



PRECIMET DIAMONDS (INDIA) LIMITED

7th Annual Report 1998-99

**SEVENTH ANNUAL REPORT OF
PRECIMET DIAMONDS (INDIA) LIMITED 1998-1999**

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DIRECTORS

MR. DEEPAK S. JAVERI, Chairman & Managing Director.
MRS. UJVALA D. JAVERI
MR. DIPAK N. PATEL

REGD. OFFICE :

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

REGISTRAR & TRANSFER AGENT :

R & D Consultant Pvt. Ltd.,
610 Dalamal Towers,
221, Nariman Point,
MUMBAI-400 021.
Phone: 2834347/74, 2884667/68

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:

C/o. Devasish Social Economic Welfare Project,
Village: Karvela, Taluka: Murbad,
Dist. Thane, State: Maharashtra.

BANKERS :

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

SBI Overseas Branch,
Cuffe Parade,
MUMBAI-400 005.

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

Union Bank of India,
Clare Road, Branch, Byculla.
MUMBAI-400 008.

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

NOTICE

NOTICE is hereby given that the 7th Annual General Meeting of the Members of **PRECIMET DIAMOND (INDIA) LIMITED** which was held on 30th September, 1999 at 4.00 p.m. and adjourned will be held as scheduled below :

Friday, the 31st Day of March, 2000 at 4.00 p.m. at the Registered Office at 1106, Panchratna, Opera House, Mumbai – 400 004.

The Agenda for the meeting will be as follows :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and Auditors' Report and Audited Balance Sheet as at 31st March, 1999 and Profit and Loss Account for the year ended on that date.
2. 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.

For and on behalf of the Board

(DEEPAK S. JAVERI)
Chairman & Managing Director.

PLACE : MUMBAI

DATED : 3rd March, 2000.

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

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) Register of Members and Share Transfer and Share Transfer books will remain closed from Wednesday, 22nd March, 2000 to Friday, 31st March, 2000 (Both Days Inclusive).
- C) Members desiring any information as regard Accounts, are required to write their queries to the company atleast 10 Days in Advance of the Annual General Meeting.
- D) Intimation of any change of Address (with their Folio No.) should be given to Registrar and Transfer Agent.

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



DIRECTORS REPORT

Dear Shareholders,

It gives us great pleasure to present to you the Seventh Annual Report together with the Audited Statement of Accounts for the year ended 31-3-99.

Your company has commenced trading activity in Software Programmes. We have plans to acquire space in Software Technology Park.

FINANCIAL RESULTS:

| | 31 ST March, 1999 Rs. | 31 ST MARCH 1998 Rs. |
|-------------------------------------|-------------------------------------|------------------------------------|
| Sales & Other Income | 71,56,91,088.67 | 1,64,56,49,103.94 |
| Gross Profit | 50,04,787.97 | 70,66,486.00 |
| Less: Depreciation | 2,49,085.37 | 7,07,956 |
| Interest | NIL | 7,94,461 |
| | <u>2,49,085.37</u> | <u>15,02,417.00</u> |
| Less: Income Tax | 47,55,702.60 | 55,64,069.00 |
| | <u>17,50,000.00</u> | <u>10,22,771.00</u> |
| Net Profit | 30,05,702.60 | 45,41,298.00 |
| Profit B/f from Previous year | 1,11,49,347.00 | 66,08,049.00 |
| | | <u>1,11,49,347.00</u> |
| Add/Less: Previous Year Adjustments | NIL | NIL |
| Profit available for appropriation | 1,41,55,049.33 | 1,11,49,347.00 |
| a) Proposed Dividend | --- | --- |
| b) General Reserve | --- | --- |
| Surplus C/f to Balance sheet | 1,41,55,049.33 | 1,11,49,347.00 |

DIVIDEND:

The Board is not declaring any dividend as the company's profit are not substantial.

WORKING RESULTS:

With the company making a foray in the Information Technology Industry we hope to achieve higher profitability. We are about to launch a number of portals in the near future.

PERFORMANCE:

The future prospects are bright and we are sure to achieve our target.

DIRECTOR :

Mr. Dipak N. Patel Director retired by Rotation and being eligible offered himself for re-appointment.

AUDIT REPORT:

The Audit Report is self explanatory.

AUDITORS:

Naresh S. Shah & Co. Chartered Accountants retire at the forthcoming Annual General Meeting and are eligible for reappointment.

PARTICULARS OF EMPLOYEES:

None of the employees has drawn salary in excess of limits prescribed u/s 217 (2-A) of the Companies Act, 1956. Hence no information is furnished.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EARNINGS AND OUT GO.

The Company has not carried out any activities u/s 217(i) (e) of the Companies Act, 1956 in relation to conservation of energy. The Foreign Exchange Earnings amounted to Rs.15,57,342/- for the year ended 31st March 1999 compared to Rs.25,35,95,000/- in the previous year. The foreign exchange expenses towards purchase of gold jewellery amounted to Rs.11,71,876/- compared to Rs. 1,22,50,000/- towards cost of purchase of Rough diamonds in the previous year.

ACKNOWLEDGEMENT:

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

For and on Behalf of the Board

(DEEPAK S. JAVERI)
Chairman & Managing Director

Place: Mumbai,
Date : 3rd March, 2000

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, 1999 and the profit and loss account of the company for the financial year ended on that date annexed thereto.

We report as follows :

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) Subject to maintenance of records as stated below in Clause (1) of Clause (d) below, 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 and Loss Account dealt with by this report are in agreement with the books of account. Subject to Note No. 5 of schedule 'M', the company has more or less complied with the Accounting Standards, referred to in section 211 (3C) of the Companies Act, 1956 to the extent applicable.
 - (d) 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 'M' give the information required by the Companies Act, 1956 in the manner so required and subject to the following give a true and fair view:
 - 1) The company's business include a sizeable business of purchase and sale of cut and polished diamonds. The quantity record of purchases and sales are kept in the register maintained to that effect. All the purchases are not supported by external evidences. By and large, substantial portion of sales is effected in cash.
 - 2) Value of Closing Stocks have been taken as per inventory stated to have been taken valued and certified by managing director and the said contention is accepted.
 - 3) The company has entered into transactions of purchase and sales of goods with an associated company in which directors are interested. Net balance outstanding payable on 31st March, 1999 is **Rs. 16,46,16,288.50** which is considered as a creditor of the company. The company is advised that the Company Law Board Approval is not necessary in respect of these transactions.
 - 4) The management has not provided Rs. 1,84,37,666/- in profit and loss account being the liability by way of income tax payable on the basis of block return assessed pursuant to order u/s. 158BC(c) of The Income Tax Act 1961. The company continues to show the seized amount of Rs. 1,89,25,500/- under heading of current assets and loans and advances. The management has contested the assessment in appeal and it expects substantial relief.
 - 5) The company has not provided for the income tax liability of Rs. 43,26,598/- for the Accounting Year ended on 31/3/1996 as reported in an earlier report. No doubt, the management has contested the said assessment in appeal.
 - (i) In the case of the Balance Sheet of the Company, of the state of affairs of the company as at 31st March, 1999.
 - 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 31-3-1999)

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 Company has disposed off some of the fixed assets during the year. The management has reported to us that they have physically verified the assets as at the end of the year. 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. The management states that they had conducted physical verification at reasonable intervals in respect of

various items dealt in by the company.

4. We are unable to express our opinion if 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 for want of enough evidence to support of the contention as stated in Clause 3.
5. According to the information and explanations given to us, no discrepancies were noticed on physical verification of stocks taken as compared to book records.
6. In our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted 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 interest 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 does not look to be an adequate internal control procedure commensurate with the size of the Company and the nature of its business.
11. According to the information and explanations give to us, save as stated in Main report, 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, assets, 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 there under 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 a formal 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. We are unable to report if the company has been regular during the year in depositing provident fund and Employees State Insurance Dues with the appropriate authorities.
18. According to the information and explanation given to us, and subject to what is stated in the main report, no undisputed amounts remain payable in respect of Income Tax, Custom duty which 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 accounts and vouchers and the explanations given to us, our inquiries reveal that 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. The Company has by and large not carried out any service activities.
22. The Company has purchased and resold Cut and Polished Diamonds and as stated by the management, was obliged to sell some of the goods at loss. No doubt, the Company has stated to have earned profit on resale of Purchase of Computer Software Program / Packages.
23. As per the explanations obtained from the company, the company's investments in shares are not with a purpose of dealing and trading in shares.

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

NARESH S. SHAH
PARTNER

MEMBERSHIP NO: 10585

MUMBAI,

DATED: 3rd March, 2000



BALANCE SHEET AS AT 31ST MARCH 1999

| PARTICULAR | SCHEDULE | AS AT 31ST MARCH 1999 | | AS AT 31ST MARCH 1998 | |
|---|----------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | RUPEES | RUPEES | RUPEES | RUPEES |
| I. SOURCES OF FUNDS : | | | | | |
| 1. Shareholder's Funds : | | | | | |
| A) Share Capital | A | 5,34,72,000.00 | | 5,34,72,000.00 | |
| B) Reserve & Surplus | B | 1,74,55,049.33 | | 1,44,49,346.91 | |
| | | | 7,09,27,049.33 | | 6,79,21,346.91 |
| 2. Loans & Funds : | | | | | |
| a) Secured Loans | C | 4,42,329.00 | | 8,67,251.00 | |
| b) Unsecured Loans | | 1,98,55,595.64 | | 1,18,90,386.00 | |
| | | | 2,02,97,924.64 | | 1,27,57,637.00 |
| TOTAL | | | 9,12,24,973.97 | | 8,06,78,983.91 |
| II. APPLICATION OF FUNDS : | | | | | |
| 1 Fixed Assets | | | | | |
| a. Gross Block | D | 61,57,778.53 | | 90,87,605.30 | |
| Less : Depreciation | | 8,39,331.90 | | 17,14,821.53 | |
| Net Block | | | 53,18,446.63 | | 73,72,783.77 |
| 2 Investment | | | | | |
| | E | | 2,51,501.00 | | 2,51,501.00 |
| 3 Working Capital | | | | | |
| A) Current Assets, Loans & Advances | | | | | |
| i. Inventories (as certified by Director) | F | 50,50,071.00 | | 96,64,957.00 | |
| ii. Sundry Debtors | | 40,62,38,850.46 | | 63,85,83,812.02 | |
| iii. Cash & Bank Balance | | 60,46,879.33 | | 10,20,894.80 | |
| iv. Loans & Advances & Deposits & Others | | 1,25,20,878.00 | | 13,02,104.00 | |
| | | | 42,98,56,678.79 | | 65,05,71,767.82 |
| Less : | | | | | |
| B) Current Liabilities & Provisions | | | | | |
| i. Liabilities | G | 34,00,89,796.45 | | 57,51,55,213.16 | |
| ii. Provisions | | 41,11,856.00 | | 23,61,856.00 | |
| | | | 34,42,01,652 | | 57,75,17,069.16 |
| TOTAL | | | 9,12,24,973.97 | | 8,06,78,983.43 |
| Significant Accounting Policies and notes on Accounts | M | | | | |

AS PER OUR REPORT OF EVEN DATE

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

For **PRECIMET DIAMONDS (INDIA) LTD.**

NARESH S. SHAH
PARTNER
MEMBERSHIP NO. 10585

Sd/-
DEEPAK S. JAVERI
(MANAGING DIRECTOR)

Sd/-
DIPAK PATEL
(DIRECTOR)

Sd/-
(UJVALA D. JAVERI)
DIRECTOR

PLACE : Mumbai.
DATE : 3rd March, 2000.

PLACE : Mumbai.
DATE : 3rd March, 2000.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1999.

| PARTICULARS | SCHEDULE | YEAR ENDED | |
|---|----------|------------------------|--------------------------|
| | | 31ST MARCH 1999 | 31ST MARCH 1998 |
| | | RUPEES | RUPEES |
| I. INCOME : | | | |
| Sales | H | 67,34,05,497.59 | 1,63,99,33,997.70 |
| Sale of Software Packages | | 83,26,300.00 | NIL |
| Exchange Difference | | 3,19,56,792.91 | 56,64,085.27 |
| Licence Premium (Net) | | 19,44,983.00 | NIL |
| Interest received (Bank Interest) | | 93.97 | 7,769.62 |
| Miscellaneous Income | | 18,637.20 | 43,251.35 |
| Profit on sale of computer | | 19,783.00 | NIL |
| Dividend received | | 19,001.00 | NIL |
| TOTAL | | 71,56,91,088.67 | 1,64,56,49,103.94 |
| II. EXPENDITURE : | | | |
| Cost of Goods consumed/Sold | I | 70,29,72,429.73 | 1,63,35,17,900.68 |
| Cost of Software Packages | | 42,06,200.00 | NIL |
| Selling Expenses | J | 3,30,587.00 | 10,58,715.50 |
| Salaries & Others to Employees | | 1,70,228.00 | 1,91,622.50 |
| Directors Remuneration | | 2,10,467.50 | 1,90,000.00 |
| Interest | | NIL | 7,94,460.68 |
| Miscellaneous Expenditure | K | NIL | 9,750.00 |
| Other Administration Expenses | L | 25,43,424.47 | 33,29,379.97 |
| Depreciation | | 2,49,085.37 | 7,07,956.00 |
| Loss on sale of Fixed Assets | | 1,52,964.00 | NIL |
| Auditors Remuneration | | 1,00,000.00 | 2,85,250.00 |
| TOTAL | | 71,09,35,386.07 | 1,64,00,85,035.33 |
| III. Profit before Tax | | 47,55,702.60 | 55,64,068.61 |
| IV. Provision for Taxation | | 17,50,000.00 | 10,22,771.00 |
| V. Profit after the Tax | | 30,05,702.60 | 45,41,297.61 |
| VI. Balance B/d. from Previous year | | 1,11,49,346.73 | 66,08,049.12 |
| | | 1,41,55,049.33 | 1,11,49,346.73 |
| VII. Amount available for appropriation | | 1,41,55,049.33 | 1,11,49,346.73 |
| APPROPRIATIONS: | | | |
| VIII. Proposed Dividend | | — | — |
| IX. Interim Dividend Paid | | — | — |
| X. Transfer to General Reserve | | — | — |
| XI. Balance C/f to Balance Sheet | | 1,41,55,049.33 | 1,11,49,346.73 |
| Significant Accounting Policies and notes on Accounts | M | | |

AS PER OUR REPORT OF EVEN DATE

For **NARESH S. SHAH & CO.**
CHARTERED ACCOUNTANTSFor **PRECIMET DIAMONDS (INDIA) LTD.****(NARESH S. SHAH)**
PARTNER
MEMBERSHIP NO.
10585Sd/-
DEEPAK S. JAVERI
(MANAGING DIRECTOR)Sd/-
DIPAK PATEL
(DIRECTOR)Sd/-
(UJVALA D JAVERI)
DIRECTORPLACE : Mumbai.
DATE : 3rd March, 2000.PLACE : Mumbai.
DATE : 3rd March, 2000.



| SCHEDULE "A" | | | | AS AT 31ST | AS AT 31ST | | | | | | |
|--|--|-------------------------|---------------------|-----------------------|------------------------|---------------------|-------------------|-------------------|------------------------|-----------------------|-----------------------|
| PARTICULARS | | | | MARCH 1999 | MARCH 1998 | | | | | | |
| | | | | (RUPEES) | (RUPEES) | | | | | | |
| SHARE CAPITAL: | | | | | | | | | | | |
| 1 | AUTHORISED | | | | | | | | | | |
| | 60,00,000 Equity Shares Of Rs. 10/- each | | | <u>6,00,00,000.00</u> | <u>6,00,00,000.00</u> | | | | | | |
| 2 | ISSUED : | | | | | | | | | | |
| | 53,47,200 Equity Shares Of Rs. 10/- each : | | | <u>5,34,72,000.00</u> | <u>5,34,72,000.00</u> | | | | | | |
| 3 | SUBSCRIBED & PAID UP: | | | | | | | | | | |
| | 53,47,200 Equity Shares of Rs.10/- each fully paid up | | | <u>5,34,72,000.00</u> | <u>5,34,72,000.00</u> | | | | | | |
| SCHEDULE "B" | | | | | | | | | | | |
| RESERVES & SURPLUS | | | | | | | | | | | |
| i. | General Reserve | | | | | | | | | | |
| | As per last years Balance Sheet | | | <u>33,00,000.00</u> | <u>33,00,000.00</u> | | | | | | |
| | Add: Transferred from Profit & Loss Account | | | — | — | | | | | | |
| | TOTAL I | | | <u>33,00,000.00</u> | <u>33,00,000.00</u> | | | | | | |
| ii. | Profit & Loss Account | | | | | | | | | | |
| | As per last years Balance Sheet | | | <u>1,11,49,346.73</u> | <u>66,08,049.12</u> | | | | | | |
| | Add: Transferred from Profit & Loss Account | | | <u>30,05,702.60</u> | <u>45,41,297.61</u> | | | | | | |
| | TOTAL | ii | | <u>1,41,55,049.33</u> | <u>1,11,49,346.73</u> | | | | | | |
| | TOTAL | i + ii | | <u>1,74,55,049.33</u> | <u>1,44,49,346.73</u> | | | | | | |
| SCHEDULE "C" | | | | | | | | | | | |
| A) | Secured Loans : (Patan Co-op. Bank Ltd.) | | | <u>4,42,329.00</u> | <u>8,67,251.00</u> | | | | | | |
| | (Secured on book debts, stock in trade, premises and personal guarantee of directos) | | | | | | | | | | |
| | TOTAL | | | <u>4,42,329.00</u> | <u>8,67,251.00</u> | | | | | | |
| B) | Unsecured Loans : | | | | | | | | | | |
| | 1) Loan from Directors | | | | | | | | | | |
| | a) Meena S. Jhaveri | | | <u>NIL</u> | <u>1,60,000.00</u> | | | | | | |
| | b) Ujvala D. Javeri | | | <u>1,12,36,310.00</u> | <u>1,01,45,310.00</u> | | | | | | |
| | c) Deepak S. Javeri | | | <u>10,19,285.64</u> | <u>15,85,076.00</u> | | | | | | |
| | 2) Loan from Others | | | | | | | | | | |
| | Deepak S. Jhaveri HUF | | | <u>53,00,000.00</u> | <u>NIL</u> | | | | | | |
| | Bhavesh D. Jhaveri | | | <u>23,00,000.00</u> | <u>NIL</u> | | | | | | |
| | TOTAL | | | <u>1,98,55,595.64</u> | <u>1,18,90,386.00</u> | | | | | | |
| SCHEDULE "D" | | | | | | | | | | | |
| FIXED ASSETS | | | | | | | | | | | |
| SR. | Description | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
| | | Op. Bal. as on 01.04.98 | Add during the year | Sold during the year | Balance as on 31.03.99 | Dep. as on 31.03.98 | Adjust for Sold | Dep. For the Year | Balance as on 31.03.99 | W.D.V. as on 31.03.99 | W.D.V. as on 31.03.98 |
| 1. | Patents | 30,000 | — | — | 30,000 | — | — | — | — | 30,000 | 30,000 |
| 2. | Office Premises | 45,00,000 | — | — | 45,00,000 | — | — | — | — | 45,00,000 | 45,00,000 |
| | Land at Murbad | 0 | 24,000 | — | 24,000 | — | — | — | — | 24,000 | — |
| 3. | Office Equipment | 1,07,372 | — | — | 1,07,372 | 32,469 | — | 10,419 | 42,888 | 64,484 | 74,903 |
| 4. | Office Furniture | 68,000 | — | — | 68,000 | 39,137 | — | 5,224 | 44,361 | 23,639 | 28,863 |
| 5. | Fax Machine | 37,000 | — | — | 37,000 | 19,503 | — | 2,434 | 21,937 | 15,063 | 17,497 |
| 6. | Computer | 59,000 | — | 59,000 | — | 43,783 | -43,783 | — | — | — | 15,217 |
| 7. | Furniture at Khar Showroom | 22,79,387 | — | 22,79,387 | — | 8,88,830 | -8,88,830 | — | — | — | 13,90,557 |
| 8. | Godrej Safe at Khar Showroom | 97,813 | — | 97,813 | — | 34,002 | -34,002 | — | — | — | 63,811 |
| 9. | Camera at Khar Showroom | 40,000 | — | 40,000 | — | 12,416 | -12,416 | — | — | — | 27,584 |
| 10. | Air Conditioner at Khar Showroom | 2,75,000 | — | 2,75,000 | — | 85,359 | -85,359 | — | — | — | 1,89,641 |
| 11. | Electrical Installation at Z. Bazaar Showroom | 32,831 | — | 32,831 | — | 7,505 | -7,505 | — | — | — | 25,266 |
| 12. | Motor Car | 12,90,385 | 1,01,021 | — | 13,91,406 | 1,99,138 | — | 2,31,008 | 7,30,146 | 6,61,260 | 7,91,247 |
| 13. | Scooter | 40,522 | — | 40,522 | — | 5,246 | -5,246 | — | — | — | 35,276 |
| 14. | Furniture at Zaveri Bazaar Showroom | 2,30,296 | — | 2,30,296 | — | 47,374 | -47,374 | — | — | — | 1,82,922 |
| | CURRENT YEAR | <u>90,87,806</u> | <u>1,25,021</u> | <u>30,54,849</u> | <u>61,57,778</u> | <u>17,14,822</u> | <u>-11,24,575</u> | <u>2,49,085</u> | <u>8,39,332</u> | <u>53,18,446</u> | <u>73,72,784</u> |
| | PREVIOUS YEAR | <u>90,47,083</u> | <u>40,522</u> | <u>0</u> | <u>90,87,605</u> | <u>17,06,865</u> | <u>0</u> | <u>7,07,951</u> | <u>17,14,822</u> | <u>73,72,784</u> | <u>63,40,218</u> |
| NOTE: Depreciation is round off to nearest rupee. | | | | | | | | | | | |

| SCHEDULE "E" | | |
|---|---|---|
| PARTICULARS | AS AT 31ST MARCH 1999 (RUPEES) | AS AT 31ST MARCH 1998 (RUPEES) |
| INVESTMENTS | | |
| Unquoted Shares : | | |
| Cosmos Co-Op Bank Ltd. (Shares) | 1,000.00 | 1,000.00 |
| 50 Equity Share of Rs. 20/-each fully paid. | | |
| Patan Co-Op Bank Ltd (Shares) | 500.00 | 500.00 |
| 50 Equity Shares of Rs.10/-each fully paid. | | |
| 12500 Equity Shares of Rs. 10/- each fully paid (Patan Co. Op. Bank) | 1,25,000.00 | 1,25,000.00 |
| FDR with Patan Co. Op. Bank | 1,25,001.00 | 1,25,001.00 |
| TOTAL | 2,51,501.00 | 2,51,501.00 |
| SCHEDULE "F" | | |
| CURRENT ASSETS, LOANS & ADVANCES | | |
| I. INVENTORIES | | |
| 1. Cut and Polished Diamonds | 50,50,071.00 | 82,44,826.00 |
| 2. Gold Jewellery | NIL | 14,20,131.00 |
| SUB TOTAL (I) | 50,50,071.00 | 96,64,957.00 |
| II. SUNDRY DEBTORS (Unsecured considered good) | | |
| A) More than Six Months | 37,93,03,117.46 | 60,20,93,803.61 |
| B) Less than Six Months | 2,69,35,733.00 | 3,64,90,008.41 |
| SUB TOTAL (II) | 40,62,38,850 | 63,85,83,812.02 |
| III. CASH & BANK BALANCES | | |
| A. Cash on Hand | 57,63,294.08 | 7,18,988.72 |
| B. Balance with Schedule Bank Current Account: | | |
| 1. Punjab National Bank | NIL | 8,640.00 |
| 2. Cosmos Co-Op Bank Ltd. | NIL | 2,883.17 |
| 3. United Western Bank Ltd. | NIL | 95,168.07 |
| 4. Bank of India (E.E.F.C) | 1,405.45 | 1,405.45 |
| 5. United Bank of India | 10,563.00 | 10,643.00 |
| 6. Bank of India (60216) | 2,323.29 | 87.71 |
| 7. S.B.I. Comm. & Intl. Bank Ltd | NIL | 33,734.25 |
| 8. Bharat Co.-Op. Bank Ltd. | NIL | 812.50 |
| 9. State Bank of India Loan account | NIL | 7,764.00 |
| 10. Indusind Bank | 7,035.88 | 20,599.50 |
| 11. Punjab National Bank (E.E.F.C.) | NIL | 18,550.00 |
| 12. State Bank of India (Overseas Branch) | 1,58,146.00 | NIL |
| 13. Citibank | NIL | 20.78 |
| 14. Bank of Punjab Ltd. | 5,225.00 | 5,275.00 |
| 15. Patan Cop. Bank Ltd. | NIL | 71,604.00 |
| 16. Punjab & Sind Bank | 4,582.50 | 4,782.50 |
| 17. Surat People's Co-Op. | 2,877.00 | 2,871.00 |
| 18. Indian Overseas Bank Bombay | 3,867.00 | 3,917.00 |
| 19. Indian Overseas Bank Surat | 3,760.00 | 3,970.00 |
| 20. Punjab National Bank | 9,163.15 | 9,178.15 |
| 21. Bank of India (Ahmedabad) | 61,361.00 | NIL |
| 22. Union Bank of India 26355 | 2,930.00 | NIL |
| 23. SBI 2368 | 4,940.00 | NIL |
| 24. Patan Cop. Bank Ltd. 6415 | 5,405.98 | NIL |
| SUB TOTAL (III) | 60,46,879.33 | 10,20,894.80 |



| PARTICULARS | AS AT 31ST MARCH 1999 (RUPEES) | AS AT 31ST MARCH 1998 (RUPEES) |
|--|--------------------------------------|--------------------------------------|
| IV. LOANS & ADVANCES & DEPOSITS (UNSECURED CONSIDERED GOOD) | | |
| A) Deposits : | | |
| Telephone Deposit | 12,000.00 | 12,000.00 |
| B) Loans: | | |
| Mafatlal Finance Ltd. | NIL | 2,42,796.00 |
| Pratap Parekh | 3,12,876.00 | 3,12,876.00 |
| State Bank of India loan account | 7,764.00 | NIL |
| C) Advances : | | |
| Kero Gems | NIL | 6,19,838.00 |
| Autoriders Finance Ltd. | NIL | 1,01,021.00 |
| TDS On Interest | NIL | 3,573.00 |
| Advance Income Tax | 10,000.00 | 10,000.00 |
| Advances against goods | 1,21,78,238.00 | NIL |
| SUB TOTAL (IV) | <u>1,25,20,878.00</u> | <u>13,02,104.00</u> |
| TOTAL (I+II+III+IV) | <u>42,98,56,678.79</u> | <u>65,05,71,767.82</u> |
| SCHEDULE " G " | | |
| CURRENT LIABILITIES AND PROVISIONS | | |
| A. Current Liabilities : | | |
| I Sundry Creditors : | | |
| a) For Goods : | 15,45,11,194.25 | 57,47,22,060.99 |
| b) For Expenses & Others : | | |
| 1. ESIC A/c | 1,924.24 | 3,862.25 |
| 2. Naresh S. Shah & Co. | 5,09,440.00 | 2,86,500.00 |
| 3. R & D Consultant | NIL | 3,596.00 |
| 4. S. Exp. Payable | NIL | 1,08,201.40 |
| 5. Salary Payable | NIL | 9,512.50 |
| 6. Patan Co-Op. Bank 6415 | NIL | 21,342.02 |
| 7. Vijay Bank Ltd. | NIL | 138.00 |
| 8. Bafna Jain & Co. | 85,500 | NIL |
| 9. Sales Tax | 56,630.00 | NIL |
| 10. TDS on advertisement | 500.00 | NIL |
| 11. TDS on Clearing and forwarding | 935.00 | NIL |
| 12. TDS on Prof. Fees | 17,435.00 | NIL |
| 13. TDS on salary | 22,000.00 | NIL |
| ii Advances from Customers | 18,48,84,237.96 | NIL |
| SUB TOTAL (A) | <u>34,00,89,796.45</u> | <u>57,51,55,213.16</u> |
| B. Provisions : | | |
| 1. Provision For Taxation | 41,11,856.00 | 23,61,856.00 |
| 2. Proposed Dividend | NIL | NIL |
| SUB TOTAL (B) | <u>41,11,856.00</u> | <u>23,61,856.00</u> |
| TOTAL (A + B) | <u>34,42,01,652.45</u> | <u>57,75,17,069.16</u> |

SCHEDULE "H"

| | CURRENT YEAR | | PREVIOUS YEAR | |
|-------------------------------|------------------------|---------------------|--------------------------|------------------------|
| | LOCAL | EXPORT | LOCAL | EXPORT |
| SALES | | | | |
| 1. Cut & Polished Diamonds | 35,14,66,872.50 | NIL | 1,23,05,40,808.54 | 27,37,59,409.00 |
| 2. Rough Diamonds | 8,30,10,828.27 | NIL | 1,32,37,300.00 | NIL |
| 3. Gold coins | NIL | NIL | 8,44,000.00 | NIL |
| 4. Coin/Wrist Watch (Pieces) | 67,000.00 | NIL | 14,01,356.00 | NIL |
| 5. Gold Bar Pieces (Gms) | NIL | NIL | 1,15,000.00 | NIL |
| 6. Silver Jewellery | NIL | NIL | 16,45,000.00 | NIL |
| 7. Gold TT Bar (Pieces) | 23,30,83,000.00 | NIL | 78,68,600.00 | NIL |
| 8. Diamond studded gold rings | NIL | NIL | 8,57,625.00 | NIL |
| 9. Gold Pieces (Pieces) | NIL | NIL | 7,42,800.00 | NIL |
| 10. Silver Coins | 65,000.00 | NIL | 52,30,430.00 | NIL |
| 11. Aluminium Dial Watch | NIL | NIL | 30,000.00 | NIL |
| 12. Silver (Kgs) | NIL | NIL | 5,69,000.00 | NIL |
| 13. Silver Pieces (Pieces) | NIL | NIL | 12,57,210.00 | NIL |
| 14. Gold Jewellery | 41,55,454.82 | NIL | 9,98,49,955.72 | NIL |
| 15. Import Licence | NIL | NIL | 19,85,503.44 | NIL |
| 16. Semi Precious Idol | NIL | 15,33,060.00 | NIL | NIL |
| 17. Gift Set | NIL | 24,282.00 | NIL | NIL |
| TOTAL | 67,18,48,155.59 | 15,57,342.00 | 1,36,61,74,588.70 | 27,37,59,409.00 |
| GRAND TOTAL | | 15,57,342.00 | 1,36,61,74,588.70 | 27,37,59,409.00 |

SCHEDULE "I"**COST OF GOODS CONSUMED / SOLD**

| | | | |
|--|------------------------|--------------|--------------------------|
| A. Opening Stock | | 96,64,957.00 | 1,48,88,760.00 |
| B. Add : Purchase : | | | |
| 1. Gold TT Bar | 23,07,76,133 | | 76,07,405.00 |
| 2. Alum. Dial Watch | NIL | | 26,000.00 |
| 3. Polished Diamonds (Cts) | 38,21,16,023.47 | | 1,50,85,17,461.00 |
| 4. Gold Jewellery & Ornaments (Gms)** | 24,45,880.00 | | 9,71,72,150.00 |
| 5. Silver (K Gms) | NIL | | 5,38,506.00 |
| 6. Silver Coins (Piece) | 57,200 | | 1,62,275.00 |
| 7. Coin/Wrist Watch (Pieces) | 61,037.00 | | 7,48,820.00 |
| 8. Rate difference of 55 watches | NIL | | 15,730.00 |
| 9. Import Licence | NIL | | 6,45,892.00 |
| 10. Rough diamonds | 8,18,58,886.16 | | NIL |
| 11. Rough Diamonds (Import) | NIL | | 1,22,50,000.00 |
| 11. Custom Duty | NIL | | 3,43,235 |
| 14. Import Exchange Difference | NIL | | 51,762.68 |
| 15. Incidental Expenses connected with purchase such as packing, excise & purchase tax, central sales tax etc. | NIL | | 2,14,861.00 |
| 16. Gift set | 17,884.00 | | NIL |
| 17. Semi Precious Idol | 10,24,500.00 | | NIL |
| Sub total (A+B) | 70,80,22,500.73 | | 1,64,31,82,857.68 |
| C Less : Closing Stock : | | | |
| 1. Cut Polished Diamonds (Cts.) | 50,50,071.00 | | 82,44,826 |
| 2. Old Gold Jewellery & Ornaments (gms) | NIL | | 14,20,131 |
| Sub total (C) | 50,50,071.00 | | 96,64,957.00 |
| TOTAL ((A+B-C)) | 70,29,72,429.73 | | 1,63,35,17,900.68 |



| | CURRENT YEAR (RUPEES) | PREVIOUS YEAR (RUPEES) |
|---|-----------------------------|------------------------------|
| SCHEDULE "J" | | |
| SELLING EXPENSES | | |
| 1. Assortment Charges | 59,500.00 | 1,61,279.50 |
| 2. Clearing Charges | 47,940.00 | 3,97,643.00 |
| 3. Freight Charges | NIL | 20,657.00 |
| 4. FOBC | NIL | 26,570.00 |
| 5. Advertisement | 50,000.00 | 4,25,801.00 |
| 6. Travelling Expenses | 1,26,051.00 | 20,209.00 |
| 7. Sales Promotion Expenses | 47,096.00 | NIL |
| 8. Melting Charges | NIL | 6,556.00 |
| TOTAL | 3,30,587 | 10,58,715.50 |
| SCHEDULE "K" | | |
| MISCELLANEOUS EXPENSES | | |
| 1. Donations | NIL | 9,750.00 |
| TOTAL | NIL | 9,750.00 |
| SCHEDULE "L" | | |
| OTHER ADMINISTRATIVE EXPENSES | | |
| 1. Advances not Recoverable written off | NIL | 41,111.00 |
| 2. Accounting Charges | 1,37,500.00 | 12,500.00 |
| 3. Bombay Sales Tax | NIL | 54,289.95 |
| 4. Bank Interest paid | 1,33,903.80 | 5,919.65 |
| 5. Bank Charges | 4,34,574.80 | 9,57,385.90 |
| 6. Consulting Charges | 33,000.00 | 18,985.00 |
| 7. Courier Expenses | 2,504.00 | 1,094.00 |
| 8. Company Reg. Expenses | NIL | 240.00 |
| 9. Conveyance Expenses | 71,516.00 | 50,430.00 |
| 10. Employees Provident Fund | 8,424.00 | 48,150.00 |
| 11. Entertainment Expenses | NIL | 63,042.54 |
| 12. Electricity Expenses | 4,776.08 | 1,56,534.92 |
| 13. Foreign Travelling Expenses | 6,08,000.00 | 2,12,760.30 |
| 14. Furniture Expenses written off | NIL | 42,711.70 |
| 15. Internet Charges | NIL | 15,500.00 |
| 16. Legal Fees | NIL | 24,500.00 |
| 17. Listing Fees | 20,500.00 | NIL |
| 18. Licences Expenses | 2,14,000.00 | 93,666.00 |
| 19. Membership Fees | 12,168.00 | 21,600.00 |
| 20. Motor Car Expenses | 2,25,458.65 | 5,86,449.41 |
| 21. Motor Car Insurance | 425.00 | 28,343.00 |
| 22. Mobile Charges | 60,541.32 | 99,628.12 |
| 23. Office Maintenance Expenses (rent) | NIL | 14,995.75 |
| 24. Office Expenses | 22,541.25 | 21,789.00 |
| 25. Packing Charges | NIL | 1,94,477.35 |

| | CURRENT YEAR (RUPEES) | PREVIOUS YEAR (RUPEES) |
|-----------------------------------|-----------------------------|------------------------------|
| 26. Professional Fees | 1,90,850.00 | 41,500.00 |
| 27. Professional Tax | NIL | 2,060.00 |
| 28. Printing & Stationery | 54,109.50 | 1,26,237.00 |
| 29. Repairs & Maintenance Charges | 24,600.00 | 25,356.00 |
| 30. Secretarial Fees | 24,000.00 | 34,200.00 |
| 31. Scooter Expenses | NIL | 4,935.00 |
| 32. Stamp Duty Expenses | NIL | 6,500.00 |
| 33. Showroom Expenses | 5,009.00 | 23,330.00 |
| 34. Society Maintenance | 11,500.00 | 27,957.00 |
| 35. Share Transfer Expenses | 18,687.00 | 21,609.00 |
| 36. Staff Welfare (Beverage) | NIL | 35,801.00 |
| 37. Sundry Expenses | 64,355.00 | 19,786.00 |
| 38. Security Expenses | 6,000.00 | 36,000.00 |
| 39. Telephone Expenses | 70,061.96 | 1,29,648.88 |
| 40. Typing & Xerox Expenses | NIL | 20,356.50 |
| 41. Website Charges | NIL | 8,000.00 |
| 42. Sundry Balance W/OFF | 84,419.11 | NIL |
| TOTAL | 25,43,424.47 | 33,29,379.97 |

SCHEDULE "M"**Significant Accounting Policies & Notes on Accounts:****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. However, the company has not provided depreciation amounting to Rs.27,971/- in respect of assets disposed off during the year.**4. Inventories:**

Polished Diamonds: Valued at cost.

Software : There is no Closing stocks in respect of purchase of software packages.

5. Foreign Exchange Transaction:

- a. In respect of import of goods during the year, transactions in foreign currency are recorded at the exchange rate prevailing at the time of such transactions. Amount short or excess realised in respect of previous years' transactions are debited or credited to exchange difference account.
- b. Assets and liabilities related to foreign currency transactions in the form of Sundry Debtors and Sundry Creditors remaining unsettled (including pertaining to previous years) at the end of the year are translated at year end rate as required according to mandatory Accounting standard 11 of the ICAI.
- c. Exchange Difference Credited (Net) at Rs. 3,19,56,792.91 represents realised exchange gain/loss in respect of previous years' transactions.

6. Software Transactions : The company has, for the first time, purchased and resold software programmes packages.**7. The Company has incurred losses on resale of Cut & polished Diamonds.****B) NOTES FORMING PART OF ACCOUNT**

1. The company has maintained Computerised Books of Accounts.
2. As stated by Directors. Provisions of Gratuity Act are not applicable to the Company.



3. In the opinion of the Board, the provisions for all known Liabilities are adequate and not in excess of amount reasonably necessary.
4. The management have certified that the balances of sundry debtors (including Debtors to whom software programs are sold) and the parties to whom the advances are granted as good and receivable although in respect of them the company only holds personal securities. These balances are subject to confirmation.
5. The balances of creditors (including creditors from whom software programmes are purchased) are subject to confirmation.
6. The Company has engaged the services of a professionally qualified Company Secretary on retainer basis.
7. 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.
8. Other money for which the company is Contingently Liable is : NIL
9. Claims against Company Not Acknowledged as debts are : Nil
10. Additional Information as required by para 3,4C & 4D Part -II Of Schedle VI of the Companies Act, 1956.

A) Licenced and installed capacity and productions:

As at 31.3.99

| | |
|--------------------------|----------------|
| Quantitative information | carats |
| a. Licenced Capacity | Not applicable |
| b. Installed Capacity | Not applicable |

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

Stock Statement of 1999-2000.

| | As on 31/3/99 | | As on 31/3/98 | |
|---|-------------------------------------|--------------|-------------------------------------|----------------|
| | Units in carats/grams/ pieces | Amount | Units in carats/grams/ pieces | Amount |
| 1. OPENING STOCK | | | | |
| 1. Rough Diamonds (Cts) | NIL | NIL | 8,925.39 | 5,82,704.00 |
| 2. Diamond Studded Gold Ring (pieces) | NIL | NIL | 465.00 | 8,15,145.00 |
| 3. Cut Polished Diamonds (Cts) | 522.37 | 82,44,826.00 | 6,831.50 | 11,75,425.00 |
| 4. Gold Bar Piece (gms) | NIL | NIL | 233.28 | 1,09,550.00 |
| 5. Old Gold Jewellery & Ornaments (gms) | 3,908.60 | 14,20,131.00 | 7,752.50 | 35,49,937.00 |
| 6. Gold Coins | NIL | NIL | 244.00 | 7,85,081.00 |
| 7. Gold Piece (gms) | NIL | NIL | 1,566.65 | 6,81,495.00 |
| 8. Silver Jewellery (gms) | NIL | NIL | 81,595.48 | 16,31,910.00 |
| 9. Silver Coins (pieces)* | NIL | NIL | 16,755.00 | 43,71,018.00 |
| 10. Coin/Wrist Watches (pieces) | NIL | NIL | 13.00 | 23,894.00 |
| 11. Silver Pieces (gms) | NIL | NIL | 1,651.00 | 10,61,914.00 |
| 12. Import Licence | NIL | NIL | 2.00 | 1,00,687.00 |
| 2. PURCHASES | | | | |
| A. Purchases of Raw Materials | | | | |
| Rough diamonds (Cts) | NIL | NIL | 2,099.65 | 1,22,50,000.00 |
| Gold TT Bar | NIL | NIL | 155.00 | 76,07,405.00 |
| Alum. Dial Watch | NIL | NIL | 5,001.00 | 26,000.00 |

| | | | | |
|--|-------------|--|--|---------------|
| B. Purchases of Goods | | | | |
| Rough Diamonds (Cts) | 308362.13 | 81858886.26 | NIL | NIL |
| Gold TT Bar | 4530.00 | 230776133.00 | NIL | NIL |
| Polished Diamonds (Cts) | 49778.51 | 382116023.47 | 135090.94 | 1508517461.74 |
| Gift Set | 25.00 | 17884.00 | NIL | NIL |
| Old Gold Jewellery & Ornaments (Gms) | 5857.81 | 2445880.00 | 266149.95 | 97172149.51 |
| Silver (K. Gms) | NIL | NIL | 79.90 | 538506.10 |
| Semi Precious Idol | 12274.00 | 1533060.00 | Nil | Nil |
| Silver Coin (Pieces)* | 144.00 | 65000 | 17157.00 | 5230430.00 |
| Software | NIL | 8326300.00 | NIL | NIL |
| Silver Pieces (Gms) | NIL | NIL | 1651.00 | 1257221.00 |
| Licence Premium | NIL | NIL | — | 1985503.44 |
| 3. Closing Stock | | | | |
| Cut Polished Diamonds (Cts.) | 330.07 | 5050071.00 | 522.37 | 8244826.00 |
| Old Gold Jewellery & Ornaments (gms) | NIL | NIL | 3908.60 | 1420131.00 |
| C. Expenditure in Foreign Currency. | | | | |
| (Being cost of import of..) | | 12250000.00 | 1171876.00 | |
| | | (rough diamonds) | (Gold jewellery) | |
| D. Earning in Foreign Currency (FOB) Rs. | | | | |
| | | 253595000 | 1557342.00 | |
| E. Value of Import of CIF Basis in respect of : | | | | |
| 1. CIF Value of Import | | 12250000.00 | 1171876.00 | |
| F. Raw Material Consumed | | | | |
| (not manufactured) | VALUE | % | VALUE | % |
| Import Gold Jewellery | 12250000.00 | 100.00 | 1171876.00 | 100.00 |
| (previous year rough diamonds) | | | | |
| G. Payment of Auditors | | | | |
| 1. Audit fees | 165000.00 | | 100000.00 | |
| 2. Taxation Matters | 80000.00 | | 50000.00 | |
| 3. Other Matters | 40250.00 | | 109850.00 | |
| H Managerial Remunerations | | | | |
| Managing Directors Salary | 190000.00 | | 180000.00 | |
| Director's remunerations | NIL | | 30467.50 | |
| AS PER OUR REPORT OF EVEN DATE | | | | |
| For NARESH S. SHAH & CO. CHARTERED ACCOUNTANTS | | For PRECIMET DIAMONDS (INDIA) LTD. | | |
| NARESH S. SHAH PARTNER MEMBERSHIP NO. 10585 | | Sd/- DEEPAK S. JAVERI (MANAGING DIRECTOR) | Sd/- DIPAK PATEL (DIRECTOR) | |
| | | Sd/- (UJVALA D. JAVERI) DIRECTOR | | |
| PLACE : Mumbai. DATE : 3rd March, 2000. | | PLACE : Mumbai. DATE : 3rd March, 2000. | | |



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. : 67593 State Code : 11
 Balance Sheet Date : 31-03-99

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

Public Issue : Nil Rights Issue : Nil
 Bonus Issue : Nil Private Placement : Nil

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

Total Liabilities : 91225 Total Assets : 91225

Source of Funds

Paid up Capital : 53472 Reserves & Surplus : 17455
 Secured Loans : 442 Unsecured Loans : 19856

Application of Funds

Net Fixed Assets : 5318 Investments : 252
 Net Current Assets : 344202 Misc. Expenditure : Nil
 Accumulated Losses : Nil

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

Turnover : 681732 Total Expenditure : 710935
 Profit Before Extra ordinary items and taxation -29203
 Profit / (Loss) Before Tax : 4756 Profit / (Loss) After Tax : 3006
 Earning Per Share in Rs. : 0.56 Dividend Rate (%) : NIL
 (Weighted)

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

Item Code No. : ITC Code : 7102.39
 Product Description : Diamonds
 Item Code No. : ITC Code :
 Product Description : Gold TT Bar
 Item Code No. : ITC Code :
 Product Description : Software package

AS PER OUR REPORT OF EVEN DATE

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

For **PRECIMET DIAMONDS (INDIA) LTD.**

NARESH S. SHAH
 PARTNER
 MEMBERSHIP NO. 10585

Sd/-
DEEPAK S. JAVERI
 (MANAGING DIRECTOR) Sd/-
DIPAK PATEL
 (DIRECTOR)

Sd/-
(UJVALA D. JAVERI)
 DIRECTOR

PLACE : Mumbai.
 DATE : 3rd March, 2000.

PLACE : Mumbai.
 DATE : 3rd March, 2000.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 1999

| | Year ended 31-03-1999 Rs. in lakhs | Year ended 31-03-1998 Rs. in lakhs |
|--|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Taxes and Extraordinary Items | 47.56 | 55.64 |
| Adjustments for : | | |
| Depreciation | 2.49 | 7.08 |
| Interest/Dividend Income | 0.19 | 0.07 |
| Income from Other Investments | NIL | NIL |
| Net increase in Foreign Currency Liabilities Written off | NIL | NIL |
| Miscellaneous Expenses Written off being amortisation | NIL | NIL |
| Interest Charged | NIL | 7.94 |
| Operating Profit before Working Capital Charges (1) | 50.24 | 70.73 |
| Adjustments for : | | |
| Trade & Other Receivables & Other Items | 2211.26 | -2943.38 |
| Inventories | 46.15 | 52.24 |
| Trade Payables | -2350.65 | 2749.03 |
| Cash Generated from Operations (2) | -43.00 | -71.38 |
| Interest Paid | NIL | -7.94 |
| Cash Flow from Extraordinary Items (3) | -0.19 | -79.32 |
| Net Cash From Operating Activities | -43.19 | -79.32 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | -1.25 | -0.4 |
| Sale of Fixed Assets | 19.3 | NIL |
| Purchase of Investments | NIL | NIL |
| Income from Other Investments | NIL | NIL |
| Net Cash used in Investing Activities | 18.05 | -0.4 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Borrowings | 75.4 | 76.18 |
| Net Cash used in Financing Activities | 75.4 | 76.18 |
| Net Increase /(Decrease) in Cash and Cash Equivalents | 50.26 | -3.54 |
| Cash and Cash Equivalents as at 1.04.98 (Opening Balance) | 10.21 | 13.75 |
| Cash and Cash Equivalents as at 31.03.99 (Closing Balance) | 60.47 | 10.21 |

For and on behalf of the Board

PLACE : Mumbai,
DATE : 3rd March, 2000**DEEPAK S. JAVERI** - Managing Directors**UJVALA D. JAVERI** - Directors**DIPAK N. PATEL** - 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, 1999 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 Accountants**NARESH S. SHAH**
PARTNER
MEMBERSHIP No. 10585PLACE : Mumbai.
DATE : 3rd March, 2000.