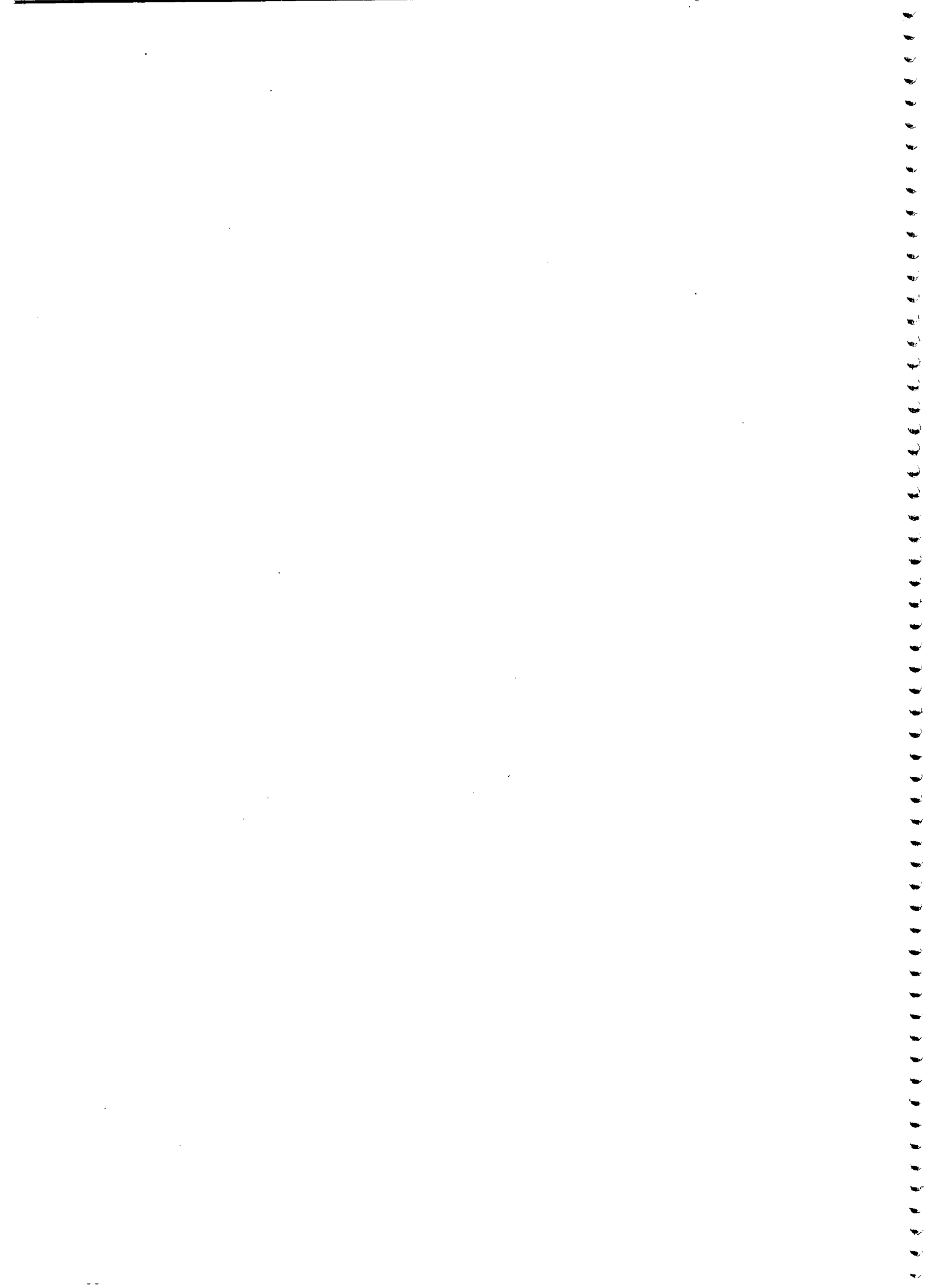
of ..... as my/our proxy to attend and vote for me/us on my/our behalf at the Fourth Annual General Meeting of the Company to be held on Saturday, the 27th September, 1997 at 4.00 pm. at Vishnudham Hall, 1st Floor, 14th Road, Khar (West), Mumbai - 400 052.

Dated            day of            1997.

Signed,

30 Paise  
Revenue  
Stamp

NOTE: The Proxy Form duly completed, stamped & signed must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.





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