

Why would  
someone be  
very happy  
paying  
Rs. 200,000  
for this  
bracelet?

Shree Ganesh Jewellery House Limited | Annual report 2010-11



|| Shree Ganesh ||  
JEWELLERY HOUSE LTD

413 Vardaan Market, 25A Camac Street,  
Kolkata-700016

## Disclaimer

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

## Contents

02

Corporate identity

10

Chairman’s review

14

Our strengths

16

Management discussion and analysis

19

Risk management

21

Directors’ report

24

Report on Corporate governance

33

Auditors’ report

36

Financial section



## Corporate Information

### Board of Directors

Mr. Nilesh Parekh – Chairman  
Mr. Umesh Parekh - Managing Director  
Mr. Pawan Singh Ingty  
Mr. Sharad Mohata  
Mr. Satish Chandra Chaturvedi  
Mr. Dwarka Prasad Mathur

### Chief Financial Officer

Mr. Ashok Prakash Sahni

### Company Secretary

Mr. Mukund Chandak

### Auditors

M/s. Chaturvedi & Partners

### Bankers

Bank of Maharashtra  
Karnataka Bank  
Axis Bank  
State Bank of India  
Bank of India  
UCO Bank  
Allahabad Bank  
Corporation Bank  
EXIM Bank  
United Bank of India  
Punjab National Bank  
Syndicate Bank  
Bank of Baroda  
State Bank of Hyderabad  
State Bank of Mysore

ICICI Bank  
Andhra Bank  
State Bank of Bikaner & Jaipur  
State Bank of Travancore  
IDBI Bank  
Standard Chartered Bank  
Dena Bank  
Dhanalaxmi Bank  
Central Bank of India

### Registered Office


413 Vardaan Market  
25A Camac Street,  
Kolkata – 700 016  
Ph: 033 2280 0345  
Fax 033 3022 5903

### Corporate Office

Avani Signature, Block 402  
91A/1 Park Street,  
Kolkata – 700 016  
Ph: 033 30259382  
Fax 033 4007 1623

### Factory

Manikanchan SEZ,  
Sector V, Saltlake,  
Kolkata – 700 091  
Ph: 033 2367 5491  
Fax 033 2367 5492



# Simple. Because it comes from Shree Ganesh Jewellery House Limited.

There were thousands of buyers across the world who continued to trust Shree Ganesh Jewellery's handcrafted creations in 2010-11.

No wonder, our revenues grew 77.66% to Rs. 524,074.09 lacs and profit after tax increased 59.06% to Rs. 26,384.82 lacs in 2010-11.

Helping us retain our position as one of India's largest handcrafted jewellery exporting companies.

# Shree Ganesh Jewellery House Limited represents the coming together of two industry realities.

**One**, a growing preference for gold jewellery in regions of the Middle East with demographics similar to that of India.

**Two**, a global competitiveness in the production of handcrafted jewellery derived out of its presence in India.

**The result:** A CAGR in revenues of 56.18% and in profit after tax of 41.14% in the three years leading to 2010-11.

This makes Shree Jewellery House the largest exporter of handcrafted jewellery from India, way ahead of its nearest competitor.

## Pedigree

○ Shree Ganesh Jewellery House Limited (SGJHL) is a Rs. 1.16 billion revenues company promoted by Mr. Nilesh Parekh and Mr. Umesh Parekh in August 2002.

○ The Company is a leading manufacturer and exporter of handcrafted gold jewellery, rated as a Four Star export house.

○ The Company is engaged in the manufacture and export of diverse jewellery kinds (gold, diamond, gemstone-studded and lightweight Italian).

○ The shares of the Company are listed on the Bombay Stock Exchange and National Stock Exchange of India.

## Presence

○ The Company is headquartered in Kolkata (India) with pan-India sales and marketing offices.

○ Its Indian retail presence was marked by 20 locations at the close of 2010-11.

○ Its products are principally exported to UAE, Singapore and Hong Kong.

## Business

The Company's product portfolio comprises earrings, pendants, rings, bracelets, necklaces, bangles and medallions that include the following:

○ Handcrafted and hallmarked plain gold jewellery and enameled jewellery.

○ Gem-studded gold jewellery (studded with diamonds, pearls, rubies, emeralds and sapphires)

○ Diversified product catalogue comprising plain gold sets, gold Bengal antique sets, Jadau-Kundan sets, gold Mumbai Rajkot antique sets, gold and studded bangles, Polki-Chakri sets and Italian fusion jewellery.

## Recognition

○ Outstanding Export Performance and

Contribution to Trade Award in 2009-10 for 'Studded Precious Metal Jewellery Export from EPZ/EOU Complexes' and 'Plain Precious Metal Jewellery Exports by units from EOU/EPZ' by Gem & Jewellery Export Promotion Council.

○ Four Star Export House certificate in June 2009 from the Joint Director of Foreign Trade, Government of India.

○ Nominated Agency under the Foreign Trade Policy, permitting the Company to directly import precious metals.

○ EPCES Export Awards for Best SEZ-SSI in 2007-08, presented by Mr. Anand Sharma, Honorable Union Minister of Commerce and Industries on February, 2010.

○ Credit rating of PR1+ for short-term debt and A+ for long-term funds by CARE.

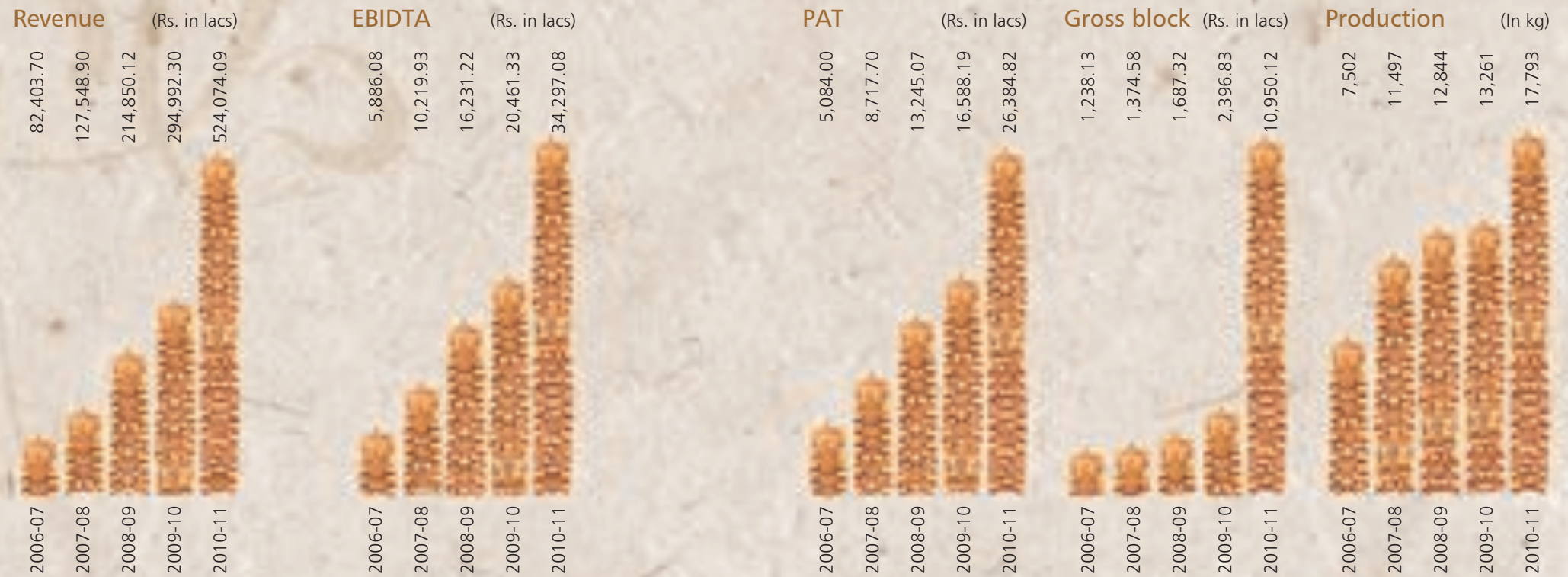
○ SE 1A credit rating in December 2009 by CRISIL for superior performance and financial strength.

## Plant locations

Location	Gold jewellery manufacturing capacity	Gold jewellery refining capacity	Number of gold craftsmen	Current status
Manikanchan SEZ (Kolkata)	37,000 kgs of handcrafted jewellery	–	489	Operational
Mondalpara (West Bengal)	2,550 kgs of Italian fusion jewellery and handcrafted jewellery equipped with all modern equipment from Italy	–	56	Operational (Q4 2010-11)
Domjur (West Bengal)	4,250 kgs of handcrafted jewellery and 1.5 lac carat diamond studded jewellery	1,000 kg	380	Expected to operationalise in Q2 2011-12

Highlights, 2010-11

# Golden achievements



## Financial highlights

○ Total income increased 77% from Rs. 300,243.66 lacs in 2009-10 to Rs. 530,730.84 lacs

○ EBITDA increased 68% from Rs. 20,461.33 lacs in 2009-10 to Rs. 34,297.08 lacs

○ Profit after tax increased 59% from Rs. 16,588.19 lacs in 2009-10 to Rs. 26,384.82 lacs

## Operational highlights

○ Invested Rs. 181.8 million in the retail chain and Rs. 948.8 million in manufacturing facilities.

○ Increased gold jewellery production 42% from 12 tonnes in 2009-10 to 17 tonnes in 2010-11.

○ Commenced the commercial production of Italian fusion jewellery to cater to diverse customer needs.

## Marketing highlights

○ Added 13 retail/wholesale stores across India (total 20).

○ Commenced commercial production from Mondalpara unit (West Bengal) for the manufacture of Italian fusion jewellery and other handcrafted products

## Board room highlights

○ The Company was listed on the stock exchange in April 2010 following an IPO of Rs. 31,555 lacs.





What's so special about the necklace in the picture that a trained eye would want to buy it off a Gaja store for Rs. 600,000?

The first thing that one really needs to buy after one has invested in handcrafted jewellery is a magnifying glass.

Because handcrafted jewellery is not about a bangle, a nose ring, a necklace or a bracelet.

It is about the curves that have gone into the miniaturised flower on the necklace. It is about the folds that have gone into the petal on the earring. It is about creating a layer of craftsmanship beneath the immediately evident.

At Shree Ganesh Jewellery, we aggregated families of longstanding handcrafted jewellers into a community; we encouraged these craftsmen to leverage their knowledge handed down across generations; we institutionalised this knowledge into a corporatised structure; we generated year-on-year growth for the benefit of these craftsmen, shareholders and customers.



# What is it about Italian fusion jewellery that doesn't make a 26-year-old balk but actually want to buy?

In the good old days, only the landed and the aristocratic bought jewellery.

Times are changing.

While handcrafted jewellery has become more expensive because gold has become dearer, a number of the young and just-arrived-in-life have shifted over to the next best thing. Fusion Italian jewellery.

Fusion jewellery is gold jewellery alright. But lighter. More affordable.

The result is that an entire generation of young Indians born into a tradition of gold ownership won't need to scrape and scrounge to buy into gold any longer.

Shree Ganesh Jewellery is among the few Indian companies to manufacture fusion Italian jewellery, saving Indians the trouble of importing it.

The result is in the numbers: The Company commenced fusion Italian jewellery manufacture in 2010-11, expects to generate 25-30% of its revenues from this product in 2011-12 and enhanced margins – an attractive volume-value play.

Chairman's review

## Golden words



We engaged in our IPO in 2010 with the objective to mobilise Rs. 31,555 lacs and list on India's growing equity markets.

I would like to assure shareholders that the IPO proceeds have been invested as per our promise and will begin to generate revenues and profits from 2011-12 onwards.

IPO objectives	Company initiatives
<ul style="list-style-type: none"> <li>○ Invest Rs. 14,451 lacs to set-up manufacturing facilities (plain and studded gold jewellery, gold bangles, gold electroforming, machine made Italian jewellery, gold refinery and diamond studded jewellery)</li> <li>○ Commission jewellery retail outlets</li> <li>○ To meet working capital requirements</li> <li>○ To meet general corporate purposes</li> </ul>	<ul style="list-style-type: none"> <li>○ The Company invested a sum of Rs. 9,488 lacs from IPO proceeds to commission capacities across our three facilities</li> <li>○ The Company invested Rs. 1,818 lacs to set-up retail stores in India</li> <li>○ The Company allocated Rs. 5,000 lacs to address working capital needs</li> <li>○ The Company allocated Rs. 300 lacs for general corporate purposes</li> </ul>

It is our conviction that the complement of these investments will reinforce our business profitability in a sustainable way and enhance value for our shareowners.

### Industry overview

#### Why do people buy jewellery?

This has been a relevant question down the centuries.

It is our understanding that through recorded history, people have acquired gold for ornamental reasons, for investment, collateral value and hedging.

During the year under review, this trend sustained and it is indeed a measure of gold's intrinsic value that transactions in the metal increased 10% in terms of volume and 38% in terms of value in 2010 even as the global economy grew 5% (Source: World Gold Council). This indicates that even as the global financial markets continued to suffer some of the hangover of the economic meltdown, money kept consistently moving into bullion and jewellery as a safe haven from the global currency, realty and financial markets.

Not everyone who intends to invest in gold as a safe hedge invests in the metal in its raw physical form; there is a growing number of consumers who would rather transform it into jewellery for visible use as well. This trend is being increasingly marked in regions where there has been a centuries-old preference for such use; the Middle East, South Asia and ASEAN are three global pockets where this preference is increasingly discernable as demand is being catalysed by economic growth and rising disposable incomes.

The growing presence of Shree Ganesh Jewellery in these regions serves to explain the Company's rapid growth in the last few years.

#### Performance review

The Company processed 17,245 kgs of gold in 2010-11 compared with 12,526 kgs in 2009-10. The Company correspondingly reported a topline growth of 78% to Rs. 524,074.09 lacs; when one makes a provision for the 18-19% increase in the average cost of gold that transpired during the year, the adjusted net increase in revenues during the year was 59%.

Correspondingly, there was a 56% increase in

EBIDTA to Rs. 39,233.02 lacs and 59% increase in PAT to Rs. 26,384.82 lacs. However, there was a decline in margins on account of growing investments being made in the Company's net business ventures, inventory stocking and the gestation before the upturn. I am optimistic that the result of these initiatives will translate into increased revenues and profits over the foreseeable future.

### Business model

At Shree Ganesh Jewellery House, we recognised that for growth to be sustainably profitable, we would need to broaden our business model with the objective to address fast-growing demand pockets on the one hand and reduce costs on the other. In view of this, we embarked on the strategy to evolve our presence from low-cost converters of gold into a progressively holistic jewellery organisation through the following initiatives:

**Handcrafted jewellery:** Your Company possessed an installed capacity to process 37,000 kgs of gold during 2010-11. From the start of the second quarter of 2011-12, your Company invested in a handcrafted jewellery facility in Domjur, which will enhance capacity to 41,250 kgs a year. Besides, the Company embarked on broadbasing its manufacturing presence beyond India to Dubai for the following advantages - one, considerable freight saving as gold presently needs to be transported from Dubai to Kolkata where it is processed for onward dispatch to Dubai; in the proposed arrangement, the Company will relocate craftsmen from Bengal to Dubai, reducing costs, taxes and delivery schedules and capturing a larger share of our international customers' wallets.

**Fusion jewellery:** Your Company is seized with an emerging reality: That in a number of Asian countries, a new class of consumer is emerging. This consumer is part of a new generation of the successful, marked by an increase in disposable incomes. Given the deep-seated preference for the yellow metal in these geographies, this consumer is also an intending buyer – but with a difference. The



consumer is some years from buying expensive handcrafted jewellery following a sharp rise in gold prices; however, the consumer is ready to buy into the relatively affordable fusion Italian jewellery segment. In view of the long-term potential of this segment, your Company commissioned a fusion gold jewellery manufacturing plant in Mondalpara (West Bengal).

**Retail:** In the jewellery industry, there is a significant mark-up between our selling price to wholesalers and the price at which these products are marketed to retailers and an even bigger mark-up when being sold to the consumer. Your Company is convinced of the attractiveness of an integrated business model that extends from jewellery manufacture at one end and retail at the other. The retail interface will not only enable the Company to earn superior margins; it will also enable the Company to comprehend evolving consumer preferences leading to relevant production. During 2010-11, your Company added 13 retail stores across India and tied-up with Wal-Mart to increase its domestic retail presence. This helped increase domestic revenues from Rs. 12,088.81 lacs in 2009-10 to Rs. 61,189.26 lacs in 2010-11; the proportion of domestic revenues in our overall turnover increased from 4% to 11% across the period on a growing turnover. The Company intends to commission another 30 (majority franchised) retail stores during the current financial year, making it possible to raise domestic revenues to 15% of our overall turnover in 2011-12. The Company also intends to commission retail outlets in international geographies.

**Brands:** In our business, we see the next big push emerging from an ability to buy prominent international jewellery retail brands. The acquisition will circumvent years of painstaking brand building; it will facilitate a quicker access into the fast-growing Asian markets, creating a demand pull that makes it possible for us to gradually increase the consumption of our manufactured products within our captive chain and reinforce our business integration.

**Refining:** In a country with an age-old jewellery tradition like India, there is an

abundance of heirloom jewellery that needs to be contemporarised. Your Company perceives in this need an evident opportunity to buy old jewellery and refine it for onward re-use. The refining will service two functions: one, provide the Company with a steady supply of gold from domestic sources; two, it will provide the Company with an attractive arbitrage opportunity that will enable it to reduce gold procurement costs. The Company's gold manufacturing and refining plant at Domjur (West Bengal) will be commissioned in the second quarter of 2011-12.

**NBFC:** In a country where gold has been used as collateral for loans, extending into the NBFC space represents a safe and logical extension. Not only will the Company generate an attractive interest income on the quantum of loan provided, it will do so with collateral that exceeds the value of the loan by a safe margin. In India, gold loan comprise only 10% of the total loan market of which 25% is organised and the rest is accounted by pawn shops and local money lenders, who provide loans at higher rates (*Source: Gold Market report 2010, ICRA*).

The Company's gold loans would contribute to the upliftment of rural India, providing them with easy access to cheaper loans.

**Bullion trading:** Gold is one of the most preferred investment media in India. The Company tied up with National Spot Exchange to facilitate a gold trading platform, enabling investors to buy and sell gold online. It would earn revenues through delivery charges on such transactions.

I have no hesitation in stating that the complement of these initiatives will help create a larger and more profitable company over the foreseeable future.

## Opportunities

Shree Ganesh Jewellery is attractively placed from an industry perspective for a number of reasons.

The Indian gems and jewellery market of USD 45 billion (bn) as on 2010 is expected to grow to USD 100 by 2015. The gold jewellery segment, which accounts for a mere 20% of the total gems and jewellery market in India,

is expected to grow to 30% on a larger industry size through to 2020, riding a growth in aspirations and disposable incomes. (*Source: FICCI*)

## Targets for 2011-12

The Company's outlook for 2011-12 appears optimistic. The Company expects to increase its jewellery sales throughput from 17 tonnes in 2010-11 to 30 tonnes in 2011-12; the proportion of fusion jewellery is expected to be 25-30%. Besides, the Company expects to commission gold refining, add 30 retail stores in India and explore retailing opportunities in

Europe, Australia and Africa.

In view of these initiatives, we expect to grow our revenues by at least 20-25% during 2011-12.

## Message to shareholders

The complement of our various business initiatives should translate into revenues of USD 2 bn in two years, enhancing value for our shareholders.

**Nilesh Parekh**

*Chairman*

## Our business model

	Volume	Value	Outlay	Risk
Handcrafted jewellery	High, derived from growing demand from large international wholesalers	Reasonable returns	High on account of investments in working capital and capital assets	Low owing to a high product acceptance.
Fusion jewellery	High, derived from a growing demand for affordable jewellery.	High margins as the Company substitutes imports through in-house manufacture.	Low, as the Company tied up with an Italian company to provide free equipment	Low, as the reasonably priced products find better acceptance.
Retail stores	Medium, as the retail stores are driven by individual buyers.	High, as the Company markets products manufactured in-house, enhancing margins.	High, as setting up retail stores involves capital investments.	Medium, as some retail stores may struggle to break even. Franchising is an option.
Brand acquisition	High, as the Company intends to invest in prominent brands	High, as branding will attract margins	High, as the acquisition of reputed brands will involve huge capital costs.	Medium, as the Company may take longer to break even.
Refining	High, as there are large number of sellers of old jewellery and few creators of new ones.	High, as the Company procures old gold at a low cost, refines it and consumes it to make jewellery.	Medium, as a refining unit requires a large capital investment.	Low, as the Company is getting associated with London Bullion Metal Association for certifying purity of its refined gold
NBFC	Medium, as there are number of individuals looking for loans against gold.	Low, as the Company will charge reasonable rates of interest.	Medium, as offices entail a reasonable capital cost.	Low, as the gold will provide more than 100% collateral security.
Bullion trading	High, as there is a large number of investors in gold.	Low, as the Company will earn delivery charges on gold transactions.	Medium, as the Company needs to commission an online trading terminal to facilitate gold trading.	Low, as the trading terminal will be delivery based, enabling the Company to earn delivery charges on every transaction.

# Strengths

## Strategic location

The Company's three manufacturing units are located in West Bengal, leveraging the abundant availability of skilled jewellery craftsmen as well as international connectivity.

## Relationship-driven

The Company enjoys long-term relationships with major suppliers and vendors in India and abroad, which enhances raw material availability, bulk purchase economies and repeat orders.

## Product portfolio

The Company's product portfolio comprises rings, earrings, pendants, bracelets, necklaces, bangles and medallions (in plain gold or studded variants) with design elements like plain gold sets, gold Bengal antique sets, Jadau Kundan sets, gold Mumbai Rajkot antique sets, gold and studded bangles, Polki Chakri sets and Italian fusion lightweight sets.

## Designing capabilities

The Company has a skilled design team and a tie-up with leading fashion designer Sabyasachi Mukherji for the design of exclusive jewellery. The team develops an average of 600 designs a month within short production tenures.

## Quality

The Company's products meet stringent international standards. 88.32% of the Company's sales are derived through exports; more than 80% of the income is derived from longstanding repeat customers.

## Integrated

The Company is integrated from refinery to manufacture (hand crafted and man cum machine) to retail to NBFC (proposed).



## Marketing network

The Company enjoys strong marketing connections with large wholesalers in Singapore, Middle East and Hong Kong; nearly 90% of the Company's revenues were derived through exports to these wholesalers.

## Brands

The Company owns brand like GAJA Gold (designer jewellery for all occasions), Gold Bridals (bridal collections), Gold Elements (men's gold accessories), Marigold (light weight jewellery), Sitaare (children), YOU (18k diamond heart collection), Distar (studded gold jewellery export) and GM Gold (one-gram gold).

## Financials

The Company possessed reserves of Rs. 101,306.37 lacs, free cash of Rs. 15,487.24 lacs, gearing of 1.41, RONW of 25% and ROCE of 14.85% as on 31 March 2011

## Competitiveness

A combination of scale (30,000 kgs of handcrafted gold jewellery and light Italian fusion jewellery and 35,000 kgs of gold refinery) and labour costs (a tenth of developed countries) has enhanced the Company's competitive advantage.

## Experience

The promoter's family enjoys a seven-generation experience in jewellery manufacture; the Company has evolved from being a completely family-run business to a professionally-delegated organisation.

## Customisation

The Company's designing team matches customer requirements with relevant creations.

## Nominated Agency

The Company was adjudged 'Nominated Agency' under Foreign Trade Policy, making it possible to directly import precious metals and reduce intermediation costs.

# Management discussion and analysis

## Global economic scenario

The global economy grew 5% in 2010, with India and China accounting for nearly a quarter of incremental world output. It is expected that the GDP growth will decline to 4.5% in 2011 and 2012; developing nations are expected to grow by 6.5% whereas developed nations will grow by 2.5% in 2011 (Source: *The IMF World Economic Outlook of April 2011*).

## Indian economic scenario

Indian GDP grew 8.6% in 2010-11 compared with 8% in 2009-10. The investment rate in the country is expected to improve from 37% in 2010-11 to 37.5% in 2011-12. The net domestic savings rate is likely to be around 34% in 2010-11 and 34.7% in 2011-12 (Source: *Prime Minister's Economic Advisory Council*).

## Global gems and jewellery industry

**Demand and supply:** In 2010, the total gold supply (including mine production, recycled gold and official sector transactions) increased 2% to 4,155 tonnes. Total mine production grew 10% to reach 2,586 tonnes in 2010. Global gold demand increased 10% to 3,970.5 tonnes in 2010 with a value of USD 156 bn compared with 3,618.1 tonnes and USD 113 bn in 2009 (Source: *World Gold Council*).

**Consumption:** Global gold consumption increased 22% from 2,503 tonnes in 2009 to 3,055 tonnes in 2010. India and China continued to dominate the global gold consumption with consumption levels of 963 and 580 tonnes respectively in 2010.

**Gold stock:** At the end of 2010, the total above-the-ground stock of gold was 166,600 tonnes of which 52% of the stock was held as jewellery.

## Gold demand by use

(In tonnes)

Gold demand	In volume (tonnes)			In value ( In USD million)		
	2009	2010	% growth	2009	2010	% growth
Jewellery	1,813.60	2,016.70	11%	56,695	79,395	40%
Technology	409.80	466.40	14%	12,811	18,363	43%
Investment	1,394.80	1,487.40	7%	43,604	58,559	34%
Total gold demand	3,618.20	3,970.50	9.74%	113,110	156,317	38%

## Global gold supply and demand

Metric tonnes	2006	2007	2008	2009	2010	2011E	2012E	2013E	2014E	2015E
Total supply	3,541	3,476	3,605	4,081	4,155	3,870	3,971	4,068	4,108	4,118
Total demand	3,374	3,552	3,806	3,618	3,971	4,160	4,160	4,160	4,160	4,160
Surplus/(deficit)	167	(76)	(200)	463	185	(290)	(189)	(92)	(52)	(42)
Gold price (USD/oz)	604	695	872	972	1,225	1,460	1,650	1,864	2,107	1,900

(Source: *World Gold Council, Standard Chartered Research estimates*)

E: estimated

## Gold consumption by country

(tonnes)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
India	727	576	565	663	722	722	769	713	579	963
China	206	202	207	234	253	260	328	393	458	580
Greater China	270	238	232	271	293	294	365	432	472	607
Middle East	441	371	339	363	388	315	346	346	246	238
World Total	3,413	3,067	2,123	2,305	3,092	2,682	2,811	3,049	2,503	3,055

## Annual change in gold prices (in %) as on 1 June 2011

	USD	INR
2006	23.0	24.2
2007	30.9	20.8
2008	5.6	28.8
2009	23.4	19.3
2010	27.1	22.3
2011	8.4	9.0
Average	19.0	18.0

Source: [www.goldprice.org](http://www.goldprice.org)

## Indian gems and jewellery industry

The Indian gems and jewellery market comprises diamonds, coloured stones, jewellery (gold and silver), pearls, among others. Gold and diamond jewellery account for around 80% of diamonds processing in terms of carats and 55% in terms of volume. The Indian gems and jewellery market (including domestic sales and exports) is

expected to grow from USD 45 billion (bn) in 2010 to USD 100 bn by 2015. (Source: *FICCI*). The retail jewellery space is expected to rise from 5-7% of the total jewellery market.

India is a global gold jewellery demand driver for the following reasons:

- Indian households hold the largest stock of gold in the world (18,000 tonnes). 7% of India's total household savings of USD 256 billion is currently held in gold (Source: *World Gold Council*)

- India accounted for nearly 32% of the global gold purchases in 2010 at a cost of USD 38.2 bn with an incremental demand of 385 tonnes.

- Almost two-thirds of India's gold demand is derived from the rural population. The sector has been growing at less than 1% annually but is projected to grow at over 5% annually.

**Demand:** The total annual Indian consumer demand for gold in 2010 reached 963.1

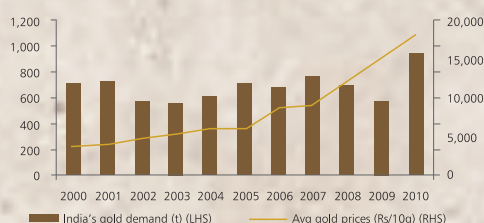


# Risk management

tonnes with 75% of it accounted by gold jewellery. The rapid growth in income and savings in India will drive gold demand. The country's gold jewellery demand rose 69% from 303 tonnes in 2009 to 746 tonnes in 2010 with a spending of Rs. 1.34 trillion, double than last year (Source: World Gold Council)

**Prices:** In India, average gold prices recorded a compound annual growth of 24.8% in the last three years from Rs. 9,250/10 gm in 2007 to Rs. 17,995/10 gm in 2010.

## India's gold demand v/s prices



Source: WGC, Bloomberg, HDFC Sec Inst. Research

**Exports and imports:** The gems and jewellery sector accounts for 16.67% of India's total merchandise exports with a value of USD 43 bn, an increase of about 47% over the last year. Almost 50.5% of the goods were exported to the USA during the year. The total imports in the gems and jewellery sector increased 46.96% from USD 28.53 bn in 2009-10 to USD 41.93 bn in 2010-11. (Source: Gem and Jewellery Export Promotion Council)

## India's demand drivers

**Safe investment:** Indians consider gold as a safe investment.

**Traditional demand:** Almost 50% of gold purchases are related to weddings. With 50% of the population under the age of 25, about 150 million weddings are expected to occur in the future. This is likely to generate a gold demand of about 500 tonnes a year.

**Demographic change:** Despite an increase in the population to 121 crore, India's per capita income rose 17.9% to Rs. 54,835 in 2010-11 compared with 117 crore and Rs. 46,492 in 2009-10. This will lead to an increase in gold purchases as an alternative mode of savings (Source: Business Standard)

**Retail market:** The increasing population, per capita income and the rapid expansion of the organised retail market is expected to drive the growth of the Indian retail market from Rs. 19.0 trillion in 2011 to Rs. 30.23 trillion by 2015 (Source: BMI India Retail Report Q3 2011). According to McKinsey, the Indian luxury market size is expected to grow from USD 3.5 billion in 2011 to USD 30 billion by 2015.

**Branded jewellery:** The branded jewellery market constitutes only 10% of the domestic jewellery market. The market for branded jewellery is estimated to rise 40% to Rs. 10,000 cr compared with a 12% growth in the non-branded segment (Source: McKinsey).

The Indian gems and jewellery market is expected to grow at a CAGR of 13% during 2011-13, backed by increasing government support and incentives coupled with private sector initiatives. The country's exports from gems and jewellery in 2011-12 are expected to increase by 15-20%.

## 1 MARKET RISK

**Any slowdown in the global economic market could impact jewellery offtake.** The Company selected to be present in regions (the Middle East, South Asia and ASEAN) where handcrafted jewellery ownership has been an age-old tradition and now even more so, following volatile financial markets.

## 2 MARGINS RISK

**The Company suffered a decline in EBIDTA margins by 39 bps during 2010-11.** The Company suffered this decline on account of aggressive store rollout, which necessitated the stocking of adequate finished jewellery inventory. The Company expects to enhance margins through refinery operations and other cost-cutting measures; it also intends to enhance margins through the manufacture of fusion Italian jewellery, brand acquisitions and stronger retail initiatives (Indian and retail). The Company also plans to explore global funding avenues at lower rates to reduce its interest cost.

## 3 INFLATION RISK

**Any increase in the cost of raw materials (gold, diamond and precious stones) could impact profitability.** The Company enjoys long-term relationships with major global raw material suppliers, which enhances availability and hedging possibilities. The Company's status of a Nominated Agency under the

Foreign Trade Policy enables it to import precious metals directly, reducing intermediation costs. The Company integrated backwards into gold refining to reduce raw material cost and reduce dependability on raw material suppliers. Besides, the Company expects to increase the proportion of studded jewellery (value-added) from 25% of its jewellery mix, which will enable it to service affluent customers and pass on cost increases. The Company ventured into the manufacture of affordable Italian lightweight fusion jewellery for price-conscious customers.

## 4 REGULATORY RISK

**Adverse regulatory changes by the government could impact the business growth and profitability.** The Indian Government recently amended its longstanding tax concession for companies located in SEZs, resulting in a MAT of 18.5% on book profit. This will be applicable to all relevant companies

## 5 RETAIL RISK

**The business of jewellery retail involves high costs and risk, requiring competencies different from that of manufacture.** The Company invested selectively across locations; nearly 50% of its new retail store rollout will be franchised. Nearly 70% of the Company's owned stores at the end of the year were profitable in the first year, while the others broke even. Loss-making stores were closed to plug the drain.

# Directors' Report

*Dear Shareholders,*

Your Directors have pleasure in presenting the ninth annual report of the Company, together with the audited statement of accounts for the year ended 31 March 2011.

## 1. Financial results

For the year ended 31 March	2011 (Rs. in crs)	2010 (Rs. in crs)
Sales	5,240.74	2,949.92
Other incomes	64.37	52.51
Total revenue	5,305.11	3,002.43
Profit before interest, depreciation, and tax	392.31	251.54
Less: Depreciation/amortisation	5.97	2.32
Less: Interest and finance charge	120.29	78.21
Profit before tax	266.05	171.01
Provision for taxes	2.20	5.13
Profit after tax	263.85	165.88
Proposed dividend	36.40	12.13
Dividend tax	6.04	2.01
Transfer to general reserve	26.38	16.58

## 2. Dividend:

Keeping in view the growth made by the Company and the shareholder support received, your Directors have recommended a dividend of Rs. 3.00 per equity share, of Rs. 10 each on the equity share capital of Rs. 606,824,850 for the year under review. The dividend, if approved by the shareholders will be paid to those members whose names appear on the Register of Members on 19 August 2011.

## 3. Operations:

The Company's sales were Rs. 5,240.74 crs for the year ended 31 March 2011 as compared with Rs. 2,949.92 crs for the previous year. Thus, there has been an increase in turnover of 77.66 %. The Company's profit after tax grew by 59.06 % to Rs. 263.85 crs as compared with Rs. 165.88 crs for the previous year.

## 4. Capital:

The issued, subscribed and paid-up share

capital of the Company was Rs. 485,459,880 comprising 48,545,988 equity shares of Rs. 10 each. Further, the Company issued 12,136,497 equity shares (net issue) of Rs. 10 each through Initial Public Offer (IPO) The issued, subscribed and paid-up share capital of the Company now stands at Rs. 606,824,850.

## 5. Subsidiary companies:

The Statement of the holding Company's interest in subsidiary companies, namely,,Gokul Jewellery House Private Limited, Easy Fit Jewellery Private Limited, Sumit Jewels Private Limited, Shree Ganesh Jewellery House FZE, Gaja Finance Private Limited and Shree Ganesh Jewellery House (Singapore) Pte Ltd. as specified in sub-section (3) of Section 212 of the Companies Act, 1956 is attached to the report and accounts of the Company.

## 6. Human resources:

As on 31 March 2011, your Company had 769 employees. Human resources continue to be a

## 6 FOREIGN EXCHANGE FLUCTUATION RISK

Any currency volatility could lead to losses especially when the Company is engaged in large imports and exports. In our case, more than 90% of the raw material is procured from outside India and 85% of the total revenues is generated from exports, there is a natural hedge. For any balance open positions the Company enters into forward contracts to protect itself from currency fluctuations.

## 7 COMPETITION RISK

The Company's presence can be affected by a large unorganised sector. The Company's insurance is derived from its ability to deliver a large production volume on the one hand and its enduring relationships with large wholesalers on the other. The result is that the Company is one of the largest handcrafted jewellery manufacturers in India; its buyers account for some of the largest purchases in the growing markets of the Middle East, Singapore and Hong Kong.

## 8 COMPETITIVENESS RISK

Inability to maintain the quality and finish of handmade jewellery may adversely affect the Company's goodwill and market share. The Company's location in West Bengal provides it access to skilled craftsmen. The Company's operations undergo stringent quality control processes. The quality control

function ensures product design, finish, polish and purity. The products manufactured by the Company are hallmarked with the BIS logo along with relevant certifications to ensure absolute transparency and quality assurance. The Company introduced machine-made Italian fusion jewellery, resulting in product uniformity.

## 9 CONCENTRATION RISK

The concentration of sales in a particular region or specific customers could prove risky in the event of attrition. Almost 90% of the Company's sales were derived through exports. No client accounted for more than 17% of the Company's sales. The Company generated a majority of revenues through exports to the Middle East. However, the proportion of revenues from India is increasing through a wider retail presence. The Company intends to widen its presence in the ASEAN.

## 10 FUNDING RISK

An inability to source funds at a low cost may result in a rising cost of funds. The Company has long-term relationships with major banks for working capital mobilisation. Net interest outflow in 2010-11 was 20.60% of its EBITDA (15% in 2009-10). The Company possesses a free cash flow of Rs. 15,487.24 lacs and reserves of Rs. 101,306.37 lacs in 2010-11. The Company enjoyed a credit rating of PR1+ for short-term debt and A+ for long-term funds by CARE. Average cost of funds was 8.86% in 2010-11.

prime area of attention and importance for your Company. In its relentless pursuit of excellence, the Company continues to focus on recruitment and retention, giving priority to meritocracy and ensuring that performance is recognised and subsequently rewarded in an appropriate manner.

Your Company wishes to put on record its deep appreciation for the co-operation and efforts of its employees for the betterment of the organisation.

### 7. IPO and listing:

The Company successfully completed its Initial Public Offering of shares in April, 2010 and the shares of the Company got listed on the National Stock Exchange (NSE) & Bombay Stock Exchange (BSE) on 9 April 2010.

### 8. Directors' responsibility statement:

Pursuant to the requirements of section 217(2AA) of the Companies Act, 1956, it is hereby confirmed

a. That in the preparation of the annual accounts, applicable accounting standards have been followed along with proper explanation relating to material departures;

b. That the Directors have selected such accounting policies and applied them consistently, and made reasonable and prudent judgments and estimates so as to give a true and fair view of the Company's state of affairs at the end of the financial year, and of the profit or loss of the Company for the period under review;

c. That the Directors have 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;

d. That the Directors have prepared the annual accounts for the period ended 31 March 2011 on a going concern basis.

### 9. Particulars of employees:

Statement under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as

amended, is given in Annexure I to this report.

### 10. Conservation of energy:

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report or the financial year ended 31 March 2011 are given in Annexure II to this report.

### 11. Foreign exchange:

Your Company earned foreign exchange of Rs. 4,628.84 crs from gold jewellery export. Foreign exchange outgo and earning details appear in Item no. 13 of Notes to Accounts for the year under review.

### 12. Related party transaction:

A statement of related party transactions pursuant to Accounting Standard 18 forms a part of this report.

### 13. Auditors:

The auditors M/s Chaturvedi & Partners retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

### 14. Directors:

Mr. Satish Chandra Chaturvedi and Mr. Dwarka Prasad Mathur retire by rotation and being eligible, offer themselves for re-appointment.

### 15. Acknowledgement:

Your Directors acknowledge with gratitude, the commitment and dedication of the employees, their untiring personal efforts and collective contributions at all levels that has led to the growth and success of the Company. The Directors would also like to thank other stakeholders including banks and business associates who have continued to provide support and encouragement to the Company.

By order of the Board

25A Camac Street  
Kolkata- 700 016  
Dated – 26.05.2011

**Nilesh Parekh**  
*Chairman*

**Annexure – I** to the Directors' Report pursuant to Section 217(2A) of the Companies Act, 1956 for the year ended 31 March 2011

#### A. Employed and in receipt of remuneration aggregating Rs. 6,000,000 or more:

Name	Age (yrs)	Designation and nature of duties	Gross remuneration (Rs In Lacs)	Qualification	Experience (yrs)	Date of commencement of employment	Previous employment/ position held
Mr. Nilesh Parekh	45	Executive Chairman	616.63	B.Com	15	01.07.2007	Nil
Mr. Umesh Parekh	44	Managing Director	616.63	B.Com	15	01.07.2007	Nil

#### B. Employed for a part of the year and in receipt of remuneration aggregating Rs. 500,000 or more per month: Nil

#### Notes:

- Gross remuneration includes salary, commission, value of perquisites, medical benefits and Company's contribution to provident, superannuation and gratuity funds.
- The employee holds by himself or with his spouse and dependent children, 2% or more of the equity shares in the Company.
- All appointments are contractual in accordance with terms and conditions as per Company rules.

**Annexure II** to the Directors' Report pursuant to Section 217(1)(e) of the Companies Act, 1956 for the year ended 31 March 2011

#### FORM A

##### Disclosure of particulars with respect to conservation of energy

The Company is not covered by the Schedule of Industries which is required to furnish information in Form 'A'.

#### FORM B

##### Disclosure of particulars with respect to technology absorption

I. Research and development - Your Company has one of the finest R&D units in the industry. The R&D team of the Company comprises some of the finest designers and senior craftsman. The Company has been instrumental in developing and introducing several widely acclaimed jewellery designs.

II. Technology absorption, adaptation and innovation: The Company does not

employ any foreign technology which needs absorption or adaptation.

#### FORM C

##### Disclosure with respect to foreign exchange earnings and outgo

I. Total foreign exchange earned – Rs. 4,628.84 crs

II. Total foreign exchange used – Rs. 3.12 crs

The Company is engaged in export of gold jewelley, plain or studded with precious and semi-precious stones. The company is taking steps to increase its product portfolio to increase its exports. At the same time, new markets in various countries are being tested so that new exports markets can be developed for the products of the Company. Taking the above steps into account, the Company plans to increase its exports manifold.

# Corporate Governance Report

Shree Ganesh Jewellery House Limited (Sgjl)'s Philosophy on Code of Governance

Corporate Governance deals with laws, procedures, practices and implicit rules that determine a Company's ability to take informed managerial decisions vis-a-vis its claimants – in particular, its shareholders, creditors, customers, the State and employees. There is a global consensus about the objective of "good" Corporate Governance maximising long-term shareholders value."

Thus, Corporate Governance is a reflection of a Company's culture, policies, its relationship with the stakeholders and its commitment to values. We, at Shree Ganesh, believe that sound Corporate Governance is critical to enhance and retain investor trust.

Accordingly, we always seek to ensure that we attain our performance rules with integrity.

Our Corporate Governance philosophy is based on the following principles.

- Corporate Governance standards should be complied with in letter as well as spirit
- Maintain absolute transparency and adequate disclosure practices.
- Individual preferences and convenience should be subordinate to Corporate conveniences
- Communicate externally in a truthful manner about how your Company is run internally.
- Compliance with the laws in which the Company operates.
- Simple and transparent corporate disclosure driven solely by business needs.
- Management is the Trustee of the Shareholders' fund and not the owner.

Your Company understands that the customer is the purpose of our business and every customer is an important stakeholder of the

Company, performing ethically and efficiently to generate long term value and wealth for all its stakeholders.

The Company complies with Corporate Governance Code as has been enshrined in the clause 49 of the Listing Agreement.

## Board of Directors:

The Composition of the Board of directors is in conformity with Clause 49 of the Listing Agreement with the stock exchange(s). The Company's Board consists of six (6) members which comprise of:

- Two Executive Directors
- One Non- Executive Director
- Three Independent Directors

None of the Director on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director.

## Board Meetings Held During the Financial Year Ended 31 March 2011

Board holds periodic meetings to review and discuss performance of the Company, its future plans, strategies and other pertinent items relating to the Company. During the Financial Year Ended 31 March 2011, 05 (Five) Board Meetings were held on April 19, May 19, July 26, October 28 and January 19. The last AGM was held on August 27, 2010.

The composition of Board of Directors, their attendance at the Board Meetings during the year and at last Annual General Meeting as also number of directorships and Chairmanships/ memberships of Committees of each director held in companies as at 31 March 2011 is :

SL	Director	No. of Board Meetings Attended	Attendance at AGM	No. of other Directorships Held*	No. of other Membership/ Chairmanship in committees**	Category
1.	Mr. Nilesh Parekh	05	Present	Nil	Nil	Promoter & Executive
2.	Mr. Umesh Parekh	03	Present	Nil	Nil	Promoter & Executive
3.	Mr. Sharad Mohata	05	Present	Nil	Nil	Non – Executive
4.	@ Mr. Hemang Raja	01	Absent	Nil	Nil	Non – Executive
5.	Mr. Satish Chandra Chaturvedi	05	Present	Nil	Nil	Independent.
6.	Mr. Pawan Singh Ingty	05	Present	1	Nil	Independent
7.	Mr. Dwarka Prasad Mathur	02	Present	Nil	Nil	Independent
8.	@@ Mr. Tushar Kanti Das	02	Absent	Nil	Nil	Independent

\*Other Directorship does not include alternate directorship, directorship of private companies, Section 25 companies and of other companies incorporated outside India.

\*\* Includes the Membership/Chairmanship of only Audit committee, and Share holders/Investor Grievance Committee.

Directors at Sl. no. 1 & 2 are related to each other. Other than this, none of the other Directors are in any way related to any other Director as per Section 6 of the Companies Act, 1956.

@ Resigned w.e.f 26 May 2010

@@ resigned w.e.f 24 July 2010

## Code of Conduct

In Compliance of the Clause 49, to emphasize the importance of ethical behavior and for protection of all stakeholders' interest, Code of Conduct for Directors and Senior Management laid down by the Board of Directors is posted on the Company's website. The Code of Conduct has been adopted by the Directors on 19 May 2010. Managing Director's certificate of compliance of the Code of Conduct by the Directors and Senior Management is appended.

## Code of Conduct for Prohibition of Insider Trading

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992 the Board has approved and adopted a code of conduct

governing all the directors, senior management and other employees at all locations of the Company, Mr. Mukund Chandak, Company Secretary has been appointed as the Compliance Officer in respect of compliance of the Code.

## Board Committee

### V. Audit Committee:

The Audit Committee of the company comprises of Mr. Satish Chandra Chaturvedi, Mr. Pawan Singh Ingty (Independent Directors) and Mr. Sharad Mohata (Non-executive director). Mr. Satish Chandra Chaturvedi, a practicing Chartered Accountant, is the Chairman of the Audit Committee. Mr. Mukund Chandak, Company Secretary acts as the Secretary to the Committee, The role and

duties of the Audit Committee have been defined by the Board of Directors under Section 292A of the Companies Act, 1956 and cover the areas mentioned under Clause 49 of the

Listing Agreement (as amended from time to time). Attendance at and the dated of Audit Committee meetings held are as follows:

Name	19.04.2010	19.05.2010	26.07.2010	28.10.2010	19.01.2011
Mr. Satish Chandra Chaturvedi	Present	Present	Present	Present	Present
Mr. Pawan Sing Ingty	Present	Present	Present	Present	Present
Mr. Hemang Raja#	Absent	Absent	Absent	Absent	Absent
Mr. Sharad Mohata##	Absent	Present	Present	Present	Present

# ceased to be the member of the Committee w.e.f 19 April 2010

## appointed as member of the Committee w.e.f 19 April 2010

All the above meetings were also attended by the Auditors and the Company Secretary of the Company.

#### V. Shareholder's Grievance Committee:

The Shareholder's Grievance Committee is headed by Mr. Satish Chandra Chaturvedi, an Independent Director with Mr. Pawan Singh Ingty and Mr. Sharad Mohata being the other two members. Mr. Mukund Chandak, Company Secretary is the Compliance Officer.

The Company constituted the Shareholder/ Investor Grievance Committee to oversee the redressal of investors' grievances. The Attendance at and dates of Shareholder's Grievance Committee meetings held are as follows:

Name	26.07.2010	28.10.2010	19.01.2011
Mr. Satish Chandra Chaturvedi	Present	Present	Present
Mr. Pawan Sing Ingty	Present	Present	Present
Mr. Sharad Mohata##	Present	Present	Present

In total 100 cases of Investors' Grievances (including normal routine queries) were received during year 2010-11 pertaining to non-receipts of warrants/ Annual Reports/ Non-receipts of certificate(s)/credit of share(s), which were duly redressed and no Investors' Grievances is pending as at 31 March 2011.

All valid requests for transfer of shares in physical mode received during the financial year ended 31 March 2011 have been acted upon by the Company and no such transfer is pending.

#### Remuneration Committee

The Remuneration Committee comprises of Mr. Pawan Singh Ingty, Mr. Satish Chandra Chaturvedi and Mr. Dwarka Prasad Mathur, all

Independent directors and is headed by Mr. Pawan Singh Ingty. Mr. Mukund Chandak, Company Secretary, acts as Secretary to the Committee. During the year under review there was no meeting of the Remuneration Committee, as no revision in remuneration was considered.

#### Remuneration policy of the Company

Remuneration policy of the Company is based on the need to attract the best available talent and is in line with the prevailing trends in the industry. The remuneration policy is therefore market-led and aimed at leveraging the performance appropriately.

There was no pecuniary relationship or

transactions between the Company and the Non-Executive Directors. Remuneration/Sitting Fees paid to Executive/Non-Executive Directors

of the Company during the financial year ended 31 March 2011 and their shareholding are detailed as under:

Rs. In Lacs

Name of Director	Sitting Fees	Salary & Perquisites	Total	No. of Share Held
Mr. Nilesh Parekh	Nil	18.00	18.00	8891200
Mr. Umesh Parekh	Nil	18.00	18.00	9475300
Mr. Sharad Mohata	0.75	Nil	0.75	Nil
Mr. Hemang Raja	0.15	Nil	0.15	Nil
Mr. Satish Chandra Chaturvedi	0.75	Nil	0.75	Nil
Mr. Pawan Singh Ingty	0.75	Nil	0.75	Nil
Mr. Dwarka Prasad Mathur	0.30	Nil	0.30	Nil
Mr. Tushar Kanti Das	0.30	Nil	0.30	Nil

#### VII. CEO & CFO Certification:

As required by Clause 49 of the Listing Agreement the certificate by Managing Director and Chief Financial Officer of the Company is provided in this Annual Report.

#### IX. Details Of Directors Appointed/Re-Appointed

Details of directors being appointed/re-appointed have been disclosed in the notice of the Annual General Meeting, i.e. brief resume, nature of expertise in specific functional areas, numbers of directorships and committee memberships and their shareholding in the company.

#### X. General Body Meetings:

The last three Annual General Meetings were held as under:

Year	Venue	Date	Time	No. of Special Resolutions Passed
2008	Anandlok, 227 A J C Bose Road Kolkata – 700 020	30.09.2008	11.00A.M	Nil
2009	Avani Signature, Park Street Kolkata – 700 016	30.09.2009	3.00 P.M	2
2010	Vidya Mandir, 1 Moira Street Kolkata – 700 016	27.08.2010	11.00A.M	1

No Resolutions were passed through Postal Ballots during the year.

No Resolution is proposed to be passed by Postal Ballot in the ensuing Annual General Meeting.

#### XI. DISCLOSURES:

a) The related party transactions have been disclosed in the Notes to Accounts forming part of the Statement of Accounts for the financial year ended 31 March 2011 and no transaction is considered to be pecuniary

and/or in potential conflict with the interests of the Company at large.

b) The Company has duly complied with the requirements of the regulatory authorities on capital market. No penalties have been imposed on the Company by the Stock



Exchanges/SEBI on any matter related to capital markets during the last three year.

c) A Management Discussion and Analysis Report, given in a separate annexure forms part of this Annual Report and is attached herewith.

d) The Company affirms that no personnel has been denied access to the Audit Committee.

e) The company has fully complied with the mandatory requirements of the Listing Agreement and the non –mandatory requirement relating to Remuneration Committee have been complied with.

## XII. MEANS OF COMMUNICATION:

### Financial Results:

The results of the Company are furnished to the Stock Exchanges on a periodical basis after approval of the Board of Directors.

The results are normally published in prominent newspapers within 48 hours after approval by the Board. The Company's website address is www.sgjhl.com and the periodic results will be duly posted thereon. Official news releases and notices etc. are sent to the Stock Exchanges where the equity shares of the Company are listed.

## XIII. General Shareholder Information:

### Annual General Meeting (Financial Year 2010-11):

Day, Date & Time : Friday, the 26 August 2011 at 11.00 a.m

Venue : Vidya Mandir, 1 Moira Street, Kolkata 700 017

### Financial Calendar

#### (Tentative and subject to change) :

1. Financial Reporting for the quarter ended 30 June 2011: second week of August, 2011
2. Financial Reporting for the quarter ended

Sept. 30, 2011: second week of November, 2011

3. Financial Reporting for the quarter ended 31 December 2011: second week of February, 2012

4. Financial Reporting for the year ended 31 March 2012: second week of May, 2012

5. Annual General Meeting for the year ended 31 March 2012: September, 2012

### Dividend:

The Board of Directors has recommended a final dividend of Rs. 3/- per share on the paid-up Equity Capital of the Company. The proposed dividend, if approved at the ensuing Annual General Meeting, will be paid to those shareholders whose names appear in the Register of Members as on the close of business hours on 19 August 2011.

### Dividend Payment Date:

5 September 2011

### Book Closure Period:

20.08.2011 to 26.08.2011 (both days inclusive) for Annual General Meeting.

### Listing on Stock Exchanges & Payment of Listing Fee:

(a) Bombay Stock Exchange Limited (BSE), P.J. Towers, Dalal Street, Mumbai – 400 001

(b) National Stock Exchange of India Limited (NSE), "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051

**Annual listing fee for the year 2011-12 has been duly paid by the Company to the BSE & NSE.**

- Bombay Stock Exchange - 533180
- National Stock Exchange – SGJHL
- ISIN No in NSDL & CDSL : INE 553K01019
- Corporate Identification Number : L36911WB2002PLC095086

### Market Price Data

#### 1. The National Stock Exchange of India Limited

Month	High Price	Low Price	Total Traded Quantity	NIFTY High	NIFTY Low
April '2010	170.40	132.00	48286293	5399.65	5160.90

Month	High Price	Low Price	Total Traded Quantity	NIFTY High	NIFTY Low
May '2010	141.70	102.65	11617013	5278.70	4786.45
June '2010	126.00	113.00	4094305	5366.75	4961.05
July '2010	159.15	112.25	13727023	5477.50	5225.60
August '2010	182.80	141.00	11513755	5549.80	5348.90
September '2010	191.90	160.00	8150397	6073.50	5403.05
October '2010	224.00	170.00	10225879	6284.10	5937.10
November '2010	232.00	190.00	9089791	6338.50	5690.35
December '2010	218.00	168.05	7261532	6147.30	5721.15
January '2011	231.00	171.00	7279538	6181.05	5416.65
February '2011	184.65	145.35	2564998	5599.25	5177.70
March '2011	163.00	146.00	1849230	5872.00	5348.20

## 1. Bombay Stock Exchange Limited

Month	High Price	Low Price	Total Traded Quantity	SENSEX High	SENSEX Low
April 2010	258.85	132.00	41736584	17970.02	17380.08
May 2010	141.70	107.10	10033312	17386.08	16022.48
June 2010	125.90	112.10	3339562	17876.55	16572.03
July 2010	159.15	112.40	8654911	18130.98	17441.44
August 2010	182.50	140.00	7324786	18454.94	17971.12
September 2010	193.50	160.00	7293716	20117.38	18205.87
October 2010	217.40	169.60	8085967	20687.88	19872.15
November 2010	232.00	190.00	10143206	21004.96	19136.61
December 2010	218.10	167.00	5956329	20509.09	19242.36
January 2011	217.70	171.30	5632818	20561.05	18327.76
February 2011	184.05	145.00	1786588	18506.82	17463.04
March 2011	163.00	145.50	1581248	19445.22	17839.05

### Dematerialisation of Shares as on 31 March 2011

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India – National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Particulars of Shares	Equity Shares of Rs.10 each	
	Number	% of Total
<b>Dematerialised Form</b>		
NSDL	58388793	96.22
CDSL	2293689	3.78
Physical Form	3	0.00
<b>Total</b>	<b>60682485</b>	<b>100</b>

**Registrar and Share Transfer Agent:**

Link Intime India Private Limited  
C13, Kantilal Maganlal Industrial Estate,  
Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (West),  
Mumbai – 400 078  
Tel : 022 25960320  
Fax: 022 25960329  
Email: sgjhl.ipo@linkintime.co.in

**Share Transfer System:**

Almost 100% of the shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. The share transfers which are received in physical form are processed and the share certificates returned within a period of 15-20 days from the date of receipt of the transfer, subject to documents being valid and complete in all respects.

**Distribution of Shareholding as on 31 March 2011:**

Slab of Shareholding	No of Shareholders	%	No of Shares	%
Upto 500	15559	93.50	1736394	2.86
501-1000	552	3.32	424118	0.70
1001- 2000	232	1.39	340917	0.56
2001-3000	72	0.43	183235	0.30
3001-4000	45	0.27	161987	0.27
4001-5000	32	0.19	151334	0.25
5001-10000	44	0.26	320036	0.52
10001 and above	104	0.63	57364464	94.53
<b>Total</b>	<b>16640</b>	<b>100.00</b>	<b>60682485</b>	<b>100.00</b>

**Category of Shareholders as on 31 March 2011**

Category	No of Shares Held	% of shareholdings
Promoters & Promoter Group	42879320	70.662
Institutional Investors	7311355	12.049
Bodies Corporate	3552003	5.853
Indian Public	3647525	6.011
NRIs/OCB	3292282	5.425
<b>Total</b>	<b>60682485</b>	<b>100.00</b>

**Subsidiary Companies:**

There is no material non listed Indian Subsidiary Company.

The Company has following wholly-owned subsidiaries:

1. Easy Fit Jewellery Private Limited – Mr. Nilesh Parekh & Mr. Umesh Parekh are directors on its Board
2. Sumit Jewels Private Limited – Mr. Nilesh Parekh & Mr. Umesh Parekh are directors on its Board

3. Gaja Finance Private Limited – Mr. Nilesh Parekh & Mr. Umesh Parekh are directors on its Board
  4. Shree Ganesh Jewellery House (Singapore) Pte. Limited – Mr. Nilesh Parekh & Mr. Umesh Parekh are directors on its Board
  5. Shree Ganesh Jewellery House FZE – Mr. Nilesh Parekh & Mr. Umesh Parekh are directors on its Board
- Gokul Jewellery House Private Limited is a subsidiary of Company by virtue of Company

holding its majority of shares.

Save and except the above companies there is no other subsidiary company. The requirements of Clause 49 with regard to subsidiary companies have been complied with.

**Registered Office :**

413 Vardaan Market,  
25A Camac Street,  
Kolkata-700016,  
Phone: 033 2283 5075

**Corporate Office :**

Avani Signature, Block 402, 91A/1 Park Street, Kolkata-700 016  
E-mail: investors@sgjhl.com  
Phone: 033 3025 9382

**Plant Location :**

Module GSW, 4SW, 3SE & GNE2,  
Manikanchan SEZ, SDF Building  
Sector V, Saltlake,  
Kolkata – 700 091  
Phone: 033 2367 5490/91

**Address for Correspondence :**

The Company Secretary  
Link Intime India Private Limited  
Shree Ganesh Jewellery House Limited  
C13, Kantilal Maganlal Industrial Estate,  
Avani Signature, Block 402,  
Pannalal Silk Mills Compound,  
91A/1 Park Street, Kolkata-700 016  
LBS Marg, Bhandup (West),  
Mumbai – 400 078  
Tel : 033 30259382 Fax: 033 40071624,  
Tel : 022 25960320 Fax: 022 25960329  
E-mail: investors@sgjhl.com  
Email: sgjhl.ipo@linkintime.co.in

For and on behalf of the Board of Directors  
Shree Ganesh Jewellery House Limited

(Nilesh Parekh)

Kolkata, 26 May 2011 *Chairman*

# Corporate Governance Compliance Certificate

To  
The Members of  
**Shree Ganesh Jewellery House Limited**

I have examined the compliance of conditions of Corporate Governance by Shree Ganesh Jewellery House Limited (“the Company”) for the year ended on 31 March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I 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.

Place: Kolkata  
Date: 26 May 2011

**B. P Dhanuka**  
*Practicing Company Secretary*  
C P No. 6041, FCS 615

# CEO & CFO Certificate

We, Umesh Parekh, Managing Director and Ashok Prakash Sahni Chief Financial Officer, responsible for the finance function certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2011 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the financial year ended March 31, 2011 are fraudulent, illegal or violating of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify those deficiencies.
- (d) We have indicated to the Auditors and the Audit committee
  - (i) That there has not been any significant changes in internal control over financial reporting during the year under review;
  - (ii) That there has not been any significant changes in accounting policies during the financial year 2010-11 requiring disclosure in the notes to the financial statements; and
  - (iii) That during the year under review, we are not aware of any instances of significant fraud and involvement therein, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Kolkata  
26 May 2011

**Umesh Parekh**  
*Managing Director*

**Ashok P. Sahni**  
*Chief Financial Officer*

## Declaration of Compliance of Code of Conduct by Directors and Senior Management Personnel

To  
The Shareholders  
Shree Ganesh Jewellery House Limited

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Board of Directors and Senior Management. The Code is hosted on the Company's web site.

I confirm that the Company has in respect of the financial year ended March 31, 2011, received from the senior management team of the Company and the Members of the Board a declaration of the compliance with the Code of Conduct, as applicable to them.

Kolkata, 26 May 2011

**Umesh Parekh**  
*Managing Director*

## Auditors' Report

To the Members of

**Shree Ganesh Jewellery House Limited.**

1. We have audited the attached Balance Sheet of Shree Ganesh Jewellery House Limited (formerly known as Shree Ganesh Jewellery House Private Limited) as at 31 March 2011, the Profit and Loss Account and Cash Flow Statement of the company for the year ended on that date annexed thereto. 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 auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose 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 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 31 March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2011 from being appointed as a director in terms of Section 274(1)(g) of section 274 of the Companies Act, 1956 and
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required 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 at 31 March 2011; and
    - ii. in the case of Profit and Loss Account, of the Profit/Loss for the year ended on that date; and
    - iii. in the case of Cash Flow Statement, of the cash flows of the company for the year ended on that date.

**For Chaturvedi & Partners**

*Chartered Accountants*

Registration No: 307068E

**Surojit Banerji**

*Partner*

Place : Kolkata

Date: 26 May 2011

Membership No.: 050912

## Annexure to Auditors' Report

## Referred to in Paragraph 3 of our report of even date

- i.
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The Company has a regular program of physical verification of fixed assets by which all assets are verified annually. In our opinion, the period of verification is reasonable having regard to the size of the company and the nature of its assets. No significant discrepancies were noticed on such verification.
  - c. During the year, no substantial part of the fixed assets of the Company was disposed off and hence the assumption of going concern is not affected.
- ii.
  - a. The inventories, except for stocks lying with third parties, have been physically verified by the management as at year end. In our opinion, the frequency of such verification is reasonable. For stock lying with third parties, confirmations have been obtained at year end.
  - b. 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. The Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- iii.
  - a. The company has granted loans to 4 companies and firms covered in register maintained under Section 301 of the companies Act, 1956. The maximum amount involved during the year end balance was Rs. 2206.24 lacs and the year end balance of such loans was Rs. 661.37 lacs.
  - b. In our opinion, the rate of interest and other terms and conditions on which loans have been granted to companies and firms listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
  - c. According to the information and explanation given to us, loans and interest thereon granted to companies and firms listed in the register maintained under Section 301 of the Companies Act, 1956 are recoverable in demand. There are no stipulations made for the recovery of the loan. Accordingly, we cannot comment on the regularity of receipt of principal amounts and interest thereon.
  - d. There is no overdue amount of more than Rupees one lac in respect of loan granted to companies, firms or other parties listed in the register maintained under section 301.
- e. The company has not taken any loan secured or unsecured, to or from companies, firms or other parties in the register maintained under Section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchase of certain items of inventories are for the Companies specialized requirements and suitable sources are not available or obtain comparative quotations, there is an adequate internal control system 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 and services. We have not observed any major weakness in internal control system during the course of the audit.
- v.
  - a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section.
  - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements referred to (a) above and exceeding value Rs. 5 lacs with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time. However, the Company has made certain purchases of inventories which are for the Companies specialised requirements and similarly has made sale of certain goods for the specialised requirement of the buyers ,for which suitable alternative source are not available to obtain comparative quotations. However on the basis of information and explanations provided, the same appears reasonable.
- vi. The Company has not accepted any deposits from public during the year.
- vii. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products manufactured/services rendered by the company.
- ix.
  - a. According to the information and explanations given to us and on the basis of our examination of records of the company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including Provident fund, Employee State

Insurance, Income Tax, Sales Tax, Wealth Tax, Customs duty, Cess and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the company did not have any dues on account of Excise duty, Service tax and Investor Education and Protection fund.

There were no dues on account of cess under Section 441A of the Act, since the date from which the aforesaid Section has come into force has not yet been notified by the Central Government.

According to information and explanations given to us, no undisputed amounts payable in respect of Employees Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom duty, Cess and other

Material statutory dues were in arrears as at 31 March 2011 for a period more than 6 months from the date they become payable,

- b. According to the information and explanations given to us, there were no dues of Wealth Tax, Custom duty, and Cess which have not been deposited with the appropriate authorities on account of any dispute.

As explained to us, the company did not have any dues on account of Service tax and Excise duty and Investor Education and Protection Fund.

According to information and explanation given to us, the following Sales Tax dues have not been deposited with the appropriate authorities on account of Dispute:

Nature of the statute	Nature of the dues	Amount involved (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
West Bengal Sales Tax Act/Central Sales Tax Act	Claim of esport rejected by Assessing Authority	Rs. 382.25 lacs	2003-04/ 2006-07	Revisonal Board/ Joint Commissioner

- x. The company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its banker and debenture holders.
- xii. In our opinion the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion and according to the information and explanations given to us the Company is not a chit fund or a nidhi/ mutual benefit fund/society.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- xv. In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- xvi. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion report that funds raised on short term basis have not been used for long term investment.
- xviii. The Company has not made any preferential allotment of shares to Companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956
- xix. According to the information and explanations given to us and on the basis of the records examined by us, the company has created necessary charges for the debentures issued.
- xx. The Company had made an invitation to the public to subscribe to the shares of the company with initial public offering in March 2010. The allotment of shares has been completed in the year under audit. (Refer to note no. 22 on schedule 21 to the Financial Statements).
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For Chaturvedi & Partners**  
Chartered Accountants  
Registration No: 307068E

**Surojit Banerji**  
Partner

Place : Kolkata

Date: 26 May 2011

Membership No.: 050912

## Balance Sheet As at 31 March 2011

	Schedule	31.03.2011	31.03.2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share capital	2	6,068.25	4,854.60
Reserves and surplus	3	101,306.37	48,811.18
		107,374.62	53,665.78
<b>Loan funds</b>			
Secured loans	4	46,349.79	28,902.79
Unsecured loans	5	11,000.00	6,000.00
		57,349.79	34,902.79
		164,724.41	88,568.57
<b>APPLICATION OF FUNDS</b>			
<b>Fixed assets</b>			
Gross block	6	10,950.12	2,396.83
Less : Depreciation		1,311.40	713.77
Net block		9,638.72	1,683.06
Capital work-in-progress		2,302.84	58.35
		11,941.56	1,741.41
<b>Investments</b>	7	13,802.67	544.07
<b>Deferred Tax Asset, net (refer Note 3 on Schedule 21)</b>		817.14	764.07
<b>Current assets, loans and advances</b>			
Inventories	8	34,309.85	19,066.29
Sundry debtors	9	112,499.32	58,979.80
Cash and bank balances	10	64,310.30	65,858.62
Loans and advances	11	4,531.47	4,921.91
Other Current assets	12	1,952.02	396.07
		217,602.96	149,222.69
<b>Less: Current liabilities and provisions</b>			
Current liabilities	13	77,253.20	62,262.97
Provisions	14	2,186.72	1,440.70
		79,439.92	63,703.67
<b>Net current assets</b>		138,163.04	85,519.02
		164,724.41	88,568.57
Significant accounting policies	1		
Notes to the accounts	21		

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report attached

For **Chaturvedi & Partners**

*Chartered Accountants*

Registration No: 307068E

For and on behalf of the Board of Directors

**Surojit Banerji**

*Partner*

Membership No.: 050912

**Nilesh Parekh**

*Chairman*

**Umesh Parekh**

*Managing Director*

**Mukund Chandak**

*Company Secretary*

Place: Kolkata

Date: 26 May 2011

## Profit and Loss Account For the year ended 31 March 2011

	Schedule	31.03.2011	31.03.2010
<b>INCOME</b>			
Sale of goods		524,074.09	294,992.30
Job work charges		219.78	232.93
Other income	15	6,436.97	5,018.43
		<b>530,730.84</b>	<b>300,243.66</b>
<b>EXPENDITURE</b>			
(Increase)/Decrease in closing stock of work-in-progress and finished goods	16	(13,020.95)	(9,039.45)
Cost of raw materials and stones	17	388,067.19	270,806.76
Purchase of traded goods		111,664.15	8,224.58
Personnel cost	18	2,471.19	1,631.21
Manufacturing and other expenses	19	2,316.24	3,465.45
Depreciation / Amortisation	6	597.63	232.01
Interest and finance charges	20	12,029.50	7,821.46
		<b>504,124.95</b>	<b>283,142.02</b>
<b>Profit before tax</b>		<b>26,605.89</b>	<b>17,101.64</b>
<b>Less:</b>			
Current tax		339.31	535.50
Prior Period Income tax		(60.08)	-
Deferred tax release (refer Note 3 on Schedule 21)		(58.16)	(22.05)
<b>Profit after tax</b>		<b>26,384.82</b>	<b>16,588.19</b>
Profit Brought Forward		41,075.31	27,561.16
		<b>67,460.13</b>	<b>44,149.35</b>
<b>APPROPRIATIONS</b>			
Proposed Dividend (refer Note 22 on Schedule 21)		3,640.94	1,213.65
Dividend tax		604.72	201.57
Transfer to General reserve		2,638.48	1,658.82
Profit carried forward		60,575.99	41,075.31
		<b>67,460.13</b>	<b>44,149.35</b>
<b>Earning per share (refer Note 4 on Schedule 21)</b>			
- Basic (Rs.)		43.92	35.87
- Diluted (Rs.)		43.92	35.87
Significant accounting policies	1		
Notes to the accounts	21		

The Schedules referred to above form an integral part of the Profit and Loss Account

As per our report attached

For **Chaturvedi & Partners**  
Chartered Accountants  
Registration No: 307068E

For and on behalf of the Board of Directors

**Surojit Banerji**  
Partner  
Membership No.: 050912

**Nilesh Parekh**  
Chairman

**Umesh Parekh**  
Managing Director

**Mukund Chandak**  
Company Secretary

Place: Kolkata

Date: 26 May 2011



## Cash Flow Statement For the year ended 31 March 2011

	31.03.2011		31.03.2010	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before taxation		26,605.89		17,101.64
Adjusted for :				
Depreciation /Amortisation	597.63		232.01	
Unrealised foreign exchange loss / (gain) (net)	2,524.58		1,511.95	
Dividend Income	(320.18)		-	
Interest expense	12,029.50		7,821.46	
Interest Income	(4,935.94)		(4,693.78)	
(Profit)/loss on sale of fixed assets	-		(0.51)	
Provision for debtors	-		22.27	
Provision for diminution for investment	-	9,895.59	0.33	4,893.73
Operating profit before working capital changes		36,501.48		21,995.37
Changes in:				
Trade and other receivables	(52,475.30)		(46,615.01)	
Inventories	(15,243.56)		(11,675.76)	
Trade payables / other liabilities	13,542.64	(54,176.22)	48,358.86	(9,931.91)
Cash generated from operations		(17,674.74)		12,063.46
Direct taxes (paid)/refund (net)		(324.19)		(496.61)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>(17,998.93)</b>		<b>11,566.85</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets		(10,797.77)		(587.28)
Dividend Income		320.18		-
Investment in subsidiaries and others		(642.84)		11.25
Investment in fixed deposit		(11,285.90)		-
Investment in mutual fund		(1,329.86)		-
Loans (Given)/Realisation(net)		(98.35)		(563.02)
Interest income on fixed deposits and mutual funds		790.01		-
Proceeds from sale of fixed assets		-		5.31
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(23,044.53)</b>		<b>(1,133.74)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from :				
Short Term Borrowings	132,442.93		75,453.76	
Long Term Borrowings	10,000.00	142,442.93	-	75,453.76
Repayment of:				
Long Term Borrowings	-		(16.13)	
Short Term Borrowings	(121,437.57)	(121,437.57)	(69,840.94)	(69,857.07)
Interest paid		(12,112.86)		(7,916.70)
Interest received		2,589.98		4,440.29
Dividend Paid		(3,538.05)		(283.98)
Share Issue Expenses		-		(691.58)
Money raised through Initial public offering		31,554.89		-
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>39,499.32</b>		<b>1,144.72</b>
(Decrease) / Increase In Cash & Cash Equivalents (A+B+C)		(1,544.14)		11,577.83
Opening cash and cash equivalents		65,858.62		54,280.79
Closing cash and cash equivalents		64,314.48		65,858.62
<b>Note</b>				
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>				
1. Cash in hand		44.51		54.96
Balances with scheduled banks				
- Current account		2,831.15		2,539.67
[Excluding unrealised foreign exchange loss of Rs. 4.18 (previous year nil)]				
- Deposit account *		61,438.82		63,263.99
<b>Total</b>		<b>64,314.48</b>		<b>65,858.62</b>

\* Includes Rs. 61,438.82 (Previous year Rs. 63,261.28) being margin money deposit against borrowings which are not readily available for other purposes.

- The above cash flow statement has been prepared under the indirect method set out in Accounting Standard AS 3 "Cash Flow Statement as prescribed by Companies (Accounting Standards) Rules, 2006.
- Previous year's figure have been rearranged / regrouped wherever necessary

As per our report attached

For **Chaturvedi & Partners**  
Chartered Accountants  
Registration No: 307068E

For and on behalf of the Board of Directors

**Surojit Banerji**  
Partner

**Nilesh Parekh**  
Chairman

**Umesh Parekh**  
Managing Director

**Mukund Chandak**  
Company Secretary

Membership No.: 050912

Place: Kolkata

Date: 26 May 2011

## Schedules to the Account

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### Background

Shree Ganesh Jewellery House Limited (the Company) formerly Shree Ganesh Jewellery House Private Limited, was incorporated in 2002. The Company is engaged in the business of manufacture and sale of handcrafted gold jewellery, diamond and studded jewellery. The name of the Company changed to Shree Ganesh Jewellery House Limited on conversion to public limited company with effect from 14 August 2007. During the year 2009-2010 the Company has made an Initial Public Offering (IPO) to issue 12,136,497 equity shares of face value Rs. 10 each at Rs. 260 each (including a securities premium of Rs. 250 each) and got listed on National Stock Exchange and Bombay Stock Exchange.

#### 1. Significant Accounting Policies

##### i) Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting following generally accepted accounting principles in India (GAAP) and comply with the Accounting Standards prescribed by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act., 1956 to the extent applicable.

##### ii) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

##### iii) Fixed assets

Fixed assets are carried at cost of acquisition or construction, less accumulated depreciation. The cost of fixed assets includes freight, duties (net of VAT), taxes and other incidental expenses that are directly attributable to bringing assets to their working condition for their intended use.

##### iv) Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

##### v) Depreciation/ Amortisation

Depreciation on fixed assets is provided under the written down value method at rates derived from the useful lives of such assets, as estimated by management. The rates of depreciation so derived are in line with the rates of depreciation prescribed by Schedule XIV to the Act.

Leasehold properties are amortised over Useful life of the assets as estimated by management or the period of lease, whichever is lower.

Fixed assets individually costing Rs. 5,000 or less, are depreciated fully in the year of acquisition.

Goodwill arising on amalgamation is amortised over its estimated useful life of 5 years.

##### vi) Impairment of fixed assets

At each Balance Sheet date, management assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs when the carrying value of an asset exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the present value as determined above.

##### vii) Investments

Long term investments are stated at cost less amount written off, where there is a diminution in value other than temporary. Short term investments are valued at cost or net realisable value whichever is lower.

##### viii) Inventories

Year-end inventory of raw materials and stones are carried at cost (net of VAT, wherever applicable). The carrying cost of raw materials and stones is appropriately written down when there is a decline in replacement cost of such materials and the finished products in which they will be incorporated are expected to be sold below cost.

## Schedules to the Account

### 1 SIGNIFICANT ACCOUNTING POLICIES (Contd...)

Year-end inventory of work in progress and finished goods are valued at the lower of cost and net realisable value. Cost of work in progress and finished goods comprises of direct material and labour expenses and an appropriate portion of production overheads incurred in bringing the inventory to their present location and condition. Fixed production overheads are allocated on the basis of the production.

In determining cost, first in first out method is used.

Alloys and consumables are charged off to Profit and Loss Account.

#### ix) Revenue recognition

Revenue from sale of goods is recognised on transfer of risk and rewards of ownership of goods to the buyer. Sales are stated exclusive of sales tax. Excise duty is not applicable to the company. In respect of contract for sale of goods at prices that are yet to be fixed at the year end, adjustments to the provisional amount billed to the customers are recognised based on the year end closing gold rate.

Revenue from job work are recognised on an accrual basis when the related job work is rendered.

In respect of commodity exchange transactions undertaken by the company, net gain/loss arising from settlement of such transactions during the year or restatement of such transactions that are pending settlement at the year end are recognised in the Profit and Loss account for the year. In respect of commodity exchange transaction undertaken on behalf of customers, brokerage received/ receivable is recognised on accrual basis when transactions are entered into on behalf of the customers.

Third party sales commission is recognised on an accrual basis in accordance with the terms of the related agreement.

Interest is recognised on time proportion basis.

#### x) Employee benefits

The Company's obligation towards various employee benefits have been recognised as follows:

##### Short Term Benefits

Cost of non-accumulated compensated absences is recognised when absences occur. Cost of other short term employee benefits are recognised on accrual basis based on the terms of employment contract and other relevant compensation policies followed by the Company.

##### Post employment benefits

Monthly contribution to Provident Funds, which is defined contribution scheme, is charged to Profit and Loss account and deposited with the Regional Provident Fund Authorities on a monthly basis.

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out at the year end using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plan is based on the market yield on government securities as at the Balance sheet date and have maturity period approximating to the terms of the obligation. Actuarial gains and losses are recognised immediately in the profit and loss account.

#### xi) Operating Leases

Lease rentals for operating leases are recognised as expenses in the Profit and Loss Account on a straight line basis over the lease term.

#### xii) Foreign exchange transactions

Transactions in foreign currency are recognised at the exchange rates prevailing on the date of the

## Schedules to the Account

### 1 SIGNIFICANT ACCOUNTING POLICIES (Contd...)

transactions. Year-end monetary assets and liabilities denominated in foreign currencies, other than those covered by foreign exchange contracts, are translated at the year-end foreign exchange rates.

Gain / loss from exchange differences arising on settlement of foreign currency transaction or translation of year-end monetary assets and liabilities in foreign currency are recognised in the Profit and Loss Account for the year.

In case of forward exchange contracts, premium or discounts on such contracts are amortised over the life of the contract and exchange differences arising thereon in the reporting period are recognised in the Profit and Loss Account.

#### xiii) Taxation

Income tax expense comprises current and fringe benefit taxes (i.e. amount of taxes for the year determined in accordance with the Income-tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. (Fringe benefit tax has been abolished w.e.f. 01 April 2010)

Deferred tax assets are recognised only to the extent that there is reasonable certainty that the assets can be realised in future except for deferred tax assets arising from unabsorbed depreciation or business losses brought forward from prior years that are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and written up or down to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

The Company's units, located in Special Economic Zone are exempted from income tax (current tax) till 31 March 2011 under the provisions of sections 10A and partly exempted till 31 March 2024 under the provisions of section 10AA of the Income Tax Act, 1961. Deferred tax pertaining to the above units are recognised on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods beyond the periods during which the respective units are exempt from income tax as aforesaid. Deferred tax assets on unabsorbed depreciation and / or carry forward of losses are recognised only if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. Such assets are reviewed as at each Balance Sheet date to reassess realisability thereof.

#### xiv) Provisions and contingent liabilities

A provision is recognised in the financial statements when there exists a present obligation as a result of a past event, the amount of which can be reliably estimated and it is probable that an outflow of resources will be required to settle the obligation. Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be reliably estimated.

#### xv) Earnings Per Share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of shares and dilutive equity equivalent shares outstanding during the period, except when results would be anti dilutive.

## Schedules to the Balance Sheet

As at 31 March 2011

	31.03.2011	31.03.2010
<b>2 SHARE CAPITAL</b>		
<b>Authorised</b>		
70,000,000 (Previous Year - 70,000,000) Equity Shares of Rs. 10 each	7,000.00	7,000.00
2,666,667 (Previous year - 2,666,667) 0.0001 % Cumulative Convertible Preference Shares of Rs. 300 each.	8,000.00	8,000.00
	15,000.00	15,000.00
<b>Issued, Subscribed and Paid up</b>		
60,682,485 (Previous Year - 48,545,988) Equity Shares of Rs.10 each fully paid up (refer Note 21 on Schedule 22)	6,068.25	4,854.60
(of the above share 36,048,144 equity share of Rs. 10 each are allotted fully paid up by way of bonus shares in the previous year)		
	6,068.25	4,854.60
<b>3 RESERVES AND SURPLUS</b>		
<b>Amalgamation reserve</b>	325.59	325.59
<b>Securities premium account</b>		
At the commencement of the year	5,698.58	1,684.54
<b>Additions during the period:</b>		
- on Initial Public Offering of equity shares (refer Note 22 on Schedule 21)	30,341.24	-
- On Conversion of Preference Share (refer Note 21 (a) on Schedule 21)	-	7,733.33
- On Conversion of debentures (refer Note 21 (b) on Schedule 21)	-	483.33
- Share Issue expenses [net of deferred tax Rs. 5.10 (Previous Year Nil)] (refer Note 22 on Schedule 21)	14.79	-
<b>Utilised during the period:</b>		
- For issue of bonus shares [nil (Previous Year 24,272,994) equity shares of Rs. 10 each]	-	2,427.30
- For Share issue expenses [net of deferred tax Rs. Nil (Previous Year Rs. 576.91)]	-	1,775.32
	36,054.61	5,698.58
<b>General reserve</b>		
At the commencement of the year	1,711.70	52.88
Add: Transfer from Profit and loss account	2,638.48	1,658.82
	4,350.18	1,711.70
<b>Profit and loss account</b>	60,575.99	41,075.31
	101,306.37	48,811.18
<b>4 SECURED LOANS</b>		
<b>Long Term borrowing</b>		
- 11% Non Convertible Debenture*	10,000.00	-
<b>Loans from Banks</b>		
- Buyers credit**	18,013.05	23,520.31
- Demand Loan***	13,568.77	1,775.28
- Post Shipment Credit****	2,407.58	3,428.70
- Gold taken on Loan**	2,360.39	176.23
- Vehicle loan *****	-	2.27
	46,349.79	28,902.79
* Secured by first charge on the fixed assets of the Company to the extent of 1.25 times of the value of non convertible debentures.		
** Buyer's Credit and Gold taken on Loan are secured by lien on fixed deposits.		
*** Demand loan facility is secured by way of first charge on inventory and book debts / current assets.		
**** Post Shipment Credit is secured by first pari passu charge on the current assets, present and future excluding assets having specific charge of respective financing banks."		
***** Vehicle loans are secured by hypothecation of the vehicles purchased from the proceeds of the loans.		
The above loans include Rs. 36,349.79 (Previous Year Rs. 28,902.78) repayable within 1 year.		
<b>5 UNSECURED LOANS</b>		
<b>Short Term Loans</b>		
- From banks	11,000.00	6,000.00

## Schedules to the Balance Sheet

As at 31 March 2011

6 FIXED ASSETS										
Description	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.2010	Addition	Deletion	As at 31.03.2011	As at 01.04.2010	For the year	Deduction/ Adjustments	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
<b>Intangible Assets</b>										
Goodwill	287.86	-	-	287.86	230.28	57.57	-	287.85	0.01	57.58
<b>Tangible Assets</b>										
Freehold Land	159.92	50.94	-	210.86	-	-	-	-	210.86	159.92
Leasehold Properties (refer note a & b below)	391.70	-	-	391.70	73.12	15.92	-	89.04	302.66	318.58
Buildings	301.24	884.50	-	1,185.74	102.65	63.47	-	166.12	1,019.62	198.59
Plant & Machinery	554.40	7,269.30	-	7,823.70	42.89	315.59	-	358.48	7,465.22	511.51
Furniture, Fixtures & Office Equipments	406.15	272.20	-	678.35	118.13	84.04	-	202.17	476.18	288.02
Computers & related equipments	133.35	32.42	-	165.77	64.50	32.79	-	97.29	68.48	68.85
Vehicles	162.21	43.93	-	206.14	82.20	28.25	-	110.45	95.69	80.01
<b>Total</b>	<b>2,396.83</b>	<b>8,553.29</b>	<b>-</b>	<b>10,950.12</b>	<b>713.77</b>	<b>597.63</b>	<b>-</b>	<b>1,311.40</b>	<b>9,638.72</b>	<b>1,683.06</b>
Previous Year	1,687.32	715.03	5.52	2,396.83	482.47	232.01	0.71	713.77	1,683.06	
Capital Work in Progress (including Capital advances)									2,302.84	58.35

- a) Includes gross block Rs. 201.92 (Previous Year Rs. 201.92), accumulated depreciation Rs. 45.68 (Previous Year Rs. 37.46) and written down value Rs.156.24 (Previous Year Rs.164.46), jointly held with others.
- b) Includes gross block Rs.162.84 (Previous Year 162.84) and accumulated depreciation Rs. 31.20 (Previous Year Rs. 24.27), that are yet to be registered in the name of the Company.

7 INVESTMENTS					
	No. of Shares 31.03.2011	No. of Shares 31.03.2010	Face Value per share (Rs.)	As at 31.03.2011	As at 31.03.2010
<b>(Long term, other than trade)</b>					
<b>Unquoted - at cost</b>					
<b>Shares in Subsidiary Companies</b>					
<b>Equity Shares (fully paid up)</b>					
Easy Fit Jewellery Private Limited	2,471,500	2,471,500	10	512.85	512.85
Gaja Finance Private Limited	2,250,000	-	10	225.00	-
Sumit Jewels Private Limited	362	-	1,000	117.65	-
Gokul Jewellery House Private Limited	282,500	282,500	10	28.48	28.48
Shree Ganesh Jewellery House (Singapore) Pte. Ltd.	10,000	10,000	27	2.74	2.74
Shree Ganesh Jewellery House FZE	1	-	1,240,600	12.41	-
				<b>899.13</b>	<b>544.07</b>
<b>Equity Shares (fully paid up)</b>					
Alex Mercury Power Private Limited	1,900	-	10	0.19	-
Damgan Retail Jewellery Private Limited	3,300	3,300	10	0.33	0.33
Less: Provision for diminution in value of investments				0.33	0.33
				<b>0.19</b>	<b>-</b>
<b>Share Application Money</b>					
Shree Ganesh Jewellery House FZE				287.59	-
				<b>287.59</b>	<b>-</b>
<b>(Short term, other than trade)</b>					
<b>Money raised through Initial Public offering</b>					
Investments in mutual fund				1,329.86	-
Fixed Deposits				11,285.90	-
				<b>12,615.76</b>	<b>-</b>
				<b>13,802.67</b>	<b>544.07</b>

## Schedules to the Balance Sheet

As at 31 March 2011

	31.03.2011	31.03.2010
<b>8 INVENTORIES</b>		
(At lower of cost and net realisable value)		
Raw materials and stones (includes goods in transit Rs. 416.22 (Previous year Nil))	5,446.27	3,223.66
Work-in-progress	11,169.85	5,294.29
Finished goods (includes goods in transit Rs. 29.09 (Previous year Nil))	17,693.73	10,548.34
	<b>34,309.85</b>	<b>19,066.29</b>
<b>9 SUNDRY DEBTORS</b>		
(Unsecured)		
Debts outstanding for a period exceeding six months		
- considered good	42,839.11	12,441.84
- considered doubtful	408.28	408.28
	43,247.39	12,850.12
Less: Provision for doubtful debts	408.28	408.28
	42,839.11	12,441.84
Other debts - considered good	69,660.21	46,537.96
	<b>112,499.32</b>	<b>58,979.80</b>
<b>10 CASH AND BANK BALANCES</b>		
Cash on hand	44.51	54.96
Balances with scheduled banks on		
- current accounts (including unrealised exchange loss of Rs. 4.18 (Previous Year Rs. Nil))	2,826.97	2,539.67
- fixed deposit [including margin money deposit Rs. 61,438.82 (Previous Year Rs. 63,261.28)]	61,438.82	63,263.99
	<b>64,310.30</b>	<b>65,858.62</b>
<b>11 LOANS AND ADVANCES</b>		
(Unsecured and considered good)		
Loans		
- to subsidiaries	661.38	561.97
- to body corporate and others	-	1.06
Advances recoverable in cash or in kind or for value to be received	2,827.54	3,440.40
Balances with sales tax authorities	61.98	76.90
Security deposits	696.43	602.45
Income tax [net of provision for income tax Rs. 881.93 (previous year Rs.1,091.71)]	284.14	239.13
	<b>4,531.47</b>	<b>4,921.91</b>
<b>Note :</b>		
a) Loans (bearing interest and repayable on demand) to subsidiaries comprises of:		
Shree Ganesh Jewellery House (Singapore) Pte Ltd (The maximum amount outstanding during the year was Rs. 8.65 (Previous Year Rs. 6.96))	8.65	6.96
Gokul Jewellery House Private Limited (The maximum amount outstanding during the year was Rs.1,233.39 (Previous Year Rs. 292.68))	442.47	292.68
Sumit Jewels Private Limited (The maximum amount outstanding during the year was Rs. 101.23 (Previous Year Rs. Nil))	101.23	-
Gaja Finance Private Limited (The maximum amount outstanding during the year was Rs. 109.03 (Previous Year Rs. Nil))	109.03	-
Easy Fit Jewellery Private Limited (The maximum amount outstanding during the year was Rs. 753.94 (Previous Year Rs. 1,443.32))	-	262.33
b) Loans and advances to companies under the same management as defined under section 370 (1B) of the Companies Act, 1956:		
- Liberson Dealcomm Private Limited	-	1.06

## Schedules to the Balance Sheet

As at 31 March 2011

	31.03.2011	31.03.2010
<b>12 OTHERS CURRENT ASSETS</b>		
Interest accrued but not due on deposits and loans given	1,952.02	396.07
<b>13 CURRENT LIABILITIES</b>		
Temporary bank overdrafts	-	23.72
Sundry creditors [refer Note 23 on Schedule 21]*	76,461.30	59,814.58
Foreign currency payable	492.08	2,256.11
Other liabilities	299.82	168.56
	<b>77,253.20</b>	<b>62,262.97</b>
* Include amount payable on account of:		
Salaries, wages and bonus	202.86	39.81
Directors Remuneration	49.96	765.07
<b>14 PROVISIONS</b>		
Employee Benefits	63.89	25.48
Provision for proposed dividend [including dividend tax Rs. 302.36 (Previous Year Rs. 201.57 )	2,122.83	1,415.22
	<b>2,186.72</b>	<b>1,440.70</b>

## Schedules to the Profit and Loss Account

For the year ended 31 March 2011

	31.03.2011	31.03.2010
<b>15 OTHER INCOME</b>		
Interest (Gross) on		
- deposits with banks [includes tax deducted at source Rs. 304.43 (Previous Year Rs. 92.27)]	4,873.96	4,614.61
- loans given	61.98	79.17
Gain on foreign exchange fluctuation (net)	1,102.78	-
Dividend Income	320.18	-
Commission	-	64.45
Provision no longer required written back	-	141.57
Miscellaneous Income	78.07	118.63
	<b>6,436.97</b>	<b>5,018.43</b>
<b>16 INCREASE IN CLOSING STOCK OF WORK-IN-PROGRESS AND FINISHED GOODS</b>		
Closing Stock		
- Work In Progress	11,169.85	5,294.29
- Finished Goods	17,693.73	10,548.34
Less : Opening Stock		
- Work In Progress	5,294.29	2,383.16
- Finished Goods	10,548.34	4,420.02
	<b>13,020.95</b>	<b>9,039.45</b>
<b>17 COST OF RAW MATERIAL AND STONES CONSUMED</b>		
Opening stock	3,223.66	587.35
Add: Purchases	390,289.80	273,443.07
Less :Closing stock	5,446.27	3,223.66
	<b>388,067.19</b>	<b>270,806.76</b>



## Schedules to the Profit and Loss Account

For the year ended 31 March 2011

	31.03.2011	31.03.2010
<b>18 PERSONNEL COST</b>		
Salaries, wages and bonus	1,153.33	783.97
Employee benefits	62.88	20.61
Staff welfare expenses	18.72	15.51
Directors Remuneration (refer Note 14 on Schedule 21)	1,236.26	811.12
	<b>2,471.19</b>	<b>1,631.21</b>

<b>19 MANUFACTURING AND OTHER EXPENSES</b>		
Sales promotion expenses	451.75	299.83
Legal and consultancy charges	573.27	477.60
Job work charges	184.14	156.15
Alloys and consumables consumed	46.20	25.16
Power and fuel	49.21	28.73
Rent (refer Note 24 on Schedule 21)	129.51	99.82
Repairs & maintenance - others	38.19	23.47
Auditor remuneration (refer Note 11 on Schedule 21)	15.78	20.00
Insurance	83.98	20.99
Rates and taxes	29.21	12.15
Miscellaneous expenses	715.00	407.25
Commission on sales (others)	-	56.54
Loss on foreign exchange fluctuation (net)	-	1,815.16
Provision for diminution in value investment	-	0.33
Provision for doubtful debts	-	22.27
	<b>2,316.24</b>	<b>3,465.45</b>

<b>20 INTEREST AND FINANCE CHARGES</b>		
Interest on		
- Buyers' credit, vehicle loan and acceptances	8,268.12	5,969.67
- others	2,208.26	654.14
Bank charges and commission	1,553.12	1,197.65
	<b>12,029.50</b>	<b>7,821.46</b>

## Notes to the Account

<b>21 NOTES TO THE ACCOUNTS</b>		
	As at	As at
	31.03.2011	31.03.2010
1. Estimated Capital Commitments (Net of Advance) not provided for	1,289.60	107.77
2. Contingent Liabilities		
i. Corporate Guarantees given		
- on behalf of subsidiaries	7100.00	6,500.00
- on behalf of other group companies	2228.50	-
ii. Bills Discounted	93,912.85	85,261.27
iii. Claims against the Company in respect of Income Tax / Sales Tax matters not acknowledged as debts	383.25	405.82

## Notes to the Account

### 21 NOTES TO THE ACCOUNTS (Contd...)

#### 3. Deferred tax

	As at 31.03.2011	As at 31.03.2010
Deferred tax asset/(liability), (net) included in the Balance Sheet comprise of :		
<b>Deferred tax assets</b>		
Excess of written down value of assets as per Income Tax Act, 1961 and net book value of such assets	21.92	25.75
(to the extent reversing after the period during which the Company is eligible for exemption under sections 10A and 10AA of the Income-tax Act, 1961)		
Provision for doubtful debts	135.62	135.62
Other timing differences	659.60	602.70
<b>Deferred tax asset (net)</b>	<b>817.14</b>	<b>764.07</b>

#### 4. Earnings per share

	As at 31.03.2011	As at 31.03.2010
<b>i. (a) Calculation of weighted average number of equity shares of Rs. 10 each for basic earning per share.</b>		
Number of equity shares at the beginning of the year	48,545,988	21,439,661
Fresh issue of Equity shares through Initial Public offering	12,036,745	-
Bonus Share Issue during the year	-	21,439,661
Conversion of Preference Share during the year	-	1,578,082
Conversion of debenture during the year	-	106,393
Issue of bonus shares for converted preference shares during the year	-	1,578,082
Issue of bonus shares for converted debenture during the year	-	106,393
Weighted average number of equity shares outstanding during the year for basic EPS	60,582,733	46,248,272
<b>(b) Net profit attributable to equity shareholders</b>	<b>26,605.89</b>	<b>16,588.19</b>
<b>(c) Basic earnings per equity share (Rs.)</b>	<b>43.92</b>	<b>35.87</b>
<b>ii. (a) Calculation of weighted average number of equity shares of Rs. 10 each for dilutive earning per shares</b>		
Number of equity shares at the beginning of the year	48,545,988	21,439,661
Fresh issue of Equity shares through Initial Public offering	12,036,745	-
Bonus Share Issue during the year	-	21,439,661
Conversion of Preference Share during the year	-	1,578,082
Conversion of debenture during the year	-	106,393
Issue of bonus shares for converted preference shares during the year	-	1,578,082
Issue of bonus shares for converted debenture during the year	-	106,393
Weighted average number of equity shares outstanding during the year for diluted EPS	60,582,733	46,248,272
<b>(b) Net profit attributable to equity shareholders</b>	<b>26,605.89</b>	<b>16,588.19</b>
<b>(c) Diluted earnings per equity share (Rs.)</b>	<b>43.92</b>	<b>35.87</b>
(Face value per Equity Share of Rs. 10 each)		
(Face Value per Preference share of Rs. 300 each)		
(Face value per Debenture is Rs. 10 each.)		

\* 60,582,733 (Previous Year 46,248,272) equity shares outstanding for 365 days including:

- 12,136,497 Equity Shares issued during the year through Initial Public offering outstanding for 362 days (Previous Year Nil).
- 2,666,666 Preference shares converted into equity share on 28 August 2009 outstanding for 216 days in previous year;
- 166,667 Debenture converted into equity share on 11 August 2009 outstanding for 233 days in previous year; and
- 24,272,994 bonus shares allotted on 23 September 2009.

## Notes to the Account

### 21 NOTES TO THE ACCOUNTS (Contd...)

#### 5. Capacity and production

Class of goods	Unit of quantity	Year ended 31.03.2011 (Actual production)	Year ended 31.03.2010 (Actual production)
<b>Own production -</b>			
Gold Jewellery and articles	Grams *	13,571,866	11,618,115
Medallions	Grams *	2,061,864	-
Precious / Semi precious stones	Carats	2,649,365	3,656,773
<b>Production through third parties -</b>			
Gold Jewellery and articles	Grams *	1,586,957	739,731
Medallions	Grams *	24,991	168,272
Precious / Semi precious stones	Carats	87,184	16,817
<b>Total production -</b>			
Gold Jewellery and articles	Grams *	15,158,823	12,357,846
Medallions	Grams *	2,086,855	168,272
Precious / Semi precious stones	Carats	2,736,549	3,673,590

**Note :**

There is no licensed capacity. Plant and machinery installed can manufacture a wide variety of gold jewellery of different specification and design and hence it is not considered practical to state quantitative details of installed capacity. Precious and semi precious stones are embedded in Gold jewellery and articles.

#### 6. Details of turnover

Class of goods	Unit of quantity	Year ended 31 March 2011		Year ended 31 March 2010	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
<b>a. Manufactured goods</b>					
Gold Jewellery and articles	Grams *	14,947,102	303,672.54	12,112,066	207,775.08
Medallions	Grams *	2,035,606	41,678.92	169,261	2,540.28
Precious / Semi precious stones	Carats	2,441,278	64,859.39	3,899,662	78,559.12
<b>b. Traded goods</b>					
Gold Jewellery and articles	Grams *	2,616,398	50,665.63	396,296	6,117.82
Precious / Semi precious stones	Carats	37,628	63,197.61		
<b>Total Sales</b>					
Gold Jewellery and articles	Grams *	17,563,500	354,338.17	12,508,362	213,892.90
Medallions	Grams *	2,035,606	41,678.92	169,261	2,540.28
Precious / Semi precious stones	Carats	2,478,906	128,057.00	3,899,662	78,559.12
<b>Total</b>			<b>524,074.09</b>		<b>294,992.30</b>

#### 7. Details of inventories of finished goods\*\*

Class of goods	Unit of quantity	Year ended 31 March 2011		Year ended 31 March 2010	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Gold Jewellery and articles	Grams *	699,907	14,274.70	613,318	10,190.86
		[613,316]	[10,191]	[222,454]	[3,150.54]
Medallions	Grams *	57,016	1,155.78	3,759	65.77
		[3,758]	[65.77]	[2,726]	[33.69]
Precious / Semi precious stones	Carats	342,311	2,263.25	47,040	291.71
		[47,039]	[291.71]	[273,112]	[1,235.79]
<b>Total</b>			<b>17,693.73</b>		<b>10,548.34</b>
<b>Total</b>			<b>[10,548.34]</b>		<b>[4,420.02]</b>

Figures in Bracket represent previous year's figure.

\* Quantities of production, turnover, finished goods, raw material consumed and traded goods purchased, include gold of different fineness. For reporting purposes, all quantities have been converted to 0.995 fineness of gold.

\*\* Closing stock excludes stock provided by third parties amounting to Rs. 241.84 (Previous Year Rs. 28.35) as at the year end.

## Notes to the Account

### 21 NOTES TO THE ACCOUNTS (Contd...)

#### 8. Details of raw materials and stones consumed

Class of goods	Unit of quantity	Year ended 31 March 2011		Year ended 31 March 2010	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Gold Bar	Grams *	17,619,981	334,049.63	12,772,463	201,447.55
Precious / Semi precious stones	Carats	2,736,549	54,017.56	3,674,480	69,359.21
<b>Total</b>			<b>388,067.19</b>		<b>270,806.76</b>

Raw material consumption is after adjustment for shortage / excess / wastage.

#### 9. Details of purchase of trading goods

Class of goods	Unit of quantity	Year ended 31 March 2011		Year ended 31 March 2010	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Gold Jewellery and articles	Grams *	2,491,268	48,558.43	541,380	8,185.76
Medallians	Grams *	2,008	42.18	2,292	38.82
Precious / Semi precious stones	Carats	37,628	63,063.54	-	-
<b>Total</b>			<b>111,664.15</b>		<b>8,224.58</b>

\* Quantities of production, turnover, finished goods, raw material consumed and traded goods purchased, include gold of different fineness. For reporting purposes, all quantities have been converted to 0.995 fineness of gold.

#### 10. Details of imported and indigenous raw materials and stones consumed.

Class of goods	Year ended 31 March 2011		Year ended 31 March 2010	
	Value	Percentage	Value	Percentage
Raw Materials and stones				
Imported	333,826.54	86%	260,535.98	96.21%
Indigenous	54,240.65	14%	10,270.78	3.79%
<b>Total</b>	<b>388,067.19</b>	<b>100%</b>	<b>270,806.76</b>	<b>100%</b>

#### 11. Auditors' remuneration

	Year ended 31.03.2011	Year ended 31.03.2010
Statutory audit fees	15.78	12.00
Others (excluding service tax)	-	8.00
	<b>15.78</b>	<b>20.00</b>

(The above does not include Rs. Nil [Previous Year Rs. 47.15 (net of service tax) being share issue expenses adjusted against securities premium account])

#### 12. Value of imports on CIF basis

Raw materials (including goods in transit)	333,826.54	270,696.08
Capital goods	8,839.26	433.02

#### 13. Expenditure and earnings in foreign currency

(a) Expenditure in foreign currency Foreign travel	41.17	18.87
(b) Interest expenditure in foreign currency	271.67	902.85
(c) Earnings in foreign currency Exports on FOB basis	462,884.83	282,903.49

#### 14. Remuneration to Directors\*\*

(a) Director's Remuneration	36.00	36.00
(b) Commission to executive whole time Directors (refer Note 15 below)	1197.26	769.57
(c) Sitting fees	3.00	5.55
	<b>1,236.26</b>	<b>811.12</b>

\*\* The above amount does not include provision for employee benefits which are based on actuarial valuation carried out on an overall Company basis rather than separately.

## Notes to the Account

### 21 NOTES TO THE ACCOUNTS (Contd...)

15. Computation of Director's Commission for the year ended 31 March 2011 in accordance with Section 349 of the Companies Act, 1956.

	Year ended 31.03.2011	Year ended 31.03.2010
Profit Before Taxation	26,605.89	17,101.64
Add:		
- Depreciation charged during the year	597.63	232.01
- Director's remuneration	1,236.26	811.12
	28,439.78	18,144.77
Less:		
- Depreciation under Section 350 of the Companies Act, 1956	597.63	232.01
Profit for the purpose of Directors' commission	27,842.15	17,912.76
Eligible executive Directors' commission thereon - upto 10% of the profit, restricted to	2,784.21	1,791.28

16. The details of employee benefits for the year on account of gratuity which is unfunded defined employee benefit plan is as under.

	Year ended 31.03.2011	Year ended 31.03.2010
(i) Particulars	Gratuity- Unfunded	Gratuity- Unfunded
<b>(a) Component of Employer Expense</b>		
Current service cost	18.61	16.99
Interest cost	2.05	1.35
Actuarial (Gains) / Losses	10.75	(10.71)
<b>Total Expenses recognised in the Statement of Profit &amp; Loss Account</b>	<b>31.41</b>	<b>7.63</b>
<b>(b) Change in Defined Benefit Obligation (DBO) during the year ended 31 March 2011</b>		
Present value of DBO at the beginning of period	23.08	17.37
Current service cost	18.61	16.99
Interest cost	2.05	1.35
Actuarial (Gains) / Losses	10.75	(10.71)
Benefits Payments	0	(1.92)
<b>Present Value of DBO at the year end</b>	<b>54.49</b>	<b>23.08</b>
<b>Actuarial Assumptions</b>		
Discount Rate	8.60%	8.90%

The Gratuity expenses have been recognised as 'Employee Benefit' under Schedule 18 to the Profit and Loss Account.

The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

17. The company has entered into the following forward contracts which are outstanding on balance sheet date:

Nature of contract	Currency	Year ended 31 March 2011		Year ended 31 March 2010	
		Foreign Number of contract	currency amount	Foreign Number of contract	currency amount
Forward contract buy	USD	21	679.15	64	905.26
Forward contract sale	USD	12	160.84	7	89.22

The purpose of entering into forward exchange Contract is to hedge foreign currency exposure on payment of creditors/borrowings and receipts from debtors to hedge price fluctuation risk. During the current year the company has not entered into any derivative instruments for speculation purpose.

## Notes to the Account

### 21 NOTES TO THE ACCOUNTS (Contd...)

18. Foreign Currency exposure not hedged by derivative instruments or forward cover as on balance sheet date are as follows:

	Year ended 31.03.2011 Amount in USD	Year ended 31.03.2010 Amount in USD
Debtors	2,688.58	1,344.64
Creditors	1,612.81	970.14

19. Related parties disclosure in accordance with AS - 18 prescribed by Companies (Accounting Standard) Rules, 2006

	2010-11	2009-10
i) Enterprises directly / indirectly are under common control with the Company	a) Umesh Parekh (HUF)	a) Umesh Parekh (HUF)
	b) Nilesh Parekh (HUF)	b) Nilesh Parekh (HUF)
	c) Swastik Wheat Product Agencies Private Limited	c) Swastik Wheat Product Agencies Private Limited
	d) Gokul Jewellery House Private Limited	d) Gokul Jewellery House Private Limited
	e) Shree Ganesh Jewellery House FZE	e) JT Metals & Minerals Exports Private Limited*
	f) Shree Ganesh Jewellery House (Singapore) Pte. Ltd.	f) Bajoria Apartments Private Limited*
	g) Easy fit Jewellery Private Limited*	g) Chaturbhuj Jewellery House Private Limited*
	h) Sumit Jewels Private Limited	h) Gold Art Jewellers Private Limited*
	i) Gaja Finance Private Limited	i) Safal Jewellers Private Limited*
	j) Liberson Dealcomm Private Limited	j) Shrishti Jewel Art Private Limited*
	k) Aastha Complex Private Limited	k) Smart Gold Jewel House Private Limited*
		l) Samukh Exim Private Limited*
		m) Galaxy Jewel Private Limited*
		n) Mudrika Jewels Private Limited*
		o) Subarna Jewels Private Limited*
	p) Shree Ganesh Jewellery House (Singapore) Pte. Ltd.	
	q) Easy fit Jewellery Private Limited*	
	r) Liberson Dealcomm Private Limited	
	s) Aastha Complex Private Limited	
ii) Associate of the Company	a) Damgan Retail Jewellery Private Limited	a) Damgan Retail Jewellery Private Limited
iii) Individuals owning (directly / indirectly) an interest in the voting power of the Company that gives them control or significant influence (also the key management personnel)	a) Mr. Umesh Parekh - Managing Director	a) Mr. Umesh Parekh - Managing Director
	b) Mr. Nilesh Parekh - Chairman	b) Mr. Nilesh Parekh - Chairman
	c) Mr. Kamlesh Parekh	c) Mr. Kamlesh Parekh
	d) Mrs. Kumud Parekh	d) Mrs. Kumud Parekh
	e) Mrs Sumona Parekh	e) Mrs Sumona Parekh
	f) Mrs. Rani Parekh	f) Mrs. Rani Parekh
	g) Mrs. Priti Parekh	g) Mrs. Priti Parekh
	h) Mr. Karan Parekh	h) Mr. Karan Parekh
	i) Mr. Nischay Parekh	i) Mr. Nischay Parekh
	j) Ms. Vansika Parekh	j) Ms. Vansika Parekh
	k) Ms. Aastha Parekh	k) Ms. Aastha Parekh
iv) Enterprise over which persons mention in (iii) are able to exercise significant influence (with whom transactions have occurred during the year)	a) Kalindi Enclave Pvt Ltd	a) Kalindi Enclave Pvt Ltd
	b) Safal Properties Private Limited	
	c) Alex Mercury Power Private Limited	

\* Since amalgamated with Easy Fit Jewellery Private Limited w.e.f. 01 April 2008

## Notes to the Account

### 21 NOTES TO THE ACCOUNTS (Contd...)

19. Related parties disclosure in accordance with AS - 18 prescribed by Companies (Accounting Standard) Rules, 2006

a) Related parties with whom there have been transactions during the year ended 31 March 2011

Name of the party (nature of the relationship)	Sale of goods	Purchase of goods	Security Deposits/ Advances	Investments	Rent expense	Job work charges	Remuneration including commission on profit	Loan given	Repayment of Loan Given	Interest received / Receivable during the year	Loans Outstanding receivable / (payable) as at the year end	Receivable/ (payable) at year end
i) Enterprises directly / indirectly are common control with the Company												
Swastik Wheat Products Agencies Private Limited	-	-	2.50	-	3.40	-	-	-	-	-	-	-
Shree Ganesh Jewellery House (Singapore) Pte Ltd	-	-	-	-	-	-	-	1.69	-	-	8.65	-
Easy Fit Jewellery Private Limited	72.01	8.68	-	-	-	8.21	-	3,804.24	4,079.98	16.18	-	-
Gokul Jewellery House Private Limited	-	0.30	-	-	-	-	-	1,288.97	1,172.34	36.83	442.47	-
Shree Ganesh Jewellery House FZE	-	-	-	300.00	-	-	-	-	-	-	-	-
Sumit Jewels Pvt Ltd	219.85	-	-	117.65	-	1.42	-	93.64	-	8.42	101.23	18.46
Gaja Finance Pvt Ltd	-	-	-	225.00	-	-	-	108.58	-	0.55	109.03	-
iii) Individuals owning (directly / indirectly) an interest in the voting power of the Company (also the key management personnel)												
Mr. Nilesch Parekh	-	-	-	-	-	-	616.63	-	-	-	-	(24.98)
Mr. Umesh Parekh	-	-	-	-	-	-	616.63	-	-	-	-	(24.98)
iv) Enterprise over which persons mention in (iii) are able to exercise significant influence												
Kalindi Enclave Private Limited	-	-	-	-	3.60	-	-	-	-	-	-	-
Safal Properties Private Limited	-	-	-	-	72.00	-	-	-	-	-	-	-
Alex Mercury Power Private Limited	-	-	-	0.19	-	-	-	-	-	-	-	-
<b>Total</b>	<b>291.86</b>	<b>8.98</b>	<b>2.50</b>	<b>642.84</b>	<b>79.00</b>	<b>9.63</b>	<b>1,233.26</b>	<b>5,297.12</b>	<b>5,252.32</b>	<b>61.98</b>	<b>661.38</b>	<b>(31.50)</b>

## Notes to the Account

### 21 NOTES TO THE ACCOUNTS (Contd...)

19. Related parties disclosure in accordance with AS - 18 prescribed by Companies (Accounting Standard) Rules, 2006  
b) Related parties with whom there have been transactions during the year ended 31 March 2010

Name of the party (nature of the relationship)	Sale of goods	Purchase of goods	Security Deposits/ Advances	Rent Expense	Job Work Charges	Remuneration including commission on profit	Loan given	Refund of share application money	Repayment of Loan Given the year	Interest received / Receivable during as at theyear end	Loans Outstanding receivable / (payable) year end "	Receivable/ (payable) at
i) Enterprises directly / indirectly are common control with the Company												
Swastik Wheat Products Agencies Private Limited	-	-	2.50	1.47		-	-		-			(0.20)
Shree Ganesh Jewellery House (Singapore) Pte Ltd	-	-	-	-		-	4.11		-	0.36	6.96	-
Easy Fit Jewellery Private Limited	1,802.24	351.79	-	-	32.60	-	1,638.00		1,812.61	58.41	262.33	264.42
Gokul Jewellery House Private Limited	149.95	230.98	-	-	-	-	511.73		334.45	20.34	292.68	(81.04)
Liberson Dealcomm Private Limited	-	-	-	-	-	-	-		-	0.06	1.06	-
ii) Associates of the company												
Damgan Retails Jewellery Private Limited								11.25				
iii) Individuals owning (directly / indirectly) an interest in the voting power of the Company (also the key management personnel)												
Mr. Nilesh Parekh	-	-	-	-	-	402.79	-		-	-	-	(381.29)
Mr. Umesh Parekh	-	-	-	-	-	402.79	-		-	-	-	(383.79)
iv) Enterprise over which persons mention in (iii) are able to exercise significant influence												
Kalindi Enclave Private Limited	-	-	-	1.20		-	-		-	-	-	(0.20)
<b>Total</b>	<b>1,952.19</b>	<b>582.77</b>	<b>2.50</b>	<b>2.67</b>	<b>32.60</b>	<b>805.58</b>	<b>2,153.84</b>	<b>11.25</b>	<b>2,147.06</b>	<b>79.17</b>	<b>563.03</b>	<b>(582.09)</b>



## Notes to the Account

### 21 NOTES TO THE ACCOUNTS (Contd...)

#### 20. Segment information in accordance with Accounting Standard 17 prescribed by Companies (Accounting Standard) Rules, 2006.

The Company is engaged in the business of manufacture and sale of gold jewellery and other articles of various designs/ specification based on customer's requirements and the company's manufacturing facilities are located in India. The risk and returns of the Company are affected predominantly by the fact that it operates in different geographical areas i.e. domestic sales and export sales and accordingly geographical segment have been considered as the primary segment information.

In view of the fact that gold jewellery and other articles are manufactured and sold based on design/ specification specified by the customer there are no business segment to be reported under secondary segment information.

Segment information has been prepared in conformity with the accounting policies adopted for preparation and presentation of the financial statements of the Company.

Primary segment disclosures	31 March 2011 (31 March 2010)		
	Domestic	Export	Total
<b>1 Segment revenue</b>			
External sales	61,189.26 [ 12,088.81]	462,884.83 [ 282,903.49]	524,074.09 [ 294,992.30]
Add: Job work charges	219.78 232.93]	- [ 0.00]	219.78 [ 232.93]
Add: Other income	12.05 [ 182.01]	1,124.19 [ 142.64]	1,136.24 [ 324.65]
Add: Other unallocable income			364.79 [ 0.00]
Add: Interest Income			4,935.94 [ 4,693.78]
Total Revenue			530,730.84 [ 300,243.66]
<b>2 Segment results</b>	<b>1,918.85</b> <b>[ 684.27]</b>	<b>32,867.61</b> <b>[ 20,789.49]</b>	<b>34,786.46</b> <b>[ 21,473.76]</b>
Less : Unallocable administrative expenses			1,087.01 [ 1,244.45]
Less: Interest expense			12,029.50 [ 7,821.46]
Add: Interest Income			4,935.94 [ 4,693.78]
<b>Profit before tax</b>			<b>26,605.89</b> <b>[ 17,101.64]</b>
Less: Current tax			221.07 [ 513.45]
<b>Profit After tax</b>			<b>26,384.82</b> <b>[ 16,588.19]</b>
<b>3 Segment assets</b>	<b>13,243.62</b> <b>[ 8,877.33]</b>	<b>145,407.79</b> <b>[ 72,174.47]</b>	<b>158,651.41</b> <b>[ 81,051.80]</b>
Add: Unallocable Corporate / other Assets			84,411.64 [ 70,217.24]
Add: Advance Income-tax (including tax deducted at source) (net)			284.14 [ 239.13]
Add: Deferred Tax Asset			817.14 [ 764.07]
<b>Total assets</b>			<b>244,164.33</b> <b>[152,272.24]</b>
<b>4 Segment liabilities</b>	<b>1,547.28</b> <b>[ 5,905.12]</b>	<b>74,701.23</b> <b>[ 52,826.83]</b>	<b>76,248.51</b> <b>[ 58,731.95]</b>
Add: Unallocable Corporate / other Liabilities			1,068.58 [ 3,556.50]
Add: Loan			57,349.79 [ 34,902.79]
Add: Proposed Dividend (including tax thereon)			2,122.83 [ 1,415.22]
<b>Total liabilities</b>			<b>136,789.71</b> <b>[ 98,606.46]</b>

## Notes to the Account

### 21 NOTES TO THE ACCOUNTS (Contd...)

Primary segment disclosures	31 March 2011 (31 March 2010)		
	Domestic	Export	Total
5 Cost incurred to acquire fixed assets	- [ 0.00]	7,394.70 [ 560.57]	7,394.70 [ 560.57]
Add: Unallocated (excluding capital advances)			1,158.59 [ 154.46]
			8,553.29 [ 715.03]
6 Depreciation/amortisation	123.77 [ 0.04]	416.29 [ 53.18]	540.06 [ 53.22]
Add: Unallocated depreciation/amortisation			57.57 [ 178.79]
			597.63 [ 232.01]
7 Significant non cash expenses other than depreciation and amortisation (included in measuring segment results)	- [ 0.00]	- [ 0.00]	- [ 0.00]

Secondary disclosures	31 March 2011 (31 March 2010)		
	Domestic	Export	Total
1 Carrying amount of segment assets by location of assets	132,911.49 [ 94,433.73]	111,252.84 [ 57,838.51]	244,164.33 [ 152,272.24]
2 Cost incurred to acquire segment fixed assets by location of assets (excluding capital advances)	8,553.29 [ 715.03]	- [ 0.00]	8,553.29 [ 715.03]

Figures in Bracket represent previous year's figure.

21. a) Pursuant to the approval of the shareholders as on 7 March 2008 and a Shareholders Agreement ('Agreement') dated 12 March 2008, the Company had issued 2,666,666, 0.0001% Cumulative Convertible Preference shares having a value of Rs. 300/- each to an investor in accordance with the terms set out in the Agreement. As per the terms, the Company has converted the Preference Share into Equity Shares on 28 August 2009, in accordance with the procedure stated in the agreement. 2,666,666 nos of Preference Shares have been converted to Equity Shares at a premium of Rs. 290 per share.
- b) Pursuant to the approval of the Board of Directors as on 7 June 2007 and a Convertible Debenture Subscription Agreement dated 13 June 2007 the Company has issued 5,000,000 0% Fully Convertible Debentures of Rs.100 each at par. As per the terms of the Agreement, each debenture allotted to the debenture holder would be compulsorily converted to equity shares in case the Company comes out with initial public offer. In the event, the debentures do not get converted into equity shares by 31 March 2008, the debentures would be mandatorily converted into equity shares at a conversion price laid down in the Agreement based on the audited financial statement for the year 2007-2008. The Company has converted these debentures into 166,667 equity shares on 11 August 2009 at a premium of Rs. 290 per share.
22. "The Company has made an initial public offer (IPO) to issue 12,136,497 equity shares of Rs. 10 each at Rs. 260 each (includes securities premium of Rs. 250 each) in the year 2009-2010. In the year 2010-2011, the Company has issued and allotted equity shares. Out of the fund raised from IPO amounting to Rs. 315.54 crores, apart from meeting the IPO expenses of Rs. 2,332.34 Lakhs, the Company has utilised the proceeds of the issue amounting to Rs. 16,606.79 Lakhs for setting up and expansion of manufacturing units, setting up of retail outlets, meeting working capital requirements and for general corporate purposes upto the year ended 31 March 2011. The unutilised fund of the issue amounting to Rs. 12,615.76 Lakhs has been temporarily invested in interest bearing liquid instruments including deposit with banks and investment in mutual funds.

During the year the Company has paid an Interim Dividend of Rs. 3 (30% of the paid up equity share capital of the Company) per equity share of face value Rs. 10 each for the year 2010-2011. The Board has recommended a Final Dividend of Rs. 3 (30% of the paid up equity share capital of the Company) per equity share of face value Rs. 10 each. The total dividend (including interim dividend) for the financial year 2010-2011 is Rs. 6 (60% of the paid up equity share capital of the company) per equity share of face value Rs. 10 each.

## Notes to the Account

### 21 | NOTES TO THE ACCOUNTS (Contd...)

The proposed dividend for the year ended 31 March 2010 has been considered in the accounts after considering the aforesaid allotment as these shares rank pari passu with the shares outstanding as on 31 March 2010 as regards right to dividend for that year."

23. Based on the information available with the Company, there are no dues to micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006
24. The company has taken an office and other premises on operating lease. Minimum lease payment charged during the year to the Profit and Loss account aggregated to Rs. 129.51 (previous year Rs. 99.82)
25. The previous year's figures have been regrouped or reclassified wherever necessary to conform with the current year's presentation.

---

For **Chaturvedi & Partners**  
*Chartered Accountants*  
Registration No: 307068E

For and on behalf of the Board of Directors

**Surojit Banerji**  
*Partner*  
Membership No.: 050912

**Nilesh Parekh**  
*Chairman*

**Umesh Parekh**  
*Managing Director*

**Mukund Chandak**  
*Company Secretary*

Place: Kolkata

Date: 26 May 2011

## Balance Sheet Abstract

Information pursuant to Part IV of Schedule VI to the Company Act.  
Balance Sheet Abstract and Companies General Business Profile.  
As at and for the year ended 31 March 2011

### 1. Registration Details

Registration No.  State Code    
Balance Sheet Date          
Date Month Year

### 2. Capital Raised during the year (Rs. in thousand)

Public Issue             
Right Issue              
Bonus Issue              
Private Placement

### 3. Position of mobilisation and deployment of Funds (Rs. in thousand)

Total Liabilities             
Sources of Funds  
Paid up capital             
Secured Loans             
Application of funds  
Net fixed Assets             
Net Current Assets             
Accumulated Losses              
Total Assets             
Reserve & surplus             
Unsecured Loans             
Investments             
Miscellaneous Expenditure              
Deferred Tax Asset

### 4. Performance of Company (Rs. in Thousand)

Turnover (including other income)             
Basic Earning per share (In Rs.)            
Profit before Tax            
Dividend rate (%)             
Total Expenditure             
Diluted Earning per share (In Rs.)            
Profit after Tax

### 5. Generic names of three Principal Products/Services of Company (As per monetary terms)

Item Code No.	Product Description
<input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="0"/>	Gold Jewellery
<input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="0"/>	Gold Studded Jewellery

## Notes to the Account

### Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies for the year ended 31 March 2011

1	Name of the Subsidiary Company	Gokul Jewellery House Pvt Ltd	Easy Fit Jewellery Pvt Ltd	Sumit Jewels Pvt. Ltd.	Gaja Finance Pvt. Ltd.	Shree Ganesh Jewellery House FZE Ltd	Shree Ganesh Jewellery House (Singapore) Pte Ltd
2	Financial Period of the Subsidiary Company ended on	31 March 2011	31 March 2011	31 March 2011	31 March 2011	31 March 2011	31 March 2011
3	Holding Company's Interest	51.45%	100%	100%	100%	100%	100%
4	Share Capital (Issued, Subscribed and Paid up) Equity Share capital	54.92	247.15	3.62	225.00	12.14	3.54
	Preference Share capital	-	-	-	-	-	-
5	Reserves (including Profit and loss Account- debit Balance)	692.13	6,088.56	363.57	2.13	-8.00	-9.46
6	Total Assets	1,726.66	16,944.77	3,214.88	338.78	293.75	14.95
7	Total liabilities	1,726.66	16,944.77	3,214.88	338.78	293.75	14.95
8	Investments	-	19.21	-	-	-	-
9	Turnover	9,363.58	42,155.95	8,563.31	-	-	-
10	Total Income	9,475.00	42,847.58	8,625.51	9.02	-	-
11	Profit/(Loss) - (Before Tax)	106.83	2,786.60	313.26	4.42	-8.00	-3.61
12	Provision for Taxation (including deferred Taxes)	33.22	84.80	-0.76	2.28	-	-
13	Profit/(Loss) After tax	73.62	2,701.80	314.02	2.13	-8.00	-3.61
14	Proposed dividend	-	-	-	-	-	-
15	Net Aggregate Profits/Losses for the current financial year since becoming subsidiary so far as it concerns the members of the holding company dealt with or provided for in accounts of the holding Company	Nil	Nil	Nil	Nil	Nil	Nil
16	Net Aggregate Profits/Losses for the current financial year since becoming subsidiary so far as it concerns the members of the holding company not dealt with or provided for in accounts of the holding Company	73.62	2,701.80	314.02	2.13	-8.00	-3.61
17	Net Aggregate Profits/Losses for the previous financial year since becoming subsidiary so far as it concerns the members of the holding company dealt with or provided for in accounts of the holding Company	Nil	Nil	Nil	Nil	Nil	Nil
18	Net Aggregate Profits/Losses for the previous financial year since becoming subsidiary so far as it concerns the members of the holding company not dealt with or provided for in accounts of the holding Company	12.51	141.06	Nil	Nil	Nil	-3.02

\*Exchange rate for Conversion : 1 AED = Rs. 12.14 as on 31 March 2011

\*Exchange rate for Conversion : 1 Singapore \$ = Rs. 35.38 as on 31 March 2011

Place: Kolkata

Date: 26 May 2011

**Nilesh Parekh**  
Chairman

**Umesh Parekh**  
Managing Director

**Mukund Chandak**  
Company Secretary

## Consolidated Auditors' Report

To the Members of

**Shree Ganesh Jewellery House Limited.**

1. We have audited the attached Balance Sheet of Shree Ganesh Jewellery House Limited ('the company'), its subsidiaries and interest in associates in summary of Significant accounting policies to the consolidated financial statements as at 31 March 2011, the Profit and Loss Account and Cash Flow Statement of the company for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements of subsidiaries and associate of the company, whose financial statements reflect total assets of Rs. 22569.03 lacs as at 31 March 2011 and total revenues of Rs. 60945.46 lacs and cash flows aggregating Rs. 157.56 lacs as shown in the above financial statements for the year ended 31 March 2011 have been audited by other auditors. The reports of these financial statements have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries and interest in associate is based solely on the reports of other auditors.
4. We report that consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements as prescribed by the Companies Accounting Standard Rules, 2006 on the basis of separate audited statements of Shree Ganesh Jewellery House Limited, its subsidiaries and Associate included in the consolidated financial statements.
5. In our opinion and to the best of our information and according to the explanations given to us, and on considering the separate audit reports on individual audited financial statement of the Company subsidiaries and associates, the consolidated financial statements give true and fair view in conformity with accounting principles generally accepted in India:
  - i. in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Shree Ganesh Jewellery House Limited, its subsidiaries and interest in associate as at 31 March 2011;
  - ii. in the case of the Consolidated Profit and Loss Account, of the consolidated results of operation of Shree Ganesh Jewellery House Limited, its subsidiaries and interest in associate for the year ended on that; and
  - iii. in the case of the Consolidated Cash Flow Statement, of the cash flows of Shree Ganesh Jewellery House Limited, its subsidiaries and interest in associate for the year ended on that date.

**For Chaturvedi & Partners**  
*Chartered Accountants*  
 Registration No: 307068E

**S. Banerji**

*Partner*

Place : Kolkata

Date: 26 May 2011

Membership No.: 050912

## Consolidated Balance Sheet

As at 31 March 2011

	Schedule	31.03.2011	31.03.2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
Share capital	2	6,068.25	4,854.60
Reserves and surplus	3	107,749.29	52,262.32
		<b>113,817.54</b>	<b>57,116.92</b>
<b>Minority Interest</b>		362.38	326.62
<b>Loan funds</b>			
Secured loans	4	46,405.37	29,312.79
Unsecured loans	5	13,890.01	7,743.00
		60,295.38	37,055.79
		<b>174,475.30</b>	<b>94,499.32</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed assets</b>	6		
Gross block		11,449.96	2,682.70
Less : Depreciation		1,440.06	786.57
Net block		10,009.90	1,896.13
Capital work-in-progress		2,302.83	58.35
		12,312.73	1,954.48
<b>Investments</b>	7	12,635.16	16.03
Deferred Tax Asset, net (refer Note 3 on Schedule 21)		816.94	767.05
<b>Current assets, loans and advances</b>			
Inventories	8	36,865.94	20,293.08
Sundry debtors	9	125,823.87	62,881.55
Cash and bank balances	10	70,059.86	71,563.59
Loans and advances	11	4,316.16	5,026.46
Other Current assets	12	1,953.13	396.07
		239,018.96	160,160.75
<b>Less: Current liabilities and provisions</b>			
Current liabilities	13	88,107.34	66,958.29
Provisions	14	2,201.15	1,440.70
		90,308.49	68,398.99
<b>Net current assets</b>		<b>148,710.47</b>	<b>91,761.76</b>
		<b>174,475.30</b>	<b>94,499.32</b>
Significant accounting policies	1		
Notes to the accounts	21		

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report attached

For **Chaturvedi & Partners**  
Chartered Accountants  
Registration No: 307068E

For and on behalf of the Board of Directors

**Surojit Banerji**  
Partner  
Membership No.: 050912

**Nilesh Parekh**  
Chairman

**Umesh Parekh**  
Managing Director

**Mukund Chandak**  
Company Secretary

Place: Kolkata

Date: 26 May 2011

## Consolidated Profit and Loss Account

For the year ended 31 March 2011

	Schedule	31.03.2011	31.03.2010
<b>INCOME</b>			
Sale of goods		583,772.38	347,317.51
Job work charges		218.37	234.26
Other income	15	7,220.21	5,287.37
		<b>591,210.96</b>	<b>352,839.14</b>
<b>EXPENDITURE</b>			
Increase in closing stock of work-in-progress and finished goods	16	(14,340.72)	(9,069.13)
Cost of raw materials and stones	17	420,369.27	283,467.98
Purchase of traded goods		137,029.82	47,011.84
Personnel cost	18	2,581.57	1,680.12
Manufacturing and other expenses	19	2,452.84	3,653.20
Depreciation / Amortisation	6	653.66	283.82
Interest and finance charges	20	12,659.19	8,464.48
		<b>561,405.63</b>	<b>335,492.31</b>
<b>Profit before tax</b>		<b>29,805.33</b>	<b>17,346.83</b>
<b>Less:</b>			
Current tax		452.75	634.19
Prior period Income Tax		(57.15)	-
Deferred tax release (refer Note 3 on Schedule 21)		(54.99)	(24.15)
<b>Profit after tax</b>		<b>29,464.72</b>	<b>16,736.79</b>
Minorities Share of Profit		35.74	6.07
Profit Brought Forward		41,419.10	27,762.43
		<b>70,848.08</b>	<b>44,493.14</b>
<b>APPROPRIATIONS</b>			
Proposed Dividend		3,640.94	1,213.65
Dividend tax		604.72	201.57
Transfer to General reserve		2,638.48	1,658.82
Profit carried forward		63,963.94	41,419.10
		<b>70,848.08</b>	<b>44,493.14</b>
<b>Earning per share (refer Note 4 on Schedule 21)</b>			
- Basic (Rs.)		48.58	36.18
- Diluted (Rs.)		48.58	36.18
Significant accounting policies	1		
Notes to the accounts	21		

The Schedules referred to above form an integral part of the Profit and Loss Account

As per our report attached

For **Chaturvedi & Partners**

Chartered Accountants

Registration No: 307068E

For and on behalf of the Board of Directors

**Surojit Banerji**

Partner

Membership No.: 050912

**Nilesh Parekh**

Chairman

**Umesh Parekh**

Managing Director

**Mukund Chandak**

Company Secretary

Place: Kolkata

Date: 26 May 2011



## Consolidated Cash Flow Statement

For the year ended 31 March 2011

	31.03.2011		31.03.2010	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before taxation		29,805.33		17,346.83
Adjusted for :				
(Profit)/loss on sale of fixed assets		-		(0.09)
Depreciation /Amortisation		653.66		283.82
Unrealised foreign exchange loss / (gain) (net)		2,595.10		1,904.46
Provision for debtors		-		22.27
Provision for diminution for investment		19.82		0.33
Interest income		(5,311.55)		(4,961.95)
Interest expense		12,659.19		8,464.48
Preliminary expenses written off		15.65		-
Dividend Received		(320.18)		-
		10,311.69		5,713.32
<b>Operating profit before working capital changes</b>		<b>40,117.02</b>		<b>23,060.15</b>
Changes in:				
Trade and other receivables		(62,040.05)		(43,961.76)
Inventories		(16,572.87)		(12,435.84)
Trade payables / other liabilities		19,851.11	(58,761.81)	43,967.80
				(12,429.79)
<b>Cash generated from operations</b>		<b>(18,644.79)</b>		<b>10,630.35</b>
Direct taxes (paid)/refund (net)		(363.24)		(580.37)
Prior period items				-
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>(19,008.03)</b>		<b>10,049.98</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets		(10,895.31)		(588.57)
Proceeds from sale of fixed assets		-		12.52
Interest received		790.01		290.95
Investment in Subsidiaries & others		(116.43)		-
Investment in Fixed Deposit		(11,285.90)		-
Investment in Mutual funds		(1,329.86)		-
Proceeds from investment		-		11.25
Purchase of investments		-		(23.61)
Divident received		320.18		0.14
Sale of investments		-		22.37
Loans (Given)/Realisation(net)		1,311.86		(112.43)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(21,205.47)</b>		<b>(387.38)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from :				
Long Term Borrowings		10,000.00		1,132.59
Short Term Borrowings		132,442.94	142,442.94	75,688.89
				76,821.48
Repayment of:				
Long Term Borrowings				(247.24)
Short Term Borrowings		(122,042.67)	(122,042.67)	(69,397.44)
				(69,644.68)
Interest paid			(12,715.99)	(8,635.51)
Interest received			3,012.84	4,535.27
Dividend Paid			(3,538.05)	(283.98)
Issue of Equity Shares			31,554.89	-
Share issue expenses			-	(691.58)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>38,713.95</b>		<b>2,101.00</b>
<b>(Decrease) / Increase in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>(1,499.55)</b>		<b>11,763.60</b>
<b>Opening cash and cash equivalents</b>		<b>71,563.59</b>		<b>59,799.99</b>
<b>Closing cash and cash equivalents</b>		<b>70,064.04</b>		<b>71,563.59</b>

## Consolidated Cash Flow Statement (Contd...)

	31.03.2011	31.03.2010
<b>Note</b>		
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>		
1. Cash in hand	72.38	110.13
Balances with scheduled banks		
- Current account	4,383.27	3,099.32
[Excluding unrealised foreign exchange loss of Rs. 4.18 ( previous year nil)]		
- Deposit account *	65,608.39	68,354.14
<b>Total</b>	<b>70,064.04</b>	<b>71,563.59</b>

\* Includes Rs. 64,889.15 (Previous year Rs. 68,176.44) being margin money deposit against borrowings which are not readily available for other purposes.

- The above cash flow statement has been prepared under the indirect method set out in Accounting Standard AS 3 " Cash Flow Statement as prescribed by Companies (Accounting Standards) Rules, 2006.
- Previous year's figure have been rearranged / regrouped wherever necessary

As per our report attached

For **Chaturvedi & Partners**  
Chartered Accountants  
Registration No: 307068E

For and on behalf of the Board of Directors

**Surojit Banerji**  
Partner  
Membership No.: 050912

**Nilesh Parekh**  
Chairman

**Umesh Parekh**  
Managing Director

**Mukund Chandak**  
Company Secretary

Place: Kolkata

Date: 26 May 2011

## Schedules to the Consolidated Account

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### Background

Shree Ganesh Jewellery House Limited ('the Company') formerly Shree Ganesh Jewellery House Private Limited, was incorporated in 2002. The Company is engaged in the business of manufacture and sale of handcrafted gold jewellery, diamond and studded jewellery. The name of the Company changed to Shree Ganesh Jewellery House Limited on conversion to public limited company with effect from 14 August 2007. During the year 2009-2010 the Company has made an Initial Public Offering (IPO) to issue 12,136,497 equity shares of face value Rs. 10 each at Rs. 260 each (including a securities premium of Rs. 250 each) and got listed on National Stock Exchange and Bombay Stock Exchange.

#### 1. Significant accounting policies

##### i) Principles of Consolidation

The consolidated financial information is prepared in accordance with the principles and procedures prescribed by Accounting Standard 21-"Consolidated Financial Statements" ('AS-21') and Accounting for Investments in Associates in Consolidated Financial Statements (AS-23) prescribed by the Companies (Accounting Standards) Rules, 2006, for the purposes of preparation and presentation of consolidated financial statements.

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of similar items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions resulting in unrealised profits. Unrealised losses resulting from intra-group transactions have also been eliminated unless cost cannot be recovered in full. The amounts shown in respect of accumulated reserves comprise the amount of the relevant reserves as per the balance sheet of the Company and its share in the post acquisition reserves of its subsidiaries. The difference between the cost of the company's investments in the subsidiary and the equity capital of the subsidiary (as defined in Accounting Standard – 21) as on the date of investment, is treated as Goodwill / Capital Reserve, as the case may be.

The Subsidiary Company considered in the financial statements are as follows:

Name	Country of Incorporation	% of voting power as at 31-Mar-11	Date of subsidiary interest acquired by the Company
Easy Fit Jewellery Private Limited	India	100	4-Feb-08
Shree Ganesh Jewellery House (Singapore) Pte Limited	Singapore	100	5-Oct-07
Shree Ganesh Jewellery House FZE	U.A.E	100	25-Apr-10
Gaja Finance Private Limited	India	100	23-Jul-10
Sumit Jewels Private Limited	India	100	19-May-10
Gokul Jewellery House Private Limited	India	51.45	25-Jun-07

The Company has prepared the Consolidated Financial Statements by accounting for investment in associates under the equity method:

(b) The associate company considered in the financial statements is as follows :

Name	Country of Incorporation	% of ownership interest as on 31.03.09
Damgan Retail Jewellery Private Limited	India	33%

As the shares in associate were acquired at par value on the date of incorporation (30 October 2006), the carrying value of the investment does not include any goodwill / capital reserve. The Company's share of profit/losses in associate thereafter has been adjusted against Profit and Loss Account and carrying value of investments in terms of AS-23. Further, from the year ended 31 March 2008 the Company has recognized losses to the extent of the investment value and the investment is reported as nil.

##### ii) Basis of accounting

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting following Generally Accepted Accounting Principles in India ('GAAP') and comply with the Accounting Standards prescribed by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956 to the extent applicable.

##### iii) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

## Schedules to the Consolidated Account

### 1 SIGNIFICANT ACCOUNTING POLICIES (Contd...)

#### iv) Fixed assets

Fixed assets are carried at cost of acquisition or construction, less accumulated depreciation. The cost of fixed assets includes freight, duties (net of VAT), taxes and other incidental expenses that are directly attributable to bringing assets to their working condition for their intended use.

#### v) Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

#### vi) Depreciation/ Amortisation

Depreciation on fixed assets is provided under the written down value method at rates derived from the useful lives of such assets, as estimated by management. The rates of depreciation so derived are in line with the rates of depreciation prescribed by Schedule XIV to the Act.

Leasehold properties are amortised over Useful life of the assets as estimated by management or the period of lease, whichever is lower.

Fixed assets individually costing Rs. 5,000 or less, are depreciated fully in the year of acquisition.

Goodwill arising on amalgamation is amortised over its estimated useful life of 5 years.

#### vii) Impairment of fixed assets

At each Balance Sheet date, management assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs when the carrying value of an asset exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the present value as determined above.

#### viii) Investments

Long term investments are stated at cost less amount written off, where there is a diminution in value other than temporary.

#### ix) Inventories

Year-end inventory of raw materials and stones are carried at cost (net of VAT, wherever applicable). The carrying cost of raw materials and stones is appropriately written down when there is a decline in replacement cost of such materials and the finished products in which they will be incorporated are expected to be sold below cost.

Year-end inventory of work in progress and finished goods are valued at the lower of cost and net realisable value. Cost of work in progress and finished goods comprises of direct material and labour expenses and an appropriate portion of production overheads incurred in bringing the inventory to their present location and condition. Fixed production overheads are allocated on the basis of production.

In determining cost, first in first out method is used.

Alloys and consumables are charged off to Profit and Loss Account.

#### x) Revenue recognition

Revenue from sale of goods is recognised on transfer of risk and rewards of ownership of goods to the buyer. Sales are stated exclusive of sales tax. Excise duty is not applicable to the company. In respect of contract for sale of goods at prices that are yet to be fixed at the year end, adjustments to the provisional amount billed to the customers are recognised based on the year end closing gold rate.

Revenue from job work are recognised on an accrual basis when the related job work is rendered.

In respect of commodity exchange transactions undertaken by the company, net gain/loss arising from settlement of such transactions during the year or restatement of such transactions that are pending settlement at the year end are recognised in the Profit and Loss account for the year. In respect of commodity exchange transaction undertaken on behalf of customers, brokerage received/ receivable is recognised on accrual basis when transactions are entered into on behalf of the customers.

Third party sales commission is recognised on an accrual basis in accordance with the terms of the related agreement.

Interest is recognised on time proportion basis.

#### xi) Employee benefits

The Company's obligation towards various employee benefits have been recognised as follows:

##### Short Term Benefits

Cost of non-accumulated compensated absences is recognised when absences occur. Cost of other short term employee benefits are recognized on accrual basis based on the terms of employment contract and other relevant compensation policies followed by the Company.

## Schedules to the Consolidated Account

### 1 SIGNIFICANT ACCOUNTING POLICIES (Contd...)

#### Post employment benefits

Monthly contribution to Provident Funds, which is defined contribution scheme, is charged to Profit and Loss account and deposited with the Regional Provident Fund Authorities on a monthly basis.

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out at the year end using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plan is based on the market yield on government securities as at the Balance sheet date and have maturity period approximating to the terms of the obligation. Actuarial gains and losses are recognised immediately in the profit and loss account.

#### xii) Operating Leases

Lease rentals for operating leases are recognised as expenses in the Profit and Loss Account on a straight line basis over the lease term.

#### xiii) Foreign exchange transactions

Transactions in foreign currency are recognised at the exchange rates prevailing on the date of the transactions. Year-end monetary assets and liabilities denominated in foreign currencies, other than those covered by foreign exchange contracts, are translated at the year-end foreign exchange rates.

Gain / loss from exchange differences arising on settlement of foreign currency transaction or translation of year-end monetary assets and liabilities in foreign currency are recognised in the Profit and Loss Account for the year.

In case of forward exchange contracts, premium or discounts on such contracts are amortised over the life of the contract and exchange differences arising thereon in the reporting period are recognised in the Profit and Loss Account.

#### xiv) Taxation

Income tax expense comprises current and fringe benefit taxes (i.e. amount of taxes for the year determined in accordance with the Income-tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. (Fringe benefit tax has been abolished w.e.f. 01 April 2010)

Deferred tax assets are recognised only to the extent that there is reasonable certainty that the assets can be realised in future except for deferred tax assets arising from unabsorbed depreciation or business losses brought forward from prior years that are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and written up or down to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

The Company's units, located in Special Economic Zone are exempted from income tax (current tax) till 31 March 2011 under the provisions of sections 10A and partly exempted till 31 March 2024 under the provisions of section 10AA of the Income Tax Act, 1961. Deferred tax pertaining to the above units are recognised on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods beyond the periods during which the respective units are exempt from income tax as aforesaid. Deferred tax assets on unabsorbed depreciation and / or carry forward of losses are recognised only if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. Such assets are reviewed as at each Balance Sheet date to reassess realisability thereof.

#### xv) Provisions and contingent liabilities

A provision is recognised in the financial statements when there exists a present obligation as a result of a past event, the amount of which can be reliably estimated and it is probable that an outflow of resources will be required to settle the obligation. Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be reliably estimated.

#### xvi) Earnings Per Share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of shares and dilutive equity equivalent shares outstanding during the period, except when results would be anti dilutive.

## Schedules to the Consolidated Balance Sheet

As at 31 March 2011

	31.03.2011	31.03.2010
<b>2 SHARE CAPITAL</b>		
<b>Authorised</b>		
70,000,000 (Previous Year - 70,000,000) Equity Shares of Rs. 10 each	7,000.00	7,000.00
2,666,667 (Previous year - 2,666,667) 0.0001 % Cumulative Convertible Preference Shares of Rs. 300 each.	8,000.00	8,000.00
	<b>15,000.00</b>	<b>15,000.00</b>
<b>Issued, Subscribed and Paid up</b>		
60,682,485 (Previous Year - 48,545,988) Equity Shares of Rs. 10 each fully paid up (of the above share 36,048,144 equity share of Rs. 10 each are allotted fully paid up by way of bonus shares in the previous year)	6,068.25	4,854.60
	<b>6,068.25</b>	<b>4,854.60</b>

<b>3 RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>	102.88	102.88
<b>Amalgamation reserve</b>	585.67	585.67
<b>Securities premium account</b>		
At the commencement of the year	8,395.58	1,684.54
Additions during the period:		
- on Initial Public Offering of equity shares	30,341.24	-
- Share Issue expenses (net of deferred tax Rs. 5.10 (Previous Year Nil))	14.79	-
- Amalgamation	-	2,697.00
- On Conversion of Preference Share (refer Note 11 (a) on Schedule 21)	-	7,733.33
- On Conversion of debentures (refer Note 11 (b) on Schedule 21)	-	483.33
Utilised during the period:		
- For issue of bonus shares 24,272,994 equity shares of Rs. 10 each in the previous year	-	2,427.30
- For Share issue expenses [net of deferred tax Rs. Nil (Previous Year Rs. 576.91)]	-	1,775.32
	<b>38,751.61</b>	<b>8,395.58</b>
<b>General reserve</b>		
At the commencement of the year	1,712.27	52.88
Add: Amalgamation	-	0.57
Add: Transfer from Profit and loss account	2,638.48	1,658.82
	<b>4,350.75</b>	<b>1,712.27</b>
<b>Foreign Currency Translation reserve</b>	(5.56)	0.46
<b>Profit and loss account</b>	63,963.94	41,419.10
Add: Acquired on amalgamation [refer Note 5 (a) to 5 (h) on Schedule 21]	-	46.35
	<b>63,963.94</b>	<b>41,465.45</b>
	<b>107,749.29</b>	<b>52,262.32</b>

## Schedules to the Consolidated Balance Sheet

As at 31 March 2011

	31.03.2011	31.03.2010
<b>4 SECURED LOANS</b>		
<b>Long Term Loan</b>		
- 11% Non Convertible debentures	10,000.00	-
<b>Short Term Loan</b>		
Loans from Banks		
- Buyers credit*	18,013.05	23,520.31
- Demand Loan**	13,568.77	1,775.28
- Post Shipment Credit***	2,407.58	3,428.70
- Gold taken on Loan*	2,360.39	176.23
- Vehicle loan ****	55.58	2.27
- Term loan*	-	410.00
	<b>46,405.37</b>	<b>29,312.79</b>

\* Secured by first charge on the fixed assets of the Company to the extent of 1.25 times of the value of non convertible debentures.

\*\* Buyer's Credit and Gold taken on Loan are secured by lien on fixed deposits.

\*\*\* Demand loan facility is secured by way of first charge on inventory and book debts / current assets.

\*\*\*\* Post Shipment Credit is secured by first pari passu charge on the current assets, present and future excluding assets having specific charge of respective financing banks.

\*\*\*\*\* Vehicle loans are secured by hypothecation of the vehicles purchased from the proceeds of the loans. The above loans include Rs. 36,349.79 (Previous Year Rs. 28,902.78) repayable within 1 year.

<b>5 UNSECURED LOANS</b>		
<b>Short Term Loans</b>		
- From banks	11,000.00	6,000.00
- From directors	1,750.51	-
- From bodies corporate (Interest free)	1,139.50	1,743.00
	<b>13,890.01</b>	<b>7,743.00</b>

<b>6 FIXED ASSETS</b>	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
Description	As at 01.04.2010	Addition	Deletion/ Adjustments	As at 31.03.2011	As at 01.04.2010	For the year	Deduction/ Adjustments	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
<b>Intangible Assets</b>										
Goodwill	411.50	80.13	80.61	411.02	262.52	73.70	-	336.22	74.80	148.97
<b>Tangible Assets</b>										
Freehold Land	159.92	50.94	-	210.86	-	-	-	-	210.86	159.92
Leasehold Properties [refer note (a) & (b)below]	452.95	-	-	452.95	73.12	21.19	-	94.31	358.64	379.82
Buildings	301.24	941.80	-	1,243.04	102.65	65.03	-	167.68	1,075.36	198.59
Plant & Machinery	563.11	7,301.02	-	7,864.13	44.34	317.84	-	362.18	7,501.95	518.77
Furniture, Fixtures & Office Equipments	417.59	305.55	-	723.14	120.62	87.29	0.16	207.75	515.39	296.97
Computers & related equipments	140.97	34.22	-	175.19	68.26	34.67	-	102.93	72.26	72.11
Vehicles	236.02	133.61	-	369.63	115.05	53.94	-	168.99	200.64	120.98
<b>Total</b>	<b>2,683.30</b>	<b>8,847.27</b>	<b>80.61</b>	<b>11,449.96</b>	<b>786.56</b>	<b>653.66</b>	<b>0.16</b>	<b>1,440.06</b>	<b>10,009.90</b>	<b>1,896.13</b>
Previous Year	1,899.04	796.33	12.67	2,682.70	503.46	283.82	0.71	786.57	1,896.13	
Capital Work in Progress including Capital Advances (Unsecured - considered good)									2,302.83	58.35

### Note

(a) Includes gross block Rs. 201.92 (Previous Year Rs. 201.92), accumulated depreciation Rs. 45.68 (Previous Year Rs. 37.46) and written down value Rs. 156.24 (Previous Year Rs. 164.46), jointly held with others.

(b) Includes gross block Rs. 162.84 (Previous Year Rs. 162.84) and accumulated depreciation Rs. 31.20 (Previous Year Rs. 24.27), that are yet to be registered in the name of the Company.

## Schedules to the Consolidated Balance Sheet

As at 31 March 2011

7 INVESTMENTS				
	No. of Shares	Face Value	31.03.2011	31.03.2010
(Long term other than trade)				
<b>Equity Shares (fully paid up)</b>				
Alex Mercury Power Private Limited	1,900	10	0.19	-
(Short term other than trade)				
Quoted - at cost or market value whichever is lower				
Equity Shares			19.21	16.03
			19.40	16.03
<b>Money Raised through Public offering (Refer Note 12 on Schedule 21)</b>				
Investments in Mutual fund			1,329.86	-
Fixed Deposits			11,285.90	-
			12,615.76	-
			12,635.16	16.03

8 INVENTORIES		
(At lower of cost and net realisable value)		
Raw materials and stones [includes Goods in transit Rs. 416.22 (Previous Year RsNil)]	6,517.37	4,285.23
Work-in-progress	12,557.58	5,317.30
Finished goods [includes Goods in transit Rs. 29.09(Previous Year Rs. Nil)]	17,790.99	10,690.55
	36,865.94	20,293.08

9 SUNDRY DEBTORS		
(Unsecured)		
Debts outstanding for a period exceeding six months		
- considered good	52,906.29	17,830.67
- considered doubtful	408.28	408.28
	53,314.57	18,238.95
Less: Provision for doubtful debts	408.28	408.28
	52,906.29	17,830.67
Other debts - considered good	72,917.58	45,050.88
	125,823.87	62,881.55

10 CASH AND BANK BALANCES		
Cash on hand	72.38	110.13
Balances with scheduled banks on		
- current accounts	4,379.09	3,099.32
- fixed deposit [including margin money deposit Rs. 64,889.15 (Previous year Rs. 68,176.44)]	65,608.39	68,354.14
	70,059.86	71,563.59

11 LOANS AND ADVANCES		
(Unsecured and considered good)		
Loans		
- to body corporate and others	-	1.06
Advances recoverable in cash or in kind or for value to be received	3,253.51	4,099.88
Balances with sales tax authorities	150.59	76.90
Security deposits	698.21	602.46
Income tax [net of provision for income tax Rs. 1039.78 (previous year Rs. 1,091.72)]	213.85	246.16
	4,316.16	5,026.46
<b>Note :</b>		
(a) Maximum amount outstanding by Directors of the Company at any time during the year	-	140.00
(b) Loans and advances to companies under the same management as defined under section 370 (1B) of the Companies Act, 1956:		
- Liberson Delcom Private Limited	-	1.06



## Schedules to the Consolidated Balance Sheet

As at 31 March 2011

	31.03.2011	31.03.2010
<b>12 OTHERS CURRENT ASSETS</b>		
Interest accrued but not due on deposits and loans given	1,953.13	396.07
	<b>1,953.13</b>	<b>396.07</b>

<b>13 CURRENT LIABILITIES</b>		
Temporary book overdrafts	-	136.60
Sundry creditors [refer Note 13 on Schedule 21] *	87,309.93	63,864.69
Foreign currency payable	492.08	2,256.11
Other liabilities	305.33	700.89
	<b>88,107.34</b>	<b>66,958.29</b>
* Includes amount payable on account of Salaries, wages and bonus	209.50	39.81
Directors Remuneration (refer Note 7 on Schedule 21)	49.96	786.26

<b>14 PROVISIONS</b>		
Employee Benefits	78.32	25.48
Provision for proposed dividend [including dividend tax Rs. 302.36 (Previous Year Rs. 201.57 )]	2,122.83	1,415.22
	<b>2,201.15</b>	<b>1,440.70</b>

## Schedules to the Consolidated Profit and Loss Account

For the year ended 31 March 2011

	31.03.2011	31.03.2010
<b>15 OTHER INCOME</b>		
Interest (Gross) on		
- deposits with banks [includes tax deducted at source Rs. 337.94 (Previous Year Rs. 153.90)]	5,311.55	4,961.89
- loans given	-	0.06
Gain on foreign exchange fluctuation (net)	1,503.53	-
Dividend Income	320.18	-
Commission	-	64.45
Provision no longer required written back	-	141.57
Miscellaneous Income	84.95	119.40
	<b>7,220.21</b>	<b>5,287.37</b>

<b>16 INCREASE IN CLOSING STOCK OF WORK-IN-PROGRESS AND FINISHED GOODS</b>		
Closing Stock		
- Work In Progress	12,557.58	5,317.30
- Finished Goods	17,790.99	10,690.55
Less : Opening Stock		
- Work In Progress	5,317.30	2,415.00
- Finished Goods	10,690.55	4,523.72
	<b>14,340.72</b>	<b>9,069.13</b>

<b>17 COST OF RAW MATERIAL AND STONES</b>		
Opening stock	4,285.23	918.52
Add: Purchases	422,601.41	286,834.69
Less: Closing stock	6,517.37	4,285.23
	<b>420,369.27</b>	<b>283,467.98</b>

## Schedules to the Consolidated Profit and Loss Account For the year ended 31 March 2011

	31.03.2011	31.03.2010
<b>18 PERSONNEL COST</b>		
Salaries, wages and bonus	1,254.06	828.34
Employee benefits	70.61	24.19
Staff welfare expenses	18.72	15.51
Directors Remuneration (refer Note 7 on Schedule 21)	1,238.18	812.08
	<b>2,581.57</b>	<b>1,680.12</b>

<b>19 MANUFACTURING AND OTHER EXPENSES</b>		
Sales promotion expenses	451.93	300.10
Legal and consultancy charges	591.75	480.84
Job work charges	186.45	124.75
Alloys and consumables consumed	70.56	32.48
Power and fuel	57.78	29.63
Rent (refer Note 14 on Schedule 21)	131.55	102.76
Repairs & maintenance - others	40.58	25.87
Auditor remuneration (refer Note 6 on Schedule 21)	20.63	25.50
Insurance	88.76	22.40
Rates and taxes	29.28	12.19
Provision for diminution in investment	19.82	0.33
Miscellaneous expenses	763.75	463.05
Commission on sales (others)	-	56.54
Loss on Forward Contract	-	3.13
Loss on foreign exchange fluctuation (net)	-	1,940.82
Provision for doubtful debts	-	22.27
Profit and loss from MCX	-	10.54
	<b>2,452.84</b>	<b>3,653.20</b>

<b>20 INTEREST AND FINANCE CHARGES</b>		
Interest on		
- Buyers' credit, vehicle loan and acceptances	8,813.44	6,415.81
- others	2,245.38	790.48
Bank charges and commission	1,600.37	1,258.19
	<b>12,659.19</b>	<b>8,464.48</b>

## Notes to the Account

<b>21 NOTES TO THE ACCOUNTS</b>		
	<i>(Rs. in Lacs)</i>	
	As at	As at
	31.03.2011	31.03.2010
1. Estimated Capital Commitments (Net of Advance) not provided for	1,289.60	107.77
2. Contingent Liabilities		
i. Corporate Guarantees given		
- on behalf of subsidiaries by Holding Company	7,100.00	6,500.00
- on behalf of holding Company by Subsidiary	10,000.00	-
- on behalf of other group companies	2,228.50	-
	19,328.50	6,500.00
ii. Bills Discounted	100,617.77	90,924.87
iii. Claims against the Company in respect of Income Tax / Sales Tax matters not acknowledged as debts	383.25	405.82

## Notes to the Account

### 21 NOTES TO THE ACCOUNTS (Contd...)

#### 3. Deferred taxation

	As at 31.03.2011	As at 31.03.2010
Deferred tax asset / (liability), net included in the Balance Sheet comprise of :		
<b>Deferred tax assets</b>		
Excess of written down value of assets as per Income Tax Act, 1961 and net book value of such assets	21.72	28.73
(to the extent reversing after the period during which the Company is eligible for exemption under sections 10A and 10AA of the Income-tax Act, 1961)		
Provision for doubtful debts	135.62	135.62
Other timing differences	659.60	602.70
<b>Deferred tax asset / (liability) (net)</b>	<b>816.94</b>	<b>767.05</b>

#### 4. Earnings per share

	As at 31.03.2011	As at 31.03.2010
i. (a) Calculation of weighted average number of equity shares of Rs. 10 each for basic earning per share.		
Number of equity shares at the beginning of the year	48,545,988	21,439,661
Fresh issue of Equity shares through Initial Public offering	12,036,745	-
Bonus Share Issue during the year	-	21,439,661
Conversion of Preference Share during the year	-	1,578,082
Conversion of debenture during the year	-	106,393
Issue of bonus shares for converted preference shares during the year	-	1,578,082
Issue of bonus shares for converted debenture during the year	-	106,393
Weighted average number of equity shares outstanding during the year for basic EPS	60,582,733	46,248,272
(b) Net profit attributable to equity shareholders	29,429	16,730.71
(c) Basic earnings per equity share (Rs.)	48.58	36.18
ii. (a) Calculation of weighted average number of equity shares of Rs. 10 each for dilutive earning per shares		
Number of equity shares at the beginning of the year	48,545,988	21,439,661
Fresh issue of Equity shares through Initial Public offering	12,036,745	-
Bonus Share Issue during the year	-	21,439,661
Conversion of Preference Share during the year	-	1,578,082
Conversion of debenture during the year	-	106,393
Issue of bonus shares for converted preference shares during the year	-	1,578,082
Issue of bonus shares for converted debenture during the year	-	106,393
Weighted average number of equity shares outstanding during the year for dilutive EPS	60,582,733	46,248,272
(b) Net profit attributable to equity shareholders	29,429	16,730.71
(c) Diluted earnings per equity share (Rs.)	48.58	36.18
(Face value per Equity Share of Rs. 10)		
Face Value per Preference share of Rs. 300/- each		
Face value per Debenture is Rs. 10 each.		

60,582,733 (Previous Year 46,248,272) equity shares outstanding for 365 days including:

- 12,136,497 Equity Shares issued during the year through Initial Public offering outstanding for 362 days (previous year Nil).
- 2,666,666 Preference shares converted into equity share on 28 August 2009 outstanding for 216 days in previous year;
- 166,667 Debenture converted into equity share on 11 August 2009 outstanding for 233 days in previous year; and
- 24,272,994 bonus shares allotted on 23 September 2009.

## Notes to the Account

### 21 NOTES TO THE ACCOUNTS (Contd...)

5. In accordance with the Scheme filed with the Hon'ble High Court for amalgamation in nature of merger of eleven subsidiaries of the Company namely, Bajoria Apartments Pvt. Ltd. ("Transferor Company-I"), (ii) M/s. Gold Art Jewellers Pvt. Ltd. ("Transferor Company-II"), (iii) JT Metals & Minerals Exports Pvt. Ltd. ("Transferor Company-III"), (iv) Samukh Exim Pvt. Ltd. ("Transferor Company-IV"), (v) Smart Gold Jewel House Pvt. Ltd. ("Transferor Company-V"), (vi) Galaxy Jewel Art Pvt. Ltd. ("Transferor Company-VI"), (vii) Shrishti Jewel Art Pvt. Ltd. ("Transferor Company-VII"), (viii) Safal Jewellers Pvt. Ltd. ("Transferor Company-VIII"), (ix) Subarna Jewels Pvt. Ltd. ("Transferor Company-IX") (x) Chaturbujh Jewellery House Pvt. Ltd. ("Transferor Company-X"), (xi) Mudrika Jewels Pvt. Ltd. ("Transferor Company-XI") with Easy Fit Jewellery Private Limited, (Transferee Company) a subsidiary of the Company, the scheme is as below:
- The Land and Building belonging to Transferor companies I-XI and all the other assets and liabilities of the Transferor Companies shall be transferred at the value as appearing in the books of the Transferor Companies as at 31 March 2008.
  - The Reserve & Surplus as appearing in the books of the Transferor Companies shall be appearing in the same manner and under the same classification in the books of the Transferee Company. After taking over the assets and liabilities of the Transferor Companies in the manner as stated in the Scheme as at 31 March 2008 and treating the Reserve & Surplus Account as stated in the books of the Transferor Companies as it is, the net surplus or deficit, if any, arising shall be credited to Amalgamation Reserve or debited to Goodwill Account as the case may be, in the books of the Transferee Company.
  - In case of any difference in accounting policy between the companies, the impact of the same till the amalgamation, will be quantified and adjusted in the General Reserve of Transferor Companies to ensure that the financial statements of Transferor Companies reflect the financial position on the basis of consistent accounting policy.
  - To the extent that there are Inter-se investments in shares, inter corporate loans or balances between Transferor Companies and Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of Transferee Company for reduction or any assets or liabilities, as the case may be.
  - Upon coming into effect of the Scheme and in consideration thereof, the Transferee Company shall, without any further act or deed, issue and allot Equity Shares of the Transferee Company to the members of the Transferor Companies I-XI whose names appear in the Register of Members of the Transferor Companies I-XI on the record date determined by the Board of Directors of the Transferee Company ("Record Date") being a date post filing of the sanction order of the Scheme with the Registrar of Companies in the following manner: -  
2,435,300 Equity shares of Rs. 10 each, fully paid up are to be issued /allotted by the Transferee Company to the erstwhile shareholders of the transferor companies mentioned above in consideration for the net identifiable assets transferred on amalgamation as mentioned below:

Transferor Company	Value of Net Identifiable Assets taken over	Aggregate amount of reserves taken over	Consideration	Goodwill / (Amalgamation Reserve)
Transferor Company i	16.05	11.05	1.15	(3.85)
Transferor Company ii	704.29	670.54	51.98	18.23
Transferor Company iii	773.55	463.55	58.90	(251.10)
Transferor Company iv	1.00	-	0.04	(0.96)
Transferor Company v	1.00	-	0.02	(0.98)
Transferor Company vi	1.00	-	0.04	(0.96)
Transferor Company vii	10.20	9.20	0.73	(0.27)
Transferor Company viii	973.05	924.55	71.78	23.28
Transferor Company ix	1.00	-	0.02	(0.98)
Transferor Company x	797.80	778.05	58.86	39.10
Transferor Company xi	1.00	-	0.02	(0.98)

- Rights and obligation arising from inter corporate loans and balances between the companies mentioned in above (including the Transferee Company) need to be set off for the purpose of accounting for the amalgamation.

## Notes to the Account

### 21 NOTES TO THE ACCOUNTS (Contd...)

- g. Equity shares of Rs. 10 each fully paid up are to be issued/allotted by the Transferee Company in the following manner to effect the amalgamation :
- 23 Equity Shares for 100 fully paid up equity shares of Rs. 10/- each of Transferor Company i
  - 154 Equity Shares for 100 fully paid up equity shares of Rs. 10/- each of Transferor Company ii
  - 19 Equity Shares for 100 fully paid up equity shares of Rs. 10/- each of Transferor Company iii
  - 4 Equity Shares for 100 fully paid up equity shares of Rs. 10/- each of Transferor Company iv
  - 2 Equity Shares for 100 fully paid up equity shares of Rs. 10/- each of Transferor Company v
  - 4 Equity Shares for 100 fully paid up equity shares of Rs. 10/- each of Transferor Company vi
  - 73 Equity Shares for 100 fully paid up equity shares of Rs. 10/- each of Transferor Company vii
  - 148 Equity Shares for 100 fully paid up equity shares of Rs. 10/- each of Transferor Company viii
  - 2 Equity Shares for 100 fully paid up equity shares of Rs. 10/- each of Transferor Company ix
  - 298 Equity Shares for 100 fully paid up equity shares of Rs. 10/- each of Transferor Company x
  - 2 Equity Shares for 100 fully paid up equity shares of Rs. 10/- each of Transferor Company xi
- h. The amalgamation of the transferor companies mentioned above with the Transferee Company is accounted for in the books of the Company as an amalgamation in the nature of merger.

#### 6. Auditors remuneration

	As at 31.03.2011	As at 31.03.2010
Statutory audit fees	20.31	22.46
Others	0.32	3.04#
	<b>20.63</b>	<b>25.50</b>

# The above does not include Rs. 47.15 (net of service tax) being share issue expense adjusted against securities premium account

#### 7. Remuneration to Directors\*\*

	As at 31.03.2011	As at 31.03.2010
(a) Director's Remuneration	37.92	36.96
(b) Commission to executive whole time Directors (refer Note 15 below)	1,197.26	769.57
(c) Sitting fees	3.00	5.55
	<b>1,238.18</b>	<b>812.08</b>

\*\* The above amount does not include provision for employee benefits which are based on actuarial valuation carried out on an overall Company basis rather than separately.

8. The details of employee benefits for the period on account of gratuity which is unfunded defined employee benefit plan is as under.

	Year ended 31.03.2011	Year ended 31.03.2010
(i) Particulars	Gratuity- Unfunded	Gratuity- Unfunded
(a) Component of Employer Expense		
Current service cost	18.61	16.99
Interest cost	2.05	1.35
Actuarial (Gains) / Losses	10.75	(10.71)
<b>Total Expenses recognised in the Statement of Profit &amp; Loss Account</b>	<b>31.41</b>	<b>7.63</b>
(b) Change in Defined Benefit Obligation (DBO) during the year ended 31 March 2010		
Present value of DBO at the beginning of period	23.08	17.37
Current service cost	18.61	16.99
Interest cost	2.05	1.35
Actuarial (Gains) / Losses	10.75	(10.71)
Benefits Payments	-	(1.92)
<b>Present Value of DBO at the year end</b>	<b>54.49</b>	<b>23.08</b>
<b>Actuarial Assumptions</b>		
Discount Rate	<b>8.60%</b>	<b>8.90%</b>

The Gratuity expenses have been recognised as 'Employee Benefit' under Schedule 18 to the Profit and Loss Account.

The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

## Notes to the Account

### 21 NOTES TO THE ACCOUNTS (Contd...)

9. Segment information in accordance with Accounting Standard 17 prescribed by Companies (Accounting Standard) Rules, 2006.

The Company is engaged in the business of manufacture and sale of gold jewellery and other articles of various designs/ specification based on customer's requirements and the company's manufacturing facilities are located in India. The risk and returns of the Company are affected predominantly by the fact that it operates in different geographical areas i.e. domestic sales and export sales and accordingly geographical segment have been considered as the primary segment information.

In view of the fact that gold jewellery and other articles are manufactured and sold based on design/ specification specified by the customer there are no business segment to be reported under secondary segment information.

Segment information has been prepared in conformity with the accounting policies adopted for preparation and presentation of the financial statements of the Company.

Primary segment disclosures	31 March 2011 [31 March 2010]		
	Domestic	Export	Total
<b>1 Segment revenue</b>			
External sales	73,789.19 [ 29,940.89]	509,983.19 [ 317,376.62]	583,772.38 [ 347,317.51]
Add: Job work charges	218.36 [ 234.26]	- [ 0.00]	218.36 [ 234.26]
Add: Other income	13.47 [ 182.50]	1,529.34 [ 142.92]	1,542.82 [ 325.42]
Add: Other unallocable income			365.87 [ 0.00]
Add: Interest Income			5,311.53 [ 4,961.95]
<b>Total Revenue</b>			<b>591,210.96</b> [ 352,839.14]
<b>2 Segment results</b>	2,509.45 [ 798.76]	35,900.06 [ 21,656.78]	38,409.51 [ 22,455.54]
Less : Unallocable administrative expenses			1,256.53 [ 1,606.18]
Less: Interest expense			12,659.18 [ 8,464.48]
Add: Interest Income			5,311.55 [ 4,961.95]
<b>Profit before tax</b>			<b>29,805.33</b> [ 17,346.83]
Taxation			340.61 [ 610.04]
<b>Profit after tax</b>			<b>29,464.72</b> [ 16,736.79]
<b>3 Segment assets</b>	12,757.89 [ 6,803.04]	160,780.25 [ 76,291.46]	173,538.14 [ 83,094.50]
Add: Unallocable Corporate / other Assets			90,214.86 [ 78,790.60]
Add: Advance Income-tax (including tax deducted at source) (net)			213.85 [ 246.16]
Add: Deferred Tax Asset			816.94 [ 767.05]
<b>Total assets</b>			<b>264,783.79</b> [ 162,898.31]
<b>4 Segment liabilities</b>	1,858.95 [ 8,573.97]	85,216.73 [ 53,686.92]	87,075.68 [ 62,260.89]
Add: Unallocable Corporate / other Liabilities			1,472.35 [ 4,722.87]
Add: Minority interest			(362.38) [ 326.62]
Add: Loan			60,295.38 [ 37,055.79]
Add: Proposed Dividend (including tax thereon)			2,122.83 [ 1,415.22]
<b>Total liabilities</b>			<b>150,603.86</b> [ 105,781.39]

## Notes to the Account

### 21 | NOTES TO THE ACCOUNTS (Contd...)

Primary segment disclosures	31 March 2011 [31 March 2010]		
	Domestic	Export	Total
5 Cost incurred to acquire fixed assets	89.68 [0.00]	7,401.76 [560.57]	7,491.44 [ 560.57]
Add: Unallocated (excluding capital advances)			1,355.83 [ 155.15]
			8,847.27 [715.72]
6 Depreciation/amortisation	125.53 [0.04]	420.47 [53.18]	546.00 [ 53.22]
Add: Unallocated depreciation/amortisation			107.66 [230.60]
			653.66 [283.82]
7 Significant non cash expenses other than depreciation and amortisation (included in measuring segment results)	- 0.00]	- [0.00]	- [0.00]

Secondary Disclosure	31 March 2011 [31 March 2010]		
	Domestic	Export	Total
1 Carrying amount of segment assets by location of assets	140,359.81 [100,938.27]	124,423.97 [61,960.04]	264,783.79 [162,898.31]
2 Cost incurred to acquire segment fixed assets by location of assets (excluding capital advances)	8,847.27 [715.72]	- [0.00]	8,847.27 [715.72]

Figures in Bracket represent previous year's figure.

#### 10. Related parties disclosure in accordance with AS - 18 prescribed by Companies (Accounting Standard) Rules, 2006

	2010 - 2011	2009 - 2010
(i) Enterprises directly / indirectly are under common control with the Company	(a) Umesh Parekh (HUF)	(a) Umesh Parekh (HUF)
	(b) Nilesh Parekh (HUF)	(b) Nilesh Parekh (HUF)
	(c) Swastik Wheat Product Agencies Private Limited	(c) Swastik Wheat Product Agencies Private Limited
	(d) Liberson Dealcomm Private Limited	(d) Liberson Dealcomm Private Limited
	(e) Aastha Complex Private Limited	(e) Aastha Complex Private Limited
(ii) Individuals owning (directly / indirectly) an interest in the voting power of the Company that gives them control or significant influence (also the key management personnel)	(a) Mr. Nilesh Parekh - Chairman	(a) Mr. Nilesh Parekh - Chairman
	(b) Mr. Umesh Parekh - Managing Director	(b) Mr. Umesh Parekh - Managing Director
	(c) Mrs. Kumud Parekh	(c) Mrs. Kumud Parekh
	(d) Mrs. Rani Parekh	(d) Mrs. Rani Parekh
	(e) Mrs. Sumona Parekh	(e) Mrs Sumona Parekh
	(f) Mr. Kamlesh Parekh	(f) Mr. Kamlesh Parekh
	(g) Mrs. Priti Parekh	(g) Mrs. Priti Parekh
	(h) Mr. Karan Parekh	(h) Mr. Karan Parekh
	(i) Mr. Nischay Parekh	(i) Mr. Nischay Parekh
	(j) Ms. Vansika Parekh	(j) Ms. Vansika Parekh
	(k) Ms. Aastha Parekh	(k) Ms. Aastha Parekh
(iii) Enterprises over which person mentioned in (ii) along with the relatives are able to exercise significant influence.	(a) Kalindi Enclave Pvt Ltd	(a) Kalindi Enclave Pvt Ltd
	(b) Safal Properties Private Limited	(b) Safal Properties pvt Ltd
	(c) Alex Mercury Power Private Limited	(c) Masco Mercantile Pvt. Ltd.
		(d) Icon Tower Pvt. Ltd.
		(e) Reliable Dealer Pvt. Ltd.

(with whom transactions have occurred during the year)

## Notes to the Account

### 21 | NOTES TO THE ACCOUNTS (Contd...)

#### 10. Consolidated statement of related party disclosures, as restated (continued)

Name of the Party	Nature of Transaction	Year ended 31.03.2011	Year ended 31.03.2010
Kalindi Enclave Pvt Ltd	Rent expense	3.60	1.20
	Receivable / (payable) as at the year end	-	(0.20)
Liberson Dealcom Pvt Ltd	Interest received / Receivable during the year	-	0.06
	Loans receivable /(payable) outstanding	-	1.06
Safal Properties Pvt Ltd	Rent expense	72.00	-
Swastik Wheat Products Agencies Pvt Ltd	Rent expense	3.40	1.47
	Security Deposit / Advance	2.50	2.50
	Receivable / (payable) as at the year end	-	(1.29)
Alex Mercury Power Private Limited	Investment	0.19	-
Nilesh Parekh	Loan given	-	70.00
	Repayment of loan given	-	105.05
	Loan taken	1,575.51	-
	Repayment of loan taken	625.00	-
	Remuneration including commission on profit	617.59	403.27
	Receivable / (payable) as at the year end	(24.98)	(381.77)
	Advance taken	-	(0.12)
	Loans receivable /(payable) outstanding	(950.51)	-
Umesh Parekh	Repayment of loan given	-	50.00
	Advance taken	-	0.22
	Loan taken	705.94	-
	Repayment of loan taken	277.44	-
	Remuneration including commission on profit	617.59	403.27
	Receivable / (payable) as at the year end	(24.98)	(404.49)
	Loans receivable /(payable) outstanding	(440.00)	(11.50)
Umesh Parekh (HUF)	Loan taken	165.00	-
	Loans receivable /(payable) outstanding	(165.00)	-
Kumud Parekh	Loans receivable /(payable) outstanding	(195.00)	4.50
	Repayment of loan taken	400.00	13.00
	Loan Taken	595.00	-
Kamlesh Parekh	Loan Taken	175.00	-
	Repayment of loan Taken	175.00	-

11. (a) Pursuant to the approval of the shareholders as on 7 March 2008 and a Shareholders Agreement ('Agreement') dated 12 March 2008, the Company had issued 2,666,666, 0.0001% Cumulative Convertible Preference shares having a value of Rs. 300/- each to an investor in accordance with the terms set out in the Agreement. As per the terms, the Company has converted the Preference Share into Equity Shares on 28 August 2009, in accordance with the procedure stated in the agreement. 2,666,666 no.s of Preference Shares have been converted to Equity Shares at a premium of Rs. 290 per share.
- (b) Pursuant to the approval of the Board of Directors as on 7 June 2007 and a Convertible Debenture Subscription Agreement dated 13 June 2007 the Company has issued 5,000,000 0% Fully Convertible Debentures of Rs.100 each at par. As per the terms of the Agreement, each debenture allotted to the debenture holder would be compulsorily converted to equity shares in case the Company comes out with initial public offer. In the event ,the debentures do not get converted into equity shares by 31 March 2008, the debentures would be mandatorily converted into equity shares at a conversion price laid down in the Agreement based on the audited financial statement for the year 2007-2008. The Company has converted these debentures into 166,667 equity shares on 11 August 2009 at a premium of Rs. 290 per share.



## Notes to the Account

**21** NOTES TO THE ACCOUNTS (Contd...)

12. The Company has made an initial public offer (IPO) to issue 12,136,497 equity shares of Rs. 10 each at Rs. 260 each (includes securities premium of Rs. 250 each) in the year 2009-2010. In the year 2010-2011, the Company has issued and allotted equity shares. Out of the fund raised from IPO amounting to Rs. 315.54 crores, apart from meeting the IPO expenses of Rs. 2,332.34 Lakhs, the Company has utilised the proceeds of the issue amounting to Rs. 16,606.79 Lakhs for setting up and expansion of manufacturing units, setting up of retail outlets, meeting working capital requirements and for general corporate purposes upto the year ended 31 March 2011. The unutilised fund of the issue amounting to Rs. 12,615.76 Lakhs has been temporarily invested in interest bearing liquid instruments including deposit with banks and investment in mutual funds.

During the year the Company has paid an Interim Dividend of Rs. 3 (30% of the paid up equity share capital of the Company) per equity share of face value Rs. 10 each for the year 2010-2011. The Board has recommended a Final Dividend of Rs. 3 (30% of the paid up equity share capital of the Company) per equity share of face value Rs. 10 each. The total dividend (including interim dividend) for the financial year 2010-2011 is Rs. 6 (60% of the paid up equity share capital of the company) per equity share of face value Rs. 10 each.

The proposed dividend for the year ended 31 March 2010 has been considered in the accounts after considering the aforesaid allotment as these shares rank pari passu with the shares outstanding as on 31 March 2010 as regards right to dividend for that year.

13. Based on the information available with the Company, there are no dues to micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006
14. The company has taken an office and other premises on operating lease. Minimum lease payment charged during the year to the Profit and Loss account aggregated to Rs. 131.55 (previous year Rs. 102.76).
15. The previous year's figures have been regrouped or reclassified wherever necessary to conform with the current year's presentation.

For **Chaturvedi & Partners**  
Chartered Accountants  
Registration No: 307068E

For and on behalf of the Board of Directors

**Surojit Banerji**  
Partner  
Membership No.: 050912

**Nilesh Parekh**  
Chairman

**Umesh Parekh**  
Managing Director

**Mukund Chandak**  
Company Secretary

Place: Kolkata  
Date: 26 May 2011

## Shree Ganesh Jewellery House Limited

### Notice

to the shareholders

Notice is hereby given that the Ninth Annual General Meeting of the members of Shree Ganesh Jewellery House Limited will be held on 26th day of May 2011 at 11.00 a.m. at Vidya Mandir, 1 Moira Street, Kolkata – 700 017, to transact the following business:

#### Ordinary business

1. To receive, consider and adopt the audited balance sheet of the Company as on 31 March 2011 and the profit and loss account for the financial year ended on that date together with the reports of the Auditors and Directors thereon
2. To declare dividend for the financial year ended 31 March 2011
3. To appoint a Director in place of Mr. Satish Chandra Chaturvedi, who retires by rotation and being eligible, offers himself for re-appointment
4. To appoint a Director in place of Mr. Dwarka Prasad Mathur, who retires by

rotation and being eligible, offers himself for re-appointment

5. To appoint Statutory Auditors and fix their remuneration; and to pass with or without modification, the following resolutions as an Ordinary Resolution:

“RESOLVED that M/s Chaturvedi & Partners, Chartered Accountants, 1/1 Meredith Street, Kolkata – 700 072 be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company, at an annual remuneration to be decided by the Board of Directors.”

**Registered Office:**  
413, Vardaan Market,  
25A Camac Street,  
Kolkata – 700 016  
Dated: 26 May 2011

By order of the Board  
**Mukund Chandak**  
Company Secretary

## 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 the proxy need not be a member of the Company. A proxy form, duly completed, should be deposited at the registered office of the Company not less than 48 hours before the scheduled time of the Annual General Meeting. A blank proxy form is enclosed.
2. Relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business, as set out above is annexed hereto.
3. The disclosures required under Clause 49 of the Listing Agreement in respect of the Directors being re-appointed in this Annual General Meeting are given as an annexure to this notice.
4. The Register of Members and the share transfer book of the Company will remain closed from 20.08.2011 to 26.08.2011 (both days inclusive).
  - i. The dividend, if declared, will be paid to those members, holding shares in physical form, whose names appear on the Register of Members of the Company, at the close of business hours on 19.08.2011.
  - ii. In respect of shares held in electronic form, the dividend shall be paid to the beneficial owners, as per the list provided by the depositories for the said purpose.
5. Members are requested to notify immediately any change of address:
  - i. To their depository participants (DPs) in respect of their electronic share accounts, and
  - ii. To the Company at its registered office in respect of their physical shares, if any, quoting their folio number, banker's name and account number to ensure prompt and safe receipt of dividend warrants.
6. The annual accounts of the subsidiary companies of the Company are available for inspection by any shareholder in the head office of the holding and concerned subsidiary companies and the hard copy of the same and related detailed information will be furnished, on demand, to any shareholder.
7. Members are requested:
  - i. To bring their copies of the annual report , notice and attendance slip at the time of the meeting.
  - ii. To quote their folio no./ID No. in all correspondence.

## Details of Directors seeking re-appointment at the Annual General Meeting (Item no. 3 And 4 )

Name of the Directors	Mr. Dwarka Prasad Mathur	Mr. Satish Chandra Chaturvedi
Date of birth	05.04.1940	18.01.1946
Nationality	Indian	Indian
Date of appointment on the Board	September 9, 2009	November 21, 2007
Qualifications	M.A. (Economics)	B.Com, FCA
Brief resume and expertise in specific functional area	<p>Mr. Dwarka Prasad Mathur holds a masters degree in economics from the University of Rajasthan, Jaipur. He was associated with the Directorate of Economics and Statistics, Government of Rajasthan from 1960 to 1961 and was associated thereafter with the Perspective Planning Division, Planning Commission, New Delhi. He was responsible for undertaking village studies to focus on changes on account of development programmes initiated by the government during his association with the Agro-Economic Research Center, Sardar Patel University, Vallabh Vidyanagar. From 1967 to 1999, he was associated with the Center for Management in Agriculture, Indian Institute of Management, Ahmedabad and has conducted case studies on evaluation of government sponsored development programmes, processing of agricultural products, farm mechanization, post harvest technology and the feasibility of setting up agro-based industries. He has also been associated with the Food and Agricultural Organisation of the United Nations, Rome as a Resource Person from 1984 to 1986. He has also been a director of the CSIRER, Shivaji University, Kolhapur. He was associated with the Maharashtra Pollution Control Board, Central Leather Research Institute, Ministry of Commerce, the Ministry of Rural Development and is currently the member secretary of the International Institute of Sustainable Development and Management, Ahmedabad. He has been associated with the Company since September 2009.</p>	<p>Mr. Satish Chandra Chaturvedi is a practicing chartered accountant and is a partner of Chaturvedi and Co., a chartered accountancy firm. He started his career as the main partner of his firm and he was associated with many renowned public and private sector companies as auditors. He has an experience of 38 years. He has been associated with the Company since 2007.</p>
Directorships held in other public companies (excluding foreign companies)	Nil	Nil
Membership/chairmanship of Committees of other public companies (includes only Audit Committee and Shareholders'/Investors' Grievance Committee)	Nil	Nil
Number of shares held in the Company	Nil	Nil

Dated: 26 May 2011  
Registered Office:  
413, Vardaan Market,  
25A Camac Street,  
Kolkata – 700 016

By order of the Board  
**Mukund Chandak**  
Company Secretary





Registered Office: 413, Vardaan Market, 25A Camac Street, Kolkata – 700 016

## Proxy

I/We .....of..... in the district of..... being member/s of Shree Ganesh Jewellery House Limited hereby appoint ..... of ..... in the district of..... or falling him ..... of ..... in the district of .....as my / our proxy to vote for me / us on my/our behalf at the Ninth Annual General Meeting of the company to be held on Friday, 26 August 2011 at 11.00 a.m and any adjournment thereof.

Signed this ..... day of ..... 2011.



Folio No. \_\_\_\_\_

DP ID No. \_\_\_\_\_

Clinet ID No. \_\_\_\_\_

Signature \_\_\_\_\_

**Note:**

The proxy duly completed must be deposited at the registered office of the company not less than 48 hours before the time of holding the meeting.



Registered Office: 413, Vardaan Market, 25A Camac Street, Kolkata – 700 016

## Attendance slip

I hereby record my presence at the Ninth Annual General Meeting of the company on Friday, 26 August 2011 at 11.00 a.m at Vidya Mandir, 1 Moira Street, Kolkata – 700 017.

Folio No. or Client ID & DP ID No. \_\_\_\_\_

\_\_\_\_\_  
Full Name of the\* Shareholder / Proxy  
(in BLOCK LETTERS)

\_\_\_\_\_  
Signature of the\* Shareholder / proxy

\*Strike out which ever is not applicable

**Notes:**

- Members/Proxyholders who wish to attend the Annual General Meeting (AGM) must bring their Admission Slips to the AGM and hand over the same duly signed at the entrance. Duplicate Admission Slips will not be issued at the venue.
- Members/Proxyholders desiring to attend the meeting are requested to bring their copy of Annual Report for reference at the Meeting.