



# Swasti Vinayaka

Gems Corporation Limited



**BOARD OF DIRECTORS:**

**Ramprasad Poddar**  
Chairman

**Dinesh Poddar**  
Managing Director

**Shilpa Poddar**  
Executive Director

**Rajesh Poddar**  
**Piyush Shah**  
**Nirmal Jain**  
**Vishwanath Rungta**  
**Harshvardhan Agarwal**  
Directors



**Swasti Vinayaka**

Gems Corporation Limited

**REGISTERED OFFICE:**

303, Tantia Jogani Industrial Estate,  
J.R. Boricha Marg, Lower Parel,  
Mumbai-400 011.  
E-Mail : investors@svgcl.com

**CORPORATE OFFICE:**

215, Tantia Jogani Industrial Estate,  
J.R. Boricha Marg, Lower Parel,  
Mumbai-400 011.  
E-Mail : investors@svgcl.com

**BANKER:**

HDFC Bank Ltd.

**AUDITORS:**

Banshi Jain & Associates.  
Chartered Accountants

**23rd ANNUAL REPORT 2008:**

**Date** : 11.04.2009

**Time** : 11:30 a.m.

**Venue**: Seminar I & II,  
31st Floor, World Trade Center 1,  
Cuffe Parade, MUMBAI - 400 005.

**REGISTRARS & TRANSFER AGENTS:**

Bigshare Services Pvt. Ltd.,  
E/2, Ansa Industrial Estate,  
Sakivihar Road, Sakinaka, Andheri (E),  
MUMBAI-400 072.  
Tel. No. : 022 - 4043 0200  
Fax No. : 022 - 2847 5207  
E-Mail : info@bigshareonline.com

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## □□□ NOTICE:

Notice is hereby given that the 23rd Annual General Meeting of the Company will be held on Saturday, the 11th April, 2009 at 11.30 a.m. at Seminar I & II, 31st Floor, World Trade Center 1, Cuffe Parade, Mumbai 400 005 to transact the following business: -

### ■ Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st December, 2008 and the Profit and Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri. Nirmal Jain, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri. Harshvardhan Agarwal, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint M/s. Sanjay Raja Jain & Co., Chartered Accountants, Mumbai, Statutory Auditors of the Company for the year ending 31st December 2009 and who shall hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and in respect to whose appointment a special notice from a member under section 225 of the Companies Act, 1956, is received by the Company to fill the vacancy caused due to unwillingness of M/s. Banshi Jain & Associates., Chartered Accountants, Mumbai to be re-appointed as Statutory Auditors of the Company.

### ■ SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

**"RESOLVED THAT** pursuant to section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act as amended from time to time, the consent of the Members be and is hereby accorded to the appointment of Mrs. Shilpa Poddar as Executive Director of the Company for the period of five years w.e.f. January 01, 2009, upon and subject to the terms and conditions including the remuneration proposed to be paid and provided to him as contained in the agreement to be entered between the Company and Mrs. Shilpa Poddar, a draft whereof is placed before the meeting and initialed for the purpose of identification by the Chairman hereof.

**RESOLVED FURTHER THAT** in the event of loss, absence or inadequacy of profits in any financial year of the Company, the remuneration payable to Mrs. Shilpa Poddar shall be as specified in the Explanatory Statement enclosed herewith.

**RESOLVED FURTHER THAT** Mrs. Shilpa Poddar subject to the provisions of Section 255 of the Companies Act, 1956 shall not be liable to retire by rotation during her tenure as Executive Director of the Company.

**Resolved Further that** the Board of Directors be and is hereby authorized to do all such act, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution."

7. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

**"RESOLVED THAT** Shri. Piyush Shah, who was appointed as an additional Director of the Company and who holds office upto the date of this Annual General meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 and being eligible for appointment and in respect of whom the Company has received notice in accordance with provisions of Section 257 of the Companies Act, 1956 from a member of the Company proposing his candidature for appointment as Director of the Company be and is hereby appointed as Director of the Company liable to retire by rotation."

Registered Office:  
303, Tantia Jogani Indl. Estate,  
J R Boricha Marg, Lower Parel,  
Mumbai 400 011.

By Order of the Board  
For Swasti Vinayaka Gems  
Corporation Ltd.

Date : February 24, 2009  
Place : Mumbai

Ramprasad Poddar  
Chairman

### ■ NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books will remain closed from Thursday, the April 2nd, 2009 to Saturday, the April 11th, 2009. (Both days inclusive).
3. Dividend, if declared, shall be disbursed to the members:-
  - a) Whose name appears as Beneficial Owners as at the end of business hours on April 1st, 2009 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Ltd. in respect of the shares held in electronic form.
  - b) Whose names appear as Members in the Register of Members of the Company after giving effect to valid transfers in physical form lodged with the Company or Registrar and Share Transfer Agents on or before April 1st, 2009.
4. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect to the Special business under Item No. 6 & 7 to be transacted at the meeting is annexed to this notice.



5. The draft agreement between the company and Mrs. Shilpa Dinesh Poddar will be available for inspection of members from 11 a.m. to 1 p.m. on all working days (except Sundays and public holidays) at the Registered Office of the company.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956:**

**Item No. 6:**

In accordance with the provisions of Schedule XIII, the appointment of Mrs. Shilpa Poddar as Executive Director requires shareholders approval by passing ordinary resolution at the ensuing Annual General Meeting. The following are the information required to be disclosed in accordance with Schedule XIII.

Mrs. Shilpa Poddar, whose previous appointment as Executive Director ended on 31st December, 2008 was re-appointed as Executive Director by the Board of Directors for a tenure of five years w.e.f. 1st January, 2009.

The terms of appointment and remuneration payable to Mrs. Shilpa Poddar as Executive Director is as follows:

- (i) Salary: Rs. 56,250/- per month.
- (ii) Perquisites and allowances:
  - (a) In addition to the salary payable, the appointee shall be entitled to perquisites and allowance like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowances together with reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing, repairs, society charges, property tax, medical reimbursement, medical/accident insurance, leave travel concession for herself and her family; club fees and other perquisites and allowances in accordance with rules of the Company or as may be agreed to by the Board of Directors and the appointee.
  - (b) For the purposes of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.
  - (c) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, gratuity payable as per rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
  - (d) The total remuneration including salary, perquisites, allowances (other than exempted perquisites and allowance) and other monetary benefits shall not exceed the maximum ceiling of Rs. 125,000/- per month.

(iii) Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the appointee, the Company has not profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above.

(iv) General Terms & Conditions:

- (a) The terms and conditions of the said appointments and/or agreements may be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the maximum amount payable to the appointee in accordance with Schedule XIII to the Act or any amendments made hereafter in this regard.
- (b) The Agreement may be terminated by either party giving the other party six months notice, or the Company paying six months salary in lieu of the notice.
- (c) If at any time the appointee ceases to be a Director of the Company for any cause whatsoever, she shall cease to be the Executive Director of the Company.
- (d) The appointee shall not be entitled to supplement her earnings under this Agreement with any buying or selling commission. She shall not also become interested or otherwise concerned directly or through her husband and /or minor children in any selling agency of the Company, without the prior approval of the Central Government.

Your directors recommend passing of the ordinary resolution.

None of the directors except Smt. Shilpa Poddar and Mr. Dinesh Poddar are interested in the passing of the resolution.

**Item No. 7**

In a meeting of the Board of Directors held on December 13, 2008 Shri. Piyush Shah was appointed as an additional Director of the Company. Shri. Piyush Shah holds office only upto the date of the forthcoming Annual General Meeting. A notice in writing has been received from a member of the Company under Section 257 of the Companies Act, 1956, proposing candidature of Shri. Piyush Shah for the office of Director.

Shri. Piyush Shah, 33 years old is having 15 years of experience in the field of stock market and finance. He has requisite knowledge and experience in management of the company. His continuation on the Board will be beneficial and an asset to the Company.

Your directors recommend passing of the ordinary resolution.

None of the directors except Shri. Piyush Shah is interested in the passing of the resolution.

Registered Office:  
303, Tanta Jogani Indl. Estate,  
J R Boricha Marg, Lower Parel,  
Mumbai 400 011.

By Order of the Board  
For Swasti Vinayaka Gems  
Corporation Ltd.

Date : February 24, 2009  
Place : Mumbai

Ramprasad Poddar  
Chairman





## □□□ DIRECTORS' REPORT

To  
The Members,

The Directors have pleasure in presenting the 23rd Annual Report and the Audited Statement of Accounts for the year ended 31st December, 2008.

### FINANCIAL RESULTS:

(Rs. In Lacs)

SR. NO.	PARTICULARS	YEAR ENDED	
		31.12.2008	31.12.2007
1	Net Sales / Income	616.77	665.31
2	Total Expenditure		
	i) Cost of Goods Sold	61.42	33.19
	ii) Staff Cost	38.09	33.46
	iii) Depreciation	17.76	16.19
	iv) Other Expenditure	282.79	277.03
	Total	400.06	359.87
3	Interest	74.55	40.38
4	<b>Profit Before Tax</b>	<b>142.16</b>	<b>265.06</b>
5	Provision for Taxation	45.55	61.04
	i) Current Tax	45.80	60.00
	ii) Deferred Tax Asset / (Liability)	(1.75)	(0.82)
	iii) Fringe Benefit Tax	1.50	1.86
6	<b>Profit After Tax</b>	<b>96.61</b>	<b>204.02</b>
7	Excess/(Short) Provision for Tax of earlier years	4.99	0.01
8	<b>Net Profit</b>	<b>101.60</b>	<b>204.03</b>
9	<b>Proposed Dividend</b>	<b>93.60</b>	<b>140.39</b>
	(Inclusive of Tax on Dividend)		
10	Paid-up Equity Share Capital (Face Value of Rs. 1/- each)	400.00	300.00
11	Reserves & Surplus (Excluding Revaluation Reserves)	62.79	154.78
12	<b>Basic &amp; Diluted EPS (Rs.)</b>	<b>0.24</b>	<b>0.51</b>
13	Non Promoters Shareholding		
	- Number of Shares	18627743	13970801
	- Percentage of Shareholding	46.57%	46.57%

#### ■ DIVIDEND:

We are pleased to announce that the Board of Directors has recommended dividend of Rs. 0.20 per equity shares of Re. 1/- each (i.e. 20%) aggregating Rs.80,00,000 (excluding dividend distribution tax as applicable) for the year ended on 31st December, 2008.

#### ■ OPERATIONS AND FUTURE PROSPECTS:

During the period under review the profit after tax (PAT) stood at Rs. 96.62 Lacs, a decrease of 52.64% as compared to last year. Enthused by the above results the Board has decided to recommend rate of Dividend at 20% on the enhanced capital of Rs. 4 Crores for the Financial Year ended 31st December, 2008.

#### ■ DIRECTORS:

Mr. Nirmal Jain and Mr. Harshvardhan Agarwal retire by rotation and, being eligible, offers themselves for re-appointment at the forthcoming Annual General Meeting.

Mrs. Shilpa Poddar who was appointed as executive director on 1st January, 2004 for a period of five years and whose period expires on 31st December, 2008 is reappointed subject to the approval of Annual General Meeting in board meeting held on December 13th, 2008.



■ **DIRECTOR'S RESPONSIBILITY STATEMENT:**

The Directors state that: -

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
- ii. The Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year covered under this Report and of the profit of the Company for the year.
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors had prepared the annual accounts on a going concern basis.

■ **FIXED DEPOSITS:**

The Company has not accepted/ renewed any Fixed Deposits from the Public under section 58A of the Companies Act, 1956.

■ **AUDITORS:**

M/s. Banshi Jain & Associates., Chartered Accountants, Mumbai, the retiring Auditors have expressed their unwillingness to be re-appointed and company has received special notice from a member for the appointment of M/s Sanjay Raja Jain & Co., Chartered Accountants as the Statutory Auditors, who if appointed, will hold office from the conclusion of this Annual General Meeting till conclusion of next Annual General Meeting.

■ **ADDITIONAL INFORMATION:**

Additional Information required to be given under the Companies (Disclosure of Particulars in the Report of the Directors) Rules, 1988 has not been given as they are not applicable to the Company.

■ **EMPLOYEES:**

There are no employees drawing remuneration exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975.

■ **LISTING ARRANGEMENT:**

Your Company continues to be listed on the Stock Exchange, Mumbai where the Company's Shares are being traded. The Company has paid Listing Fees for the year 2008-2009.

■ **CORPORATE GOVERNANCE:**

Your company believes that Corporate Governance is a voluntary code of self-discipline. In line with this policy, the Board of Directors strongly believes that it is very important that the Company follows healthy Corporate Governance practices and reports to the shareholders the progress made on the various measures undertaken. Therefore, your directors have been reporting the initiatives on Corporate Governance measures adopted by your Company.

■ **MANAGEMENT DISCUSSION AND ANALYSIS:**

1. **Diamonds and Precious Stone Jewellery:**

This year we have commissioned both our new showrooms at The Grand Hyatt Plaza. The first showroom is our Art Gallery for Contemporary Miniature Paintings and the second is our Couture Jewellery showroom. We expect both these showrooms to add substantially to the top line as well as to the bottom line in 2009. This year we organised the first ever Auction for gemstone carvings in India at the Crystal and Ballroom of the Taj Mahal Palace & Tower, Mumbai in October, 2008. This event was a grand success and we were able to get the crème de la crème of Mumbai society to bid for our exclusive masterpieces. We achieved sales and brand building with this exercise and now plan to use this avenue in the future to enhance our brand image and to take our product to the very high networth individuals globally. This year we have also taken the initiative to participate in the Pueblo Gem & Mineral Show held each year at Tucson, Arizona, USA. We got an excellent response for our products and in the coming years exports should contribute immensely to our performance.

2. **Real Estate:**

We have always followed a conservative pricing policy for our corporate rental business and this is paying us rich dividends in the current recessionary environment. None of our customers have exited the contract and we continue to enjoy their support and business and do not foresee any decline in this business division.

■ **ACKNOWLEDGEMENTS:**

We record our gratitude to the Banks and others for their assistance and co-operation during the year. We also wish to place on record our appreciation for the dedicated services of the employees of the Company. We are equally thankful to our esteemed investors for their co-operation extended to and confidence reposed in the management.

Registered Office:  
303, Tantia Jogani Indl. Estate,  
J R Boricha Marg, Lower Parel,  
Mumbai 400 011.

Date : February 24, 2009  
Place : Mumbai

By Order of the Board  
For Swasti Vinayaka Gems  
Corporation Limited

Ramprasad Poddar  
Chairman





## REPORT ON CORPORATE GOVERNANCE

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

### 1. Company's Philosophy on Corporate Governance:

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

### 2. Board of Directors:

The constitutions of the Board details are as under:

The Board presently consists of 8 (Eight) Directors, out of which 3 (Three) are Executive Directors and 1 (One) is Non Executive Director and 4(Four) are Independent Directors. The Composition of the Board of Directors of the Company thus meets the stipulated requirements. Except Managing Director, the other Directors retire by rotation.

#### (A) THE CONSTITUTION OF THE BOARD AS ON DECEMBER 31, 2008

The Composition of the Board of Directors and also the number of other Directorship or Committees of which they are member/ Chairperson are as given below:

Directors	No. of other Directorship		No. of other Committee positions	
	Public	Private	Member	Chairman
<b>Ramprasad Poddar</b> Promoter Executive	6	3	1	-
<b>Dinesh Kumar Poddar</b> Promoter Executive	5	2	1	-
<b>Rajesh Kumar Poddar</b> Promoter Non-Executive	3	2	-	-
<b>Shilpa Poddar</b> Promoter Executive	3	-	-	-
<b>Harshvardhan Agarwal</b> Independent	1	-	-	-
<b>Vishwanath Rungta</b> Independent	-	1	-	-
<b>Piyush Shah</b> Independent	1	-	-	-
<b>Nirmal Jain</b> Independent	2	-	-	-

#### (B) BOARD PROCEDURE

The Board of the Company met 11 (Eleven) times during the year-ended 31.12.2008. Notice and Agenda were circulated in advance of each meeting of the Board of Directors. The Chairman briefed the Board at every meeting on the overall performance of the Company. The Board mainly deliberated on the following subjects:

- Strategy and Business Plans
- Operations and Capital Expenditures
- Finance and Banking operations
- Adoption of Quarterly/Half yearly/ Annual Results
- Compliance with Statutory/ Regulatory requirements and review of major Legal Issues
- Significant Labour Issues

#### (C) ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING:

During the year ended December 31, 2008, Eleven Board Meetings were held on January 5, 2008, January 21, 2008, March 29, 2008, April 15, 2008, April 26, 2008, May 24, 2008, July 29, 2008, September 23, 2008, October 7, 2008, October 24, 2008 and December 13, 2008. Annual General Meeting during the year was held on March 29, 2008.

Name of the Directors	No. of Board Meeting Attended	Attendance at last AGM Held on March 29, 2007	Remarks
Ramprasad Poddar	11	Yes	--
Dinesh Poddar	11	Yes	--
Rajesh Poddar	11	Yes	--
Shilpa Poddar	11	No	--
Vishwanath Rungta	4	No	--
Nirmal Jain	4	Yes	--
Sanjay Raja Jain	3	No	Resigned as director w.e.f 13.12.2008
Harshvardhan Agarwal	4	No	--
Piyush Shah	NIL	No	Appointed as director w.e.f 13.12.2008

#### (D) DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT

The brief particulars of the Directors of the company, being re-appointed as Directors retiring by rotation and new appointment of director at the ensuing Annual General Meeting are as under:

- (i) Mr. Nirmal Jain retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Nirmal Jain, 50 years old is having more than 30 years of experience. His continuation on the Board will be an asset to the Company.

- (ii) Mr. Harshvardhan Agarwal retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.



Mr. Harshvardhan Agarwal, 60 years old is BSc by qualification. He is having more than 38 years of experience in Textile Industry. His continuation on the Board will be an asset to the Company.

- (iii) Mr. Piyush Shah was appointed as Additional Director by the Board upto Annual General Meeting. Now he is being considered for appointment by the shareholders as director of the company.

Mr. Piyush Shah, 33 years old is having 15 years of experience in the field of stock market and finance. His continuation on the Board will be beneficial and an asset to the Company.

### 3. Committees of the Board:

The Board of Directors has Constituted Three committees of the Board (i) The Audit Committee (ii) Remuneration Committee and (iii) The Share Transfer and Investors Grievance Redressal Committee

#### (i) Audit Committee:

##### BRIEF DESCRIPTION OF TERMS OF REFERENCE

The audit committee shall have powers, which include the following:

As per the guidelines set out in the listing agreements that, inter alia, include overseeing financial reporting processes, reviewing with the management the financial statements, accounting policies and practices, adequacy of internal control systems, adequacy of internal audit function and discussion with internal auditors on any significant findings, financial and risk management policies.

##### COMPOSITION

The Audit Committee consists of 2 (Two) Independent Directors and 1 (one) Non-Executive Director. The Audit Committee was reconstituted on the resignation of Mr. Sanjay Raja Jain as director. All the other terms of the committee remain unaltered. The members of the committee have requisite experience in corporate management, finance, Accounts and corporate laws. The Audit committee held four meetings during the year.

The re-constituted Audit Committee is as follows:

- |                      |   |          |
|----------------------|---|----------|
| 1. Mr. Piyush Shah   | - | Chairman |
| 2. Mr. Nirmal Jain   | - | Member   |
| 3. Mr. Rajesh Poddar | - | Member   |

#### (ii) Remuneration Committee:

##### BRIEF DESCRIPTION OF TERMS OF REFERENCE

- To review, assess and recommend the appointment of Managing/wholetime directors.
- To periodically review the remuneration package of Managing/wholetime directors and next level and recommend suitable revision to the Board.
- To seek financial position of the Company
- Trends in the Industry.
- Interest of the company and shareholders.

### COMPOSITION

The present Remuneration Committee comprises of 2 (Two) Independent Directors and 1 (One) Non Executive Director. Mr. Vishwanath Rungta, is appointed Chairman of the Committee.

No meeting was required to be held by this Committee.

The constitution of the present Remuneration Committee is as follows:

- |                             |   |          |
|-----------------------------|---|----------|
| 1. Mr. Vishwanath Rungta    | - | Chairman |
| 2. Mr. Harshvardhan Agarwal | - | Member   |
| 3. Mr. Rajesh Poddar        | - | Member   |

The break up of the remuneration paid to Managing Director and the Whole-time Directors are follows:

(Rs. in Lacs)

Sr No.	Name of Directors	Salary	Benefits	Sitting Fee	Total
1.	Ramprasad Poddar	6.00	--	--	6.00
2.	Dinesh Poddar	5.61	1.33	--	6.94
3.	Shilpa Poddar	4.95	0.90	-	5.85

#### (iii) The Share Transfer and Shareholders / Investors Grievance Redressal Committee.

##### BRIEF DESCRIPTION OF TERMS OF REFERENCE

- Transfers of shares
- Non-receipt of Balance sheet
- Non-receipt of declared dividends
- Any other complaint forwarded by the Board of directors

##### COMPOSITION

The Company has a "The Share Transfer and Shareholders / Investors Grievance Redressal Committee" of the Board, to look into various issues relating to investors grievances including non-receipt of declared dividend, Annual Reports transfer/ transmissions of shares, issue of duplicate share certificates etc. The Committee comprises of 3 (three) Directors of which Two are Executive Directors and other one is non - Executive Director. Mr. Dinesh Poddar is appointed Chairman of the Committee.

The constitution of the present Committee is as follows:

- |                      |   |          |
|----------------------|---|----------|
| 1) Mr. Dinesh Poddar | - | Chairman |
| 2) Mr. Rajesh Poddar | - | Member   |
| 3) Ms. Shilpa Poddar | - | Member   |

The Company's shares are compulsory traded in the dematerialized form in all the Stock Exchanges. Mr. Nagabhushan Hegde, CEO, has been appointed as the Compliance Officer as required by the Listing Agreement.





All the complaints received are replied to the satisfaction of the shareholders. There are no pending complaints requiring intervention of the committee.

#### 4. GENERAL BODY MEETINGS:

Location and time, where last three Annual General Meetings were held is given below:

Financial Year	Date	Location of the Meeting	Time
31.12.2007	29.03.2008	Seminar I & II, 31st Floor, World Trade Centre 1, Cuffe Parade, Mumbai – 400005.	11.30 A.M
31.12.2006	17.03.2007	Seminar II, 31st Floor, World Trade Centre 1, Cuffe Parade, Mumbai – 400 005.	11.30 A.M
31.12.2005	11.03.2006	Seminar II, 31st Floor, World Trade Centre 1, Cuffe Parade, Mumbai – 400 005	11.30 A.M

No Special resolution was required to be passed through postal ballot at the last Annual General Meeting nor is it proposed this year.

#### 5. DISCLOSURE:

The Company had not entered into any transaction of a material nature, which will have a conflict with its interest during the year.

The disclosure of related party transactions as required by the accounting standard (AS) 18 on 'Related Party disclosures' issued by the Institute of Chartered Accountants of India (ICAI) is given under note no. 12 of notes on the annual accounts. All the transactions covered under related party transactions were fair, transparent and at arms length.

There was no material non-compliance by the Company and no penalties or strictures imposed on the Company by the stock exchanges, SEBI or statutory authorities on any matter related to Capital Markets during last three years.

#### 6. MEANS OF COMMUNICATIONS:

The quarterly, half yearly and annual results are communicated to the Bombay Stock Exchange where the Company's shares are listed as soon as the same are approved and taken on record by the Board of Directors of the Company. Further the results are published in widely circulating national and local dailies. The quarterly & half-yearly results are not sent individually to the shareholders.

#### 7. GENERAL SHAREHOLDERS INFORMATION:

a. Registered Office : 303 Tantia Jogani Industrial Estate  
J R Boricha Marg, Lower Parel,  
Mumbai - 400011

b. Annual General Meeting

Date and time : April 11, 2009 at 11:30 a.m.

Venue : Seminar I & II, 31st Floor,  
World Trade Center 1, Cuffe Parade,  
Mumbai 400 005

c. Financial Calender (2009) : **Result to be tabled & adopted in the month of**

i) First Quarter ended March 31, 2009 : April, 2009

ii) Half Yearly / Second Quarter ended  
June 30, 2009 : July, 2009

iii) Third Quarter / Nine Months ended  
September 30, 2009 : October, 2009

iv) Yearly Audited / Fourth Quarter  
ended December 31, 2009 : March, 2010

d. Date of Book Closure : Thursday, April 2, 2009  
to Saturday, April 11, 2009  
(Both days inclusive)

e. Dividend payment date : Within 30 days of AGM, if approved by the Shareholders of the Company.

f. Listing at stock Exchanges : The Stock Exchange, Mumbai

g. Stock Code : Physical Segment – BSE: 512257  
NSDL/CDSL-ISIN: INE895A01023

h. Stock Market Data : The monthly high and low process during the year at BSE is as follows:

Months	Mumbai Stock Exchange	
	High	Low
January, 2008	8.97	4.62
February, 2008	7.03	5.02
March, 2008	6.23	3.87
April, 2008	5.95	4.00
May, 2008	5.95	3.63
June, 2008	3.95	3.34
July, 2008	3.75	2.80
August, 2008	3.59	2.88
September, 2008	6.17	2.90
October, 2008	5.20	3.21
November, 2008	4.19	2.74
December, 2008	4.14	3.00



Swasti Vinayaka  
Gems Corporation Limited

**i. SHARE HOLDING PATTERN AS ON 31.12.2008:**

Category	No. of Shares	%
Promoters	21372257	53.43
Mutual Funds, Banks, etc	-	-
Corporate Bodies	10619516	26.55
NRI / OCB's	3065	0.01
Indian Public	8005162	20.01
<b>TOTAL</b>	<b>40000000</b>	<b>100.00</b>

\* Out of these, 39670200 (99.18%) shares are Dematerialized and the balance 329800(0.82%) are lying in physical form as on 31.12.2008.

**j. SHARE TRANSFER SYSTEM:**

Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by the Securities and Exchange Board of India (SEBI). Big Shares Services Private Limited handles both Demat and Physical Shares Transfers.

The shareholders / Investors Grievance Committee meets periodically to consider the transfer and other proposals and attend to shareholders grievances.

The Share Transfers, which are received in physical form, are processed and the share certificates are returned within 21 days from the date of receipt, subject to Documents being valid and complete in all respects. There are no such instances pending with the Company at the year-end.

**k. DISTRIBUTION OF SHARE HOLDING AS 31.12.2008:**

Shares Holding of nominal value of Rupees	No. of Share holders	% of Share holders	No. of Share held	% of Share holding
Upto 5000	2085	84.58	2599654	6.50
5001 to 10000	187	07.59	1394637	3.49
10001 to 20000	100	04.05	1497414	3.74
20001 to 30000	29	01.18	719338	1.80
30001 to 40000	17	00.69	594644	1.49
40001 to 50000	12	00.49	547907	1.37
50001 to 100000	13	00.53	912165	2.28
100001 & above	22	00.89	31734241	79.33
		<b>100.00</b>	<b>40000000</b>	<b>100.00</b>

**l. REGISTRAR AND SHARE TRANSFER AGENT**

Bigshare Services Private Limited E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai - 400 072. Phone No.: 022 - 4043 0200

**m. COMPLIANCE OFFICER**

Mr. Nagabhushan Hegde, 303, Tanti Jogani Industrial Estate, J. R. Boricha Marge, Lower Parel, Mumbai - 400 011. Phone No.: 022 - 4344 3555.





Swasti Vinayaka

Gems Corporation Limited

□□□ **CERTIFICATE REGARDING COMPLIANCE OF  
CORPORATE GOVERNANCE**

To  
The Members of  
SWASTI VINAYAKA GEMS CORPORATION LIMITED  
303 Tantia Jogani Industrial Estate  
JR Boricha Marg, Lower Parel  
Mumbai 400 011

We have reviewed the compliance of conditions of Corporate Governance by **SWASTI VINAYAKA GEMS CORPORATION LIMITED**, for the year ended on December 31, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay stock exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, we, certify that the company has taken steps to comply with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

**For SANDEEP DAR & CO.  
Company Secretary in Practise**

Place : Mumbai,  
Dated : 24th February, 2009

**Proprietor  
C. P. No. 1571**





## □□□ AUDITORS' REPORT TO THE MEMBERS OF

1. We have audited the attached Balance Sheet of **SWASTI VINAYAKA GEMS CORPORATION LTD.** as on 31st December, 2008, and also the related Profit and Loss Account and cash flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the companies (Auditor's Report) (Amendment) Order 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (e) On the basis of written representations received from the directors, as on 31st December, 2008 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Companies Act, 1956 and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the company as on 31st December, 2008;
    - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **BANSHI JAIN & ASSOCIATES**  
Chartered Accountants

**ANUJ B. GOLECHA**  
Partner

Place : Mumbai  
Dated : 24th February, 2009

Membership No. 117617





## ANNEXURE TO AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE.)

- 1) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b) All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.  
c) In our opinion and according to the information and explanations given to us, a substantial part of Fixed Assets has not been disposed off by the company during the year.
- 2) a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
b) According to the information and explanations given to us, in our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
c) According to the information and explanations given to us & on the basis of our examination of records of inventory, in our opinion, the company has maintained proper records of inventory of shares and securities and there were no discrepancies noticed on verification between the physical stocks and the book records.
- 3) a) The Company has not granted unsecured loan to 2 companies listed in the register maintained under section 301 of the Companies Act 1956. The maximum amount involved and the year end balance of such loan aggregating to Rs. 7 lacs and Rs. Nil respectively.  
b) In our opinion terms and conditions of such loan are prima facie not prejudicial to the interest of the Company.  
c) The party is regularly repaying the principal amount.  
d) There are no overdue amounts in respect of the above loan.  
e) The Company has taken unsecured loans from seven company listed in the register maintained under section 301 of the Companies Act 1956. The Maximum amount involved and year end balance of such aggregating to Rs. 618.00 Lacs and Rs. 526.25 Lacs respectively.  
f) In our opinion the terms and condition of such loans are prima facie not prejudicial to the interest of the company.  
g) The party is regularly repaying the principal amount.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5) a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees Five Lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6) The company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.
- 7) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- 8) The Central Government of India has not prescribed the maintenance of cost records under Clause (d) of Sub-section (1) of Section 209 of the Companies Act.
- 9) a) According to the information and explanations give to us and according to the books and records as produced and examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth tax, service tax and other material statutory dues as applicable with the appropriate authorities.  
b) According to the information and explanations given to us and according to the books and records as produced and examined by us, there are no dues of service tax, wealth tax and cess which have not been deposited on account of any dispute.
- 10) The company has no accumulated losses as at 31st December, 2008 and it has not incurred any cash losses in the immediately preceding financial year.
- 11) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any bank. The company has neither taken any loans from a financial institution nor issued any debentures.



- 12) In our opinion and according to the information and explanations give to us and according to the books and records as produced and examined by us, the company has not granted any loans and advances on the basis of security by way of pledged of shares, debentures and other securities.
- 13) The provisions of any special statute applicable to Chit Fund / Nidhi / Mutual Fund / Societies are not applicable to the company. Accordingly clause 4(xiii) of the Order is not applicable.
- 14) In our opinion and according to the information and explanations give to us and according to the books and records as produced and examined by us, the company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely entries have been made therein and such securities have been held by the company in its own name.
- 15) In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- 16) In our opinion and according to the information and explanations give to us the term loans were applied for the purposes for which they were obtained.
- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short term basis which have been used for long term investment.
- 18) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- 19) The company has not issued any debentures. Accordingly, clause 4(xix) of the Order is not applicable.
- 20) The company has not raised any money by public issues during the year.
- 21) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For **BANSHI JAIN & ASSOCIATES**  
Chartered Accountants

**ANUJ B. GOLECHA**

Partner

Membership No. 117617

Place : Mumbai  
Dated : 24th February, 2009





□□□ **BALANCE SHEET**  
AS AT 31ST DECEMBER 2008

	SCHEDULE	31.12.2008 RUPEES	31.12.2007 RUPEES
<b>SOURCES OF FUNDS :</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	4,00,00,000	3,00,00,000
Reserves & Surplus	2	62,78,961	1,54,78,313
<b>LOAN FUNDS</b>			
Secured Loans	3	4,16,70,226	4,17,10,174
Unsecured Loans	4	8,55,44,278	3,64,73,470
<b>TOTAL</b>		<b>17,34,93,465</b>	<b>12,36,61,957</b>
<b>APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	1,82,39,449	1,73,62,769
Less : Depreciation & Amortisation		72,22,121	54,47,357
<b>NET BLOCK</b>		<b>11,017,328</b>	<b>11,915,412</b>
<b>CAPITAL W.I.P.</b>		<b>2,34,87,840</b>	<b>64,75,908</b>
<b>INVESTMENTS</b>	6		20,95,715
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	7	<b>16,70,48,861</b>	<b>13,36,52,648</b>
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>	8	<b>2,84,47,010</b>	<b>3,06,89,072</b>
<b>NET CURRENT ASSETS</b>		<b>13,86,01,851</b>	<b>10,29,63,576</b>
<b>NET DEFERRED TAX</b>		<b>3,86,446</b>	<b>2,11,346</b>
<b>MISCELLANEOUS EXPENDITURE</b> [to the extent not written off or adjusted]	9		
<b>TOTAL</b>		<b>17,34,93,465</b>	<b>12,36,61,957</b>
Statement of Significant Accounting Policies and Notes form integral part of Accounts	14		

As per our report of even date attached.

For and on behalf of the Board

For Banshi Jain & Associates  
Chartered AccountantsRamprasad Poddar  
ChairmanAnuj B. Golecha  
(Partner)Dinesh Poddar  
Managing DirectorPlace : Mumbai  
Date : 24th February, 2009



**□□□ PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 ST DECEMBER, 2008**

	SCHEDULE	CURRENT YEAR RUPEES	PREVIOUS YEAR RUPEES
<b>INCOME :</b>			
Sales		99,59,293	44,64,514
Compensation Income		4,84,88,574	4,10,80,127
Interest Income		3,611	49,315
Profit on sale of Investments		31,03,925	1,99,23,359
Other Income	10	1,21,710	10,13,746
<b>TOTAL</b>		<b>6,16,77,113</b>	<b>6,65,31,061</b>
<b>EXPENDITURE :</b>			
Cost of Goods Sold	11	61,41,700	33,18,821
Administrative Expenses	12	3,20,88,195	3,10,48,732
Interest	13	74,55,270	40,38,234
Depreciation & Amortisation		17,74,764	16,18,473
<b>TOTAL</b>		<b>4,74,59,929</b>	<b>4,00,24,260</b>
<b>Profit before Tax</b>		<b>1,42,17,184</b>	<b>2,65,06,801</b>
Provision for Current Tax		(45,80,000)	(60,00,000)
Provision for Deferred Tax		1,75,100	81,580
Provision for Fringe Benefit Tax		(1,50,650)	(1,86,000)
<b>Net Profit After Tax</b>		<b>96,61,634</b>	<b>2,04,02,381</b>
Add : Excess /(Short) provision of earlier years		4,98,614	968
		<b>1,01,60,248</b>	<b>2,04,03,349</b>
Add : Balance B/F from last year		4,78,313	1,14,364
<b>Profit available for Appropriations</b>		<b>1,06,38,561</b>	<b>2,05,17,713</b>
<b>APPROPRIATIONS :</b>			
Proposed Dividend		80,00,000	1,20,00,000
Provision for Proposed Dividend Distribution Tax		13,59,600	20,39,400
Transferred to General Reserve		10,00,000	60,00,000
Balance carried to Balance Sheet		2,78,961	4,78,313
		<b>1,06,38,561</b>	<b>2,05,17,713</b>
<b>Basic/Diluted Earning per share</b>		<b>0.24</b>	<b>0.51</b>
Statement of Significant Accounting Policies and Notes form integral part of Accounts	14		

As per our report of even date attached.

For and on behalf of the Board.

For Banshi Jain & Associates  
Chartered Accountants

**Ramprasad Poddar**  
Chairman

**Anuj B Golecha**  
(Partner)

**Dinesh Poddar**  
Managing Director

Place : Mumbai  
Date : 24th February, 2009







**SCHEDULE 1 TO 14 ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST DECEMBER, 2008 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST DECEMBER, 2008**

	31.12.2008 RUPEES		31.12.2007 RUPEES
<b>SCHEDULE - 1</b>			
<b>SHARE CAPITAL :</b>			
<b>AUTHORISED :</b>			
5,00,00,000 Equity Shares of Re. 1/- each	5,00,00,000		5,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>			
4,00,00,000 Equity Shares of Re. 1/- each fully paid up (Of the above Shares 1,00,00,000 shares are allotted as fully paid by way of bonus shares at Re.1/- each) (PY. 3,00,00,000 Equity Shares of Re. 1/- each fully paid up)	4,00,00,000		3,00,00,000
	4,00,00,000		3,00,00,000
<b>SCHEDULE - 2</b>			
<b>RESERVES AND SURPLUS :</b>			
General Reserve	1,50,00,000	90,00,000	
Add : Transfer during the year	10,00,000	60,00,000	
Less : Utilised for issue of bonus shares	1,00,00,000		
	60,00,000		1,50,00,000
Profit & Loss Appropriation	2,78,961		4,78,313
	62,78,961		1,54,78,313
<b>SCHEDULE - 3</b>			
<b>SECURED LOANS :</b>			
(Secured Against Vehicles)			
Standard Chartered Bank			1,17,746
			1,17,746
HDFC Bank Ltd. -Term Loans (Secured against property in the name of group company and personal guarantee of Directors)	3,32,32,233		4,57,72,831
HDFC Bank Ltd. - Cash Credit A/c. (Secured against stock)	37,84,474		(41,80,403)
ICICI HFC Ltd. (Secured against Property)	46,53,519		
	4,16,70,226		4,15,92,428
Total Secured Loans	4,16,70,226		4,17,10,174
<b>SCHEDULE - 4</b>			
<b>UNSECURED LOANS :</b>			
Intercompany Loans	5,26,25,000		52,50,000
Loan From Others	12,80,000		12,80,000
Security Deposits (Interest Free)	3,16,39,278		2,99,43,470
	8,55,44,278		3,64,73,470



**SCHEDULE- 5  
FIXED ASSETS (AT COST) :**

(RUPEES)

PARTICULARS	GROSS BLOCK			DEPRECIATION & AMORTISATION			NET BLOCK	
	AS AT 01/01/2008	Additions / Deductions	AS AT 31/12/2008	UPTO 01/01/2008	FOR THE YEAR	UPTO 31/12/2008	AS AT 31/12/2008	AS AT 31/12/2007
GOODWILL	12,51,799	-	12,51,799	-	2,50,360	2,50,360	10,01,439	12,51,799
FREE HOLD PLOT	-	4,10,651	4,10,651	-	-	-	4,10,651	-
OFFICE PREMISES	48,87,056	-	48,87,056	3,73,604	2,26,291	5,99,895	42,87,161	45,13,452
FURNITURES	63,26,351	87,722	64,14,073	19,56,447	8,04,764	27,61,211	36,52,862	43,69,904
VEHICLES	29,92,897	-	29,92,897	22,17,305	2,01,351	24,18,656	5,74,241	7,75,592
COMPUTERS	10,18,686	3,03,396	13,22,082	6,83,624	1,96,888	8,80,512	4,41,570	3,35,062
PLANT & MACHINERY	2,55,225	-	2,55,225	46,570	29,103	75,673	1,79,552	2,08,655
OFFICE EQUIPMENTS	6,30,755	74,911	7,05,666	1,69,807	66,007	2,35,814	4,69,852	4,60,948
Total	1,73,62,769	8,76,680	1,82,39,449	54,47,357	17,74,764	72,22,121	1,10,17,328	1,19,15,412
Previous Year	1,15,25,314	58,37,455	1,73,62,769	38,28,884	16,18,473	54,47,357	1,19,15,412	76,96,430

**SCHEDULE 6  
LONG TERM INVESTMENTS (AT COST) :**

SR #	PARTICULARS	FACE VALUE RS.	AS AT 31.12.2008		AS AT 31.12.2007	
			NO. OF SHARES	AMOUNT (Rs.)	NO. OF SHARES	AMOUNT (Rs.)
1	FULLY PAID UP EQUITY SHARES (QUOTED) SWASTI VINAYAKA SYNTHETICS LTD.	1			1206900	20,95,715
	<b>TOTAL</b>					20,95,715
	AGGREGATE COST OF QUOTED INVESTMENTS					20,95,715
	AGGREGATE MARKET VALUE OF QUOTED INVESTMENTS					63,12,087

**NOTE** : 1. Increase/Decrease in shares represent shares purchased/ sold during the year unless otherwise stated.  
2. For the scrips where Market rate of last trading day for the financial year 2008 is not available, market rate for the last trading date is considered for the valuation.





	31.12.2008 Rupees	31.12.2007 Rupees
<b>SCHEDULE - 7</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES :</b>		
<b>INVENTORY :</b> (As taken valued & certified by the management)		
Stock in Trade	7,04,10,020	5,08,94,326
	7,04,10,020	5,08,94,326
<b>SUNDRY DEBTORS :</b> (Unsecured & considered good by management )		
Debt outstanding more than six months	31,872	1,68,523
Other debts	12,38,363	8,33,333
	12,70,235	10,01,856
<b>CASH AND BANK BALANCES :</b>		
Cash in Hand	24,933	21,815
Foreign Currency in hand (\$)	83,741	2,40,826
Balance with Scheduled Banks	5,61,681	90,740
	6,70,355	3,53,381
<b>LOANS AND ADVANCES:</b> (Unsecured considered good by Management) (Recoverable in cash or kind for a value to be received)		
Due from Companies under same Management	53,53,818	7,00,000
Prepaid Expenses	1,45,932	3,06,117
Advance for Making Charges	61,91,510	54,31,597
Advance to Creditors for goods & expenses	42,26,420	54,27,963
Others	1,26,090	27,650
Advance for Rates & Taxation	2,69,55,348	2,24,33,524
Maharashtra V.A.T. Credit Receivable	10,39,735	2,36,806
	4,40,38,853	3,45,63,657
<b>DEPOSITS:</b>		
Security Deposits (Considered good by Management)	5,05,30,000	4,67,30,000
Others	1,29,398	1,09,428
	5,06,59,398	4,68,39,428
<b>TOTAL</b>	<b>16,70,48,861</b>	<b>13,36,52,648</b>
<b>SCHEDULE - 8</b>		
<b>CURRENT LIABILITIES AND PROVISIONS :</b>		
<b>CURRENT LIABILITIES :</b>		
Unclaimed Dividend	20,539	20,539
Outstanding Expenses	17,04,140	11,42,641
Creditors for others	22,24,578	12,94,897
	39,49,257	24,58,077
<b>PROVISIONS:</b>		
Taxation & others	1,51,38,153	1,41,91,595
Proposed Dividend	80,00,000	1,20,00,000
Dividend Distribution Tax on Proposed Dividend	13,59,600	20,39,400
	2,44,97,753	2,82,30,995
<b>TOTAL</b>	<b>2,84,47,010</b>	<b>3,06,89,072</b>
<b>SCHEDULE - 9</b>		
<b>MISCELLANEOUS EXPENDITURE :</b> (To the extent not written off or adjusted)		
Share Issue Expenses		16,276
Add : Expenses during the year		-
Less : Written off during the year		16,276
<b>TOTAL</b>		<b>-</b>
	<b>CURRENT YEAR RUPEES</b>	<b>PREVIOUS YEAR RUPEES</b>
<b>SCHEDULE - 10</b>		
<b>OTHER INCOME :</b>		
Dividend	21,250	9,04,750
Interest on Fixed Deposit		1,037
Interest on I T Refund	2,823	-
Miscellaneous Income	43,153	28,466
MVAT Credit Recd. For Earlier years	31,334	-
Service Charges	23,150	79,493
<b>TOTAL</b>	<b>1,21,710</b>	<b>10,13,746</b>



	CURRENT YEAR RUPEES	PREVIOUS YEAR RUPEES
<b>SCHEDULE - 11</b>		
<b>COST OF SALES :</b>		
Opening Stock	5,08,94,326	4,11,06,193
Purchases	2,19,71,720	1,10,16,399
Packing Material/Chgs.	1,91,108	-
Making Charges/Job work	32,52,213	19,07,439
Brokerage and Commission	1,13,290	50,969
Freight, Octroi, Custom, Stamp Duty & other exp.	1,26,674	51,219
Clearing & Forwarding Charges	2,389	80,928
Less : Closing Stock	7,04,10,020	5,08,94,326
Cost of Sales	<b>61,41,700</b>	<b>33,18,821</b>
<b>TOTAL</b>		
<b>SCHEDULE - 12</b>		
<b>ADMINISTRATIVE EXPENSES :</b>		
Advertising & Publicity	37,99,691	12,70,417
Auditors Remuneration & Exps.	61,180	71,150
Bank & Finance Charges	1,74,968	3,10,250
Books & Periodicals	71,954	5,421
Compensation	50,41,731	42,85,444
Conveyance	3,89,077	4,15,113
Demat Charges	3,448	4,544
Depository Service Charges	26,964	26,958
Directors Remuneration	18,78,787	18,32,956
Donation Expenses	6,00,000	6,00,000
Electricity Charges	5,20,980	1,86,693
Exhibition Expenses	19,30,494	32,99,254
Foreign Exchange Difference	(15,433)	16,357
General Expenses	1,72,067	2,12,637
Insurance Premium	16,16,304	18,26,037
Legal & Professional Charges	36,32,241	10,92,300
Listing & Filing Fees	83,789	15,696
Meetings & Seminar Exps.	10,951	5,000
Membership & Subscription Charges	1,75,579	1,76,193
Postage & Telephone Expenses, Courier Chgs.	3,26,008	2,79,225
Printing & Stationery	4,76,940	1,64,178
Rates & Taxes	13,67,971	13,85,636
Repairs & Maintenance - Building	6,03,840	2,53,686
Repairs & Maintenance - Vehicle	4,17,409	5,14,330
Repairs & Maintenance- Others	1,71,515	1,17,333
Sales Promotion Exps.	8,10,848	89,222
Security Charges	6,92,107	7,30,705
Service charges	9,14,707	8,09,167
Share issue expenses w/off		16,276
Staff Cost	38,08,707	33,47,925
Stamp Duty & Registration Charges	2,99,952	1,34,070
Sundry Balance w/off	69,846	6,583,938
Transportation Exps.	1,63,419	24,610
Travelling Expenses (including Foreign Travelling)	17,90,234	9,46,011
<b>TOTAL</b>	<b>3,20,88,195</b>	<b>3,10,48,732</b>
<b>SCHEDULE - 13</b>		
<b>INTEREST ON:</b>		
Car Loan	3,034	29,509
Cash Credit	78,167	1,40,397
Loan	72,40,892	37,95,483
Others	1,33,177	72,845
<b>TOTAL</b>	<b>74,55,270</b>	<b>40,38,234</b>





**SCHEDULE NO. 14**

**A) SIGNIFICANT ACCOUNTING POLICIES.**

**1. Basis of Accounting:**

The accounts are maintained under the Historical cost convention on accrual basis as a going concern and comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.

**2. Fixed Assets & Depreciation:**

**a) Fixed Assets:**

Fixed Assets are stated at cost less accumulated depreciation.

**b) Depreciation:**

Depreciation on Fixed Assets is provided as per written down value method at the rates specified in schedule XIV to the Companies Act, 1956.

**3. Inventories:**

Inventories are valued at cost or market value whichever is less.

**4. Investment:**

Long term Quoted & Unquoted Investment are stated at cost of acquisition. Any decline in the value of the said Investments, other than a temporary decline, is recognised and charged to the Profit and Loss a/c.

**5. Income Recognition:**

- i) Profit & Loss from shares are recognised on settlement dates.
- ii) Dividend Income is accounted on receipt basis.
- iii) In respect of other income accrual basis of accounting of such income is followed.

**6. Retirement Benefits :**

- a) Contribution to Provident and Leave Encashment are charged to Profit & Loss Account every year at actuals.
- b) Liability for gratuity is accounted on estimated basis.

**7. Deferred Revenue Expenditure:**

The brought forward balance of Deferred Revenue Expenditure for issue of Bonus shares is written off fully.

**8. Impairment**

The management periodically assesses using internal sources whether there is any indication that an asset may be impaired. If an asset is impaired, the group recognizes an impairment loss as the excess of the carrying amount of the asset over the recoverable amount.

**9. Taxation:**

Income Tax Expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and Fringe Benefit Tax. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation law, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

**B) Notes forming part of the accounts.**

- 1. Figures of previous year have been regrouped, recasted and rearranged wherever necessary.
- 2. In the opinion of management, the current assets, Loans and Advances are approximately of the value stated if realised in ordinary course of business.
- 3. Sundry Debtors & Creditors and Loans & Advances are shown as appearing in the accounts and the same are subject to confirmation.
- 4. Goodwill is being amortised over a period of five years.

5. Payment to Auditors: -	Current Year (Rs.)	Previous Year (Rs.)
Statutory Audit fees	28,090	28,060
Taxation Matters	28,090	28,090
Other Matters (Including Service Tax)	5,000	15,000
	-----	-----
	61,180	71,150
	=====	=====

**6. Earning per Share:**

Basic & diluted earning per share in ratio of 1 : 3 attributable to equity share holder by weighted average number of shares during the year.

During the year the company has issued 1,00,00,000 bonus shares for 3,00,00,000 shares held. The basic and diluted Earning per shares have been adjusted for the current year and immediately proceeding year as per requirement of disclosure norms of AS 20- Earning per Share.



	Current Year	Previous Year
Profit After Tax	96,61,634	2,04,02,381
Weighted average No. of Shares at the end of the year	4,00,00,000	4,00,00,000
Face Value of each Equity Share	1	1
Basic and diluted earning per share	0.24	0.51

#### 7. Deferred Tax Asset

a) Deferred Tax Asset of Rs. 2,11,346/-has been recognised and charged to the profit and Loss A/c.

b) Major component of deferred tax Asset:

	Current Year	Last Year
Depreciation	Rs. 1,99,942/-	Rs. 70,059
Gratuity	Rs.1,86,504/-	Rs. 1,41,287
	-----	-----
	Rs.3,86,446/-	Rs. 2,11,346
	=====	=====

#### 8. Director's Emoluments

Total Remuneration paid to Directors from January 2008 to December 2008 amounts to Rs.18,78,787/-.

Working of Managerial remuneration payable u/s 309 of Companies Act 1956

	Current Year (Rs.)	Previous Year (Rs.)
Net Profit before tax	1,42,17,184	2,65,06,801
Add : Remuneration Paid	18,78,787	18,32,956
Profit u/s 349	1,60,95,971	2,83,39,757
Remuneration @ 10% on above	16,09,597	28,33,976
Remuneration Paid	18,78,787	18,32,956

Remuneration to directors has been provided in accordance with approval of shareholders and is restricted to amounts payable prescribed in schedule XIII of the companies act.

9. Other additional information required pursuant to part II of Schedule VI to the Companies Act, 1956 are not applicable.

#### 10. Foreign Exchange Earnings & Outgo :

	Current Year (Rs.)	Previous Year (Rs.)
<u>Total Foreign Exchange Earned:</u>		
Export	1,00,990/-	NIL
<u>Expenditure in Foreign Currency :</u>		
Foreign Travel	3,51,816/-	NIL
Import of goods	10,44,789/-	NIL

11. Information pertaining to related party disclosures as required under A.S - 18 issued by The Institute of Chartered Accountants of India is enclosed herewith.

12. Details of opening stock, closing stock, purchases, sales & raw material consumed is as under.

13. Segment Reporting as required under Accounting Standard 17 issued by The Institute of Chartered Accountants of India is as under

The schedules and notes referred to above form an integral part of Accounts

As per report even date attached.

For **BANSHI JAIN & ASSOCIATES**  
Chartered Accountants

**Anuj B. Golecha**  
(Partner)

Place : Mumbai  
Date : 24th February, 2009.

For & on behalf of  
Board of Director.

**Ramprasad Poddar**  
Chairman

**Dinesh Poddar**  
Managing Director





Point No. 11 of Notes Forming Part of Accounts  
Related Party Disclosures

(Amount in Rs.)

Particulars	Key Managerial Persons		Relative of key Managerial Person		Companies/Firms Controlled by Key Managerial Persons/ Relatives	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Transactions during the year						
Purchase of Goods-Jewellery	98,500	-	-	-	78,875	34,650
Sales of Goods	9,72,700	4,74,550	2,520	-	-	20,800
Sales of Shares & Securities	2,70,000	4,07,122	49,500	10,09,810	-	2,29,70,938
Remuneration & Other Benefits	18,78,787	18,32,956	-	-	-	-
Loan Taken	-	-	-	-	1,69,00,000	75,50,000
Repayment of Loan taken	-	-	-	-	6,42,75,000	1,28,00,000
Loan Given	-	-	-	-	59,53,819	81,50,000
Repayment of Loan given	-	-	-	-	1,00,000	80,00,000
Interest Paid	36,098	36,000	1,32,362	1,32,001	4,891,342	6,65,799
Interest Received	-	-	-	-	3,611	49,315
Compensation Paid	-	-	-	-	57,85,692	53,50,007
Donation	-	-	-	-	6,00,000	6,00,000
<b>Outstanding Balance as on 31/12/2008</b>						
Loans & advances Taken	3,00,000	3,03,950	9,80,000	9,80,000	5,26,25,000	52,50,000
Loans Given	-	-	-	-	53,53,819	7,00,000
Warehouse/Security Deposit Given	-	-	-	-	92,30,000	92,30,000
a) Key Managerial Persons:	Dinesh Kumar Poddar Harshavardhan Agarwal Rajesh Kumar Poddar Ramprasad Poddar Shilpa D. Poddar Vishwanath Rungta					
b) Relatives of Key Managerial Persons:	Aryan Rajesh Poddar Laxmidevi Khetan Nupur R. Poddar Prabhat Dinesh Poddar Pushpadevi Poddar Rhea Dinesh Poddar Sanjiv Rungta Urja Surekha Vedant Rajesh Poddar Vimladevi V. Rungta					
c) Companies/ Firms over which the Key Managerial Persons/ Relatives have significant influence or control:	Ashirwad Capital Ltd. Ashirwad Shelters Pvt. Ltd. Dinesh & Rajesh Bros. [HUF] Dinesh Kumar Poddar [HUF] Fatehpur Welfare Trust Ivy League Fashions Pvt. Ltd. Ma Passion (India) Ltd. Rajesh Kumar Poddar [HUF] Ramprasad Dinesh Kumar Poddar [HUF] Ramprasad Poddar & Co. [HUF] Ramprasad Poddar & Sons [HUF] Ramprasad Rajesh Kumar [HUF] Swasti Vinayaka Investech Ltd. Swasti Vinayaka Synthetics Ltd. Vinayaka Real Estate Development Ltd.					
Note : No amount have been written off/provided for or written back during the year in respect of debts due from or to related parties.						



**Point No.12 of Notes Forming Parts of Accounts**

**I) Details of Opening & Closing Stock for the period 1.1.2008 to 31.12.2008**

	Opening Stock			Closing Stock		
	Units	Quantity	Value-(Rs.)	Units	Quantity	Value-(Rs.)
<b>Domestic :</b>						
Diamond	Cts.	129	1,63,88,905	Cts.	127	1,55,99,805
Emerald Stone	Cts.	5	2,88,000	Cts.	5	2,88,000
Sapphire	Cts.	-	-	Cts.	10	2,429
Jewellery	Pcs.	52	23,56,546	Pcs.	100	63,02,685
W.I.P- Jewellery	Pcs.	8	80,791	Pcs.	10	330,246
Rough Stone	Kg.	16,852	2,15,80,050	Kg.	7,253	2,20,19,827
Finished Goods-SF	Pcs.	769	27,35,917	Pcs.	1,224	51,89,449
Finished Goods-SG	Pcs.	6	44,440	Pcs.	6	44,440
Paintings	Pcs.	40	31,62,080	Pcs.	48	1,26,96,620
SHM	Pcs.	7	2,01,000	Pcs.	7	2,01,000
W.I.P - RF	Kg.	4,865	23,87,494	Kg.	889	54,74,908
W.I.P - JB	Kg.	240	5,97,021	Kg.	31	2,13,087
GST	Cts.	-	-	Cts.	584	3,17,200
<b>Imported :</b>						
Artefacts-ISF	Pcs.	4	56,671	Pcs.	12	55,922
Artefacts-ISF [Manufactured]	Pcs.	52	1,54,618	Pcs.	50	1,55,492
Cut & Polished Stones-IST	Cts.	1,289	1,02,668	Cts.	196	1,34,260
Ruby	Cts.	-	-	Cts.	21	82,573
Emerald	Cts.	-	-	Cts.	2	2,38,764
Sapphire-ISAP	Pcs.	17	3,35,627	Pcs.	15	3,06,568
Rough Stone-Imported	Kg.	130	4,22,498	Kg.	163	5,96,043
WIP - Rough Stone-Imported	Kg.	-	-	Kg.	-	19,289
<b>Total</b>			<b>5,08,94,326</b>			<b>7,02,68,607</b>

**II) Details of Purchases & Sales for the period 1.1.2008 to 31.12.2008**

	Purchases			Sales		
	Units	Quantity	Value-(Rs.)	Units	Quantity	Value-(Rs.)
<b>Domestic :</b>						
Diamond	Cts.	16	6,68,620	Cts.	3	9,24,170
Sapphire	Cts.	-	-	Cts.	-	-
Jewellery	Pcs.	81	48,46,525	Pcs.	33	17,08,390
Rough Stone	Kg.	1,088	46,80,910	Kg.	-	-
Finished Goods-SF	Pcs.	27	78,094	Pcs.	904	21,18,339
Finished Goods-SG	Pcs.	-	-	Pcs.	-	-
Paintings	Pcs.	34	1,00,22,700	Pcs.	26	4,88,160
SHM	Pcs.	-	-	Pcs.	-	-
GST	Cts.	631	3,54,800	Cts.	22	17,824
<b>Imported :</b>						
Artefacts-ISF	Pcs.	36	67,252	Pcs.	26	61,818
Artefacts-ISF [Manufactured]	Pcs.	-	-	Pcs.	16	17,508
Cut & Polished Stones-IST	Cts.	79	3,78,041	Cts.	16	87,576
Emerald Stone	Cts.	2	2,38,764	Cts.	-	-
Ruby	Cts.	21	82,573	Cts.	-	-
Sapphire-ISAP	Pcs.	3	39,794	Pcs.	5	38,342
Rough Stone-Imported	Kg.	41	2,38,365	Kg.	-	-
<b>Total</b>			<b>2,16,96,438</b>			<b>54,62,129</b>

**III) Details of Raw Material Consumed during the year 1.1.2008 to 31.12.2008**

	Quantity (Cts.)	Value (Rs.)
Rough Stone	19,34,765	11,35,641







Point No.13 of Notes on accounts

Information about Business Segment For the year ended 31.12.2008

(Rupees)

Particulars	Compensation Recd. from sub-lease property		Trading in Investments		Sale of Artifacts		Total	
	Year Ended		Year Ended		Year Ended			
	2008	2007	2008	2007	2008	2007	2008	2007
<b>Segment Revenue</b>								
External Sales/Income	4,84,88,574	4,10,80,127	31,03,925	1,99,23,359	99,59,293	44,64,514	6,15,51,792	6,54,68,000
Dividend Income	-	-	21,250	9,04,750	-	-	21,250	9,04,750
Inter-segment transfer	-	-	-	-	-	-	-	-
<u>Unallocated Revenue</u>								
Other Income-Misc. Income	-	-	-	-	-	-	1,00,460	1,08,996
Interest Income	-	-	-	-	-	-	3,611	49,315
<b>Total Revenue</b>	<b>4,84,88,574</b>	<b>4,10,80,127</b>	<b>31,25,175</b>	<b>2,08,28,109</b>	<b>99,59,293</b>	<b>44,64,514</b>	<b>6,16,77,113</b>	<b>6,65,31,061</b>
<u>Direct Expenses</u>								
Advertising & Publicity	-	-	-	-	36,51,303	12,17,759	36,51,303	12,17,759
Cost of Sales	-	-	-	-	61,41,700	33,18,821	61,41,700	33,18,821
Compensation	50,41,731	42,66,444	-	-	-	-	50,41,731	42,66,444
Demat charges	-	-	3,448	4,544	-	-	3,448	4,544
Depository Services	-	-	26,964	26,958	-	-	26,964	26,958
Rates & Taxes- Prop. Tax	13,54,236	13,54,236	-	-	-	-	13,54,236	13,54,236
Repairs & Maint.	6,03,840	2,53,686	-	-	-	-	6,03,840	2,53,686
Sec. Transaction & Others	-	-	9,669	5,334	-	-	9,669	5,334
Stamp duty & Registration	2,99,952	1,34,070	-	-	-	-	2,99,952	1,34,070
Sundry Bal. w/off.	-	-	-	60,000	69,846	23,242	69,846	83,242
Travelling Exp.	-	-	-	-	17,90,234	9,46,011	17,90,234	9,46,011
Water Charges	-	24,672	-	-	-	-	-	24,672
<b>Total Expenditure</b>	<b>72,99,759</b>	<b>60,33,108</b>	<b>40,081</b>	<b>96,836</b>	<b>1,16,53,083</b>	<b>55,05,833</b>	<b>1,89,92,923</b>	<b>1,16,35,777</b>
<b>Segment result</b>	<b>4,11,88,815</b>	<b>3,50,47,019</b>	<b>30,85,094</b>	<b>2,07,31,273</b>	<b>(16,93,790)</b>	<b>(10,41,319)</b>	<b>4,25,80,119</b>	<b>5,47,36,973</b>
Unallocated Expenses	-	-	-	-	-	-	2,10,11,736	2,43,50,249
<b>Operating profit</b>	<b>4,11,88,815</b>	<b>3,50,47,019</b>	<b>30,85,094</b>	<b>2,07,31,273</b>	<b>(16,93,790)</b>	<b>(10,41,319)</b>	<b>2,16,72,454</b>	<b>3,05,45,035</b>
Less : Unallocated Interest	-	-	-	-	-	-	74,55,270	40,38,234
<b>Profit before tax</b>	<b>4,11,88,815</b>	<b>3,50,47,019</b>	<b>30,85,094</b>	<b>2,07,31,273</b>	<b>(16,93,790)</b>	<b>(10,41,319)</b>	<b>1,42,17,184</b>	<b>2,65,06,801</b>
<u>Income Tax</u>								
Current	-	-	-	-	-	-	(45,80,000)	(60,00,000)
Deferred	-	-	-	-	-	-	1,75,100	81,580
F.B.T	-	-	-	-	-	-	(1,50,650)	(1,86,000)
<b>Net Profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>96,61,634</b>	<b>2,04,02,381</b>
<b>Other Information</b>								
Segment Assets	12,70,235	7,16,621	-	30,53,014	13,65,32,552	13,14,67,101	13,78,02,787	13,52,36,736
Common Assets	-	-	-	-	-	-	6,41,37,688	1,91,14,293
<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,19,40,475</b>	<b>15,43,51,029</b>
Segment Liabilities	3,20,39,290	7,17,31,019	-	4,587	15,24,291	17,63,523	3,35,63,581	7,34,99,129
Common Liabilities	-	-	-	-	-	-	16,83,76,894	8,08,51,900
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,19,40,475</b>	<b>15,43,51,029</b>
Capital Expenditure	-	-	-	-	1,70,11,932	12,18,336	1,70,11,932	12,18,336
Others Capital Expenditure	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	17,74,764	16,18,473



## Balance Sheet Abstract & Company General Business Profile

<b>I. Registration Details</b>	
Registration no.	36536
State Code	11
Balance Sheet Date	31/12/2008
<b>II. Capital raised during the year (Amount in Rs.)</b>	
Public Issue	NIL
Rights Issue	NIL
Private Placement	NIL
Bonus Issue	1,00,00,000
<b>III. Position of mobilization and deployment of funds (Amount in Rs.)</b>	
Total Liabilities	17,34,93,465
Total Assets	17,34,93,465
<b>SOURCES OF FUNDS</b>	
Paid up Capital	4,00,00,000
Reserves & surplus	62,78,961
Secured Loans	4,16,70,226
Unsecured Loans	8,55,44,278
<b>APPLICATION OF FUNDS</b>	
Net Fixed Assets	3,45,05,168
Investments	-
Net Current Assets	13,86,01,851
Deferred Tax Asset	3,86,446
Misc. Expenditure	-
<b>IV. Performance of the Company (Amount in Rs.)</b>	
Turnover (including other incomes)	6,16,77,113
Total Expenditure	4,74,59,929
Profit Before Tax	1,42,17,184
Net Profit After Tax	96,61,634
Earnings Per Share (Rs.)	0.24
Dividend Rate (%)	20%
<b>V. Generic names of Principal Product/Services of the Company</b>	
Item Code No. (ITC Code)	Not Applicable
Product Description	Investment in shares, Letting out Property, Trading in Diamonds, Precious Stones, Jewellery & Manufacturing of Artifacts.

For and on behalf of the Board.

**Ramprasad Poddar**  
Chairman

**Dinesh Poddar**  
Managing Director

Place : Mumbai  
Dated : 24th February, 2009





**Cash Flow Statement**  
(Prepared in Pursuant to Listing Agreement)

	Current Year		Previous Year	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash Flow from Operating Activities</b>				
Net Profit /Loss Before Tax & Extra Ordinary items		1,42,17,184		2,65,06,801
<b>Adjustment for :</b>				
Depreciation & Amortisation	17,74,764		16,18,473	
Miscellaneous Exp W/off			16,276	
Sundry Balance w/off	69,846		65,83,938	
Interest Paid	74,55,270		40,38,234	
Dividend Received	(21,250)		(9,04,750)	
Profit/Loss on Sale of Investments	(31,03,925)		(1,99,23,359)	
Interest Received	(3,611)	61,71,094	(49,315)	(86,20,503)
Operating Profit Before Working Capital Changes		2,03,88,278		1,78,86,298
<b>Adjustment for Working Capital :</b>				
(Increase)/Decrease in Trade & Other receivable	(2,68,379)		2,97,524	
(Increase)/Decrease in Closing Stock	(1,95,15,694)		(97,88,133)	
(Increase)/Decrease in Loans & Advances	(41,50,442)		1,13,240	
(Increase)/Decrease in Deposits	(38,19,970)		(1,98,77,887)	
Increase/(Decrease) in Creditors & Outstanding Liabilities	14,91,180	(2,62,63,304)	(34,82,040)	(3,27,37,296)
		(58,75,026)		(1,48,50,998)
Income Tax Paid & Tax Deducted at Source		(86,80,079)		(1,56,07,555)
<b>Cash Generated from Operating Activities</b>		(1,45,55,105)		(3,04,58,553)
<b>B. Cash Flow from Investing Activities :</b>				
Sale of Investments	51,99,640		2,89,11,749	
Purchase of Investments				
Purchase of Fixed Assets	(1,78,88,613)		(70,55,791)	
Dividend Received	21,250		9,04,750	
Interest Received	3,611	(1,26,64,112)	49,315	2,28,10,023
<b>Cash Generated from Investing Activities</b>		(2,72,19,216)		(76,48,530)
<b>C. Cash Flow from Financing Activities :</b>				
Increase / (Decrease) in Secured loans	(39,948)		1,99,85,218	
Increase / (Decrease) in Unsecured Loan	4,90,70,808		54,02,090	
Interest Paid	(74,55,270)		(40,38,234)	
Dividend Paid	(1,20,00,000)		(1,20,00,000)	
Dividend Tax Paid	(20,39,400)		(16,83,000)	
<b>Cash Generated from Financing Activities</b>		2,75,36,190		76,66,074
		3,16,974		17,543
Net Cash Generated/Used in Operating, Investing & Financing Activities		49,70,790		17,543
Cash & Cash Equivalent as on 31st December, 2007		3,53,381		3,35,838
Cash & Cash Equivalent as on 31st December, 2008		6,70,355		3,53,381

Note : Figures in brackets represent negative figures.

For and on behalf of the Board.

Place : Mumbai

Ramprasad Poddar

Dinesh Poddar

Dated : 24th February, 2009

Chairman

Managing Director

**AUDITORS' CERTIFICATE**

We have verified the above Cash Flow of Swasti Vinayaka Gems Corporation Limited, derived from the Audited Financial Statement and the books & records maintained by the company for the year ended on 31st December, 2007 and 31st December 2008 and found the same to be drawn in accordance therewith.

Place : Mumbai

For Banshi Jain & Associates

Anuj B. Golecha

Dated : 24th February, 2009

Chartered Accountants

(Partner)





Swasti Vinayaka

Gems Corporation Limited

SWASTI VINAYAKA GEMS CORPORATION LIMITED

Regd. Office: 303, Tantia Jogani Industrial Estate, J. R. Boricha Marg, Lower Parel, Mumbai - 400011.

ATTENDANCE SLIP

(TO BE SURRENDERED AT THE TIME OF ENTRY)

Folio No./Client ID: \_\_\_\_\_ No. of Shares: \_\_\_\_\_

Name of Member/Proxy: \_\_\_\_\_

I hereby record my presence at the 23rd Annual General Meeting of the Company on Saturday the 11th April 2009 at 11:30 a.m. at Seminar I & II, 31st Floor, World Trade Centre 1, Cuffe Parade, Mumbai-400005, and at any adjournment thereof.

Member's / Proxy's Signature

Notes:

- 1. Members are requested to produce the above attendance slip, duly signed in accordance with their specimen signature registered with the Company, for admission to the meeting.
2. Members are informed that no duplicate attendance slip will be issued at the hall.

Cut here

SWASTI VINAYAKA GEMS CORPORATION LIMITED

Regd. Office: 303, Tantia Jogani Industrial Estate, J. R. Boricha Marg, Lower Parel, Mumbai - 400011.

PROXY FORM

I/We .....of .....

being a member / member(s) of Swasti Vinayaka Gems Corporation Limited, hereby appoint .....

of.....or failing him / her.....of.....or

failing him / her..... of..... as

my / our proxy to vote for me / us and on my / our behalf at the 23rd Annual General Meeting of the Company on Saturday the 11th April, 2009 at 11:30 a.m. at Seminar I & II, 31st Floor, World Trade Centre 1, Cuffe Parade, Mumbai-400 005 and at any adjournment thereof.

Signed this ..... Day of .....2009

Folio No. / Client Id .....

No. of Share: .....

Name: .....

Signature(s) .....

Affix Revenue Stamp

Address: .....

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





# Swasti Vinayaka

Gems Corporation Limited



Showroom at the Grand Hyatt Plaza, Santacruz (East), Mumbai - 400 055. Tel.: 3060 1031.



By Swasti Vinayaka Gems Corporation Limited



# Swasti Vinayaka

Gems Corporation Limited

Regd. Off.:  
303, Tantia Jogani Indl. Estate,  
J. R. Boricha Marg,  
Opp. Kasturba Hospital,  
Lower Parel, Mumbai - 400 011.  
Tel. : 4344 3555